

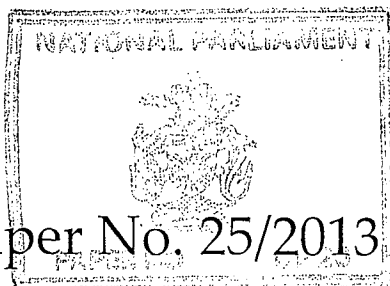


National Parliament of Solomon Islands

Public Accounts Committee

Committee Report

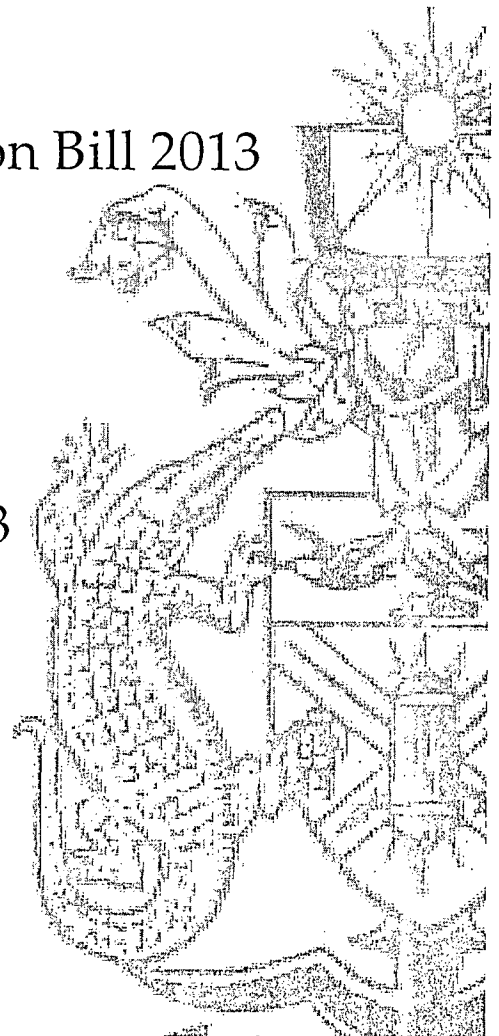
Report on the 2014 Appropriation Bill 2013



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National Parliament Office



COMMITTEE MEMBERS

The current members of the Public Accounts Committee (9th Parliament) are:

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Hon. Matthew C. Wale, MP

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COMMITTEE FUNCTIONS

The Committee is established under *Standing Order 69*; an Order made pursuant to the *Constitution*¹ and has the functions, together with the necessary powers to discharge such, to:

- (a) examine the accounts prescribed by Section 33 of the Public Finance and Audit Act 1978, together with the report of the Auditor General thereon, and to report the results of such examination to Parliament;
- (b) establish the causes of any excesses over authorised expenditure and to make recommendations to Parliament on any appropriate measures to cater for such excesses of expenditure;
- (c) examine such other accounts laid before Parliament as the Committee may think fit, together with any auditor's report thereon and to report the results of such examination to Parliament;
- (d) summon any public officer to give information on any explanation, or to produce any records or documents which the Committee may require in the performance of its duties;
- (e) consider in detail the Draft Estimates prepared by the Government in support of the Annual Appropriation Bill;
- (f) summon and examine the Accounting Officers and Technical staff of Ministries and Departments and require the production of background information and explanation in relation to Draft Estimates;
- (g) report to Parliament in such a way that the report may inform Members prior to the Parliamentary debate thereon of the background to the Draft Estimates draw attention to those matters which the Committee feels should be the subject for such Parliamentary debate; and
- (h) make such recommendations as the Committee sees fit and subsequently receive comments and reports on such recommendations from the Government.

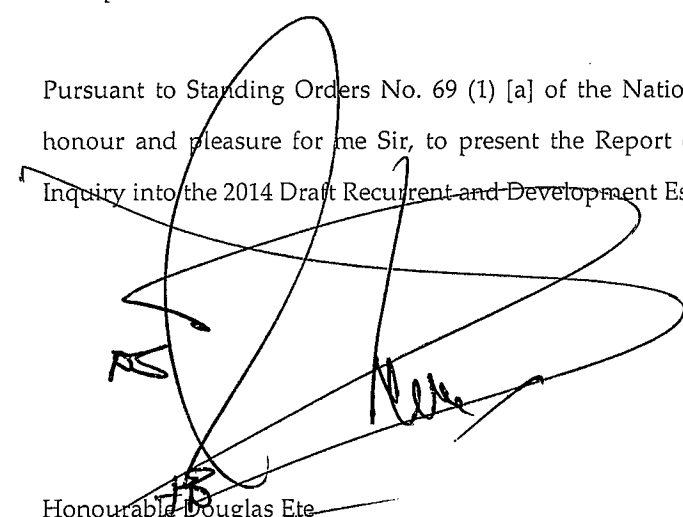
¹ Section 62, *Constitution of Solomon Islands* 1978.

CHAIR'S FOREWORD

REPORT OF THE PUBLIC ACCOUNTS COMMITTEE

Mr. Speaker,

Pursuant to Standing Orders No. 69 (1) [a] of the National Parliament of Solomon Islands, it is an honour and pleasure for me Sir, to present the Report of the Public Accounts Committee into the Inquiry into the 2014 Draft Recurrent and Development Estimates for laying before Parliament.



Honourable Douglas Ete
Chairman
Public Accounts Committee

December 16, 2013

SUMMARY OF RECOMMENDATIONS

Recommendation 1

That the Ministry of Finance and Treasury in the future provide the Committee with the detailed Budget and documentation one month prior to the proposed Budget deliberations in Parliament.

Recommendation 2

The Committee recommends that the future Budget process include a quantified risk analysis to measure the effect of potential risks that could impact on the implementation of programs outlined in the Budget and that a copy of this be provided to the Committee.

Recommendation 3

The Committee recommends that the Ministry of Finance and Treasury provide a list of all virements each year to the Committee as part of the Budget Estimates Inquiry. Further, the Committee expects Ministries to plan and budget for the financial year rather than having unrealistic expectations in terms of the Supplementary Appropriation or Contingency Warrants to fund core policy commitments.

Recommendation 4

The Committee recommends that all Ministries, which have been the subject of an audit report tabled in Parliament, provide an updated Action Plan to the Committee and the Auditor General every 6 months.

Recommendation 5

That the Ministry of Education and Human Resources review its current emphasis on academic tertiary education to consider the manpower needs for vocational training to provide the trades skills required to encourage economic growth.

BACKGROUND TO REPORT

1.0 INTRODUCTION

The National Parliament is the independent law making arm of government to which the Executive is accountable. The Parliament is also the only institution vested with the power to authorize the allocation of public monies through the annual appropriation acts. The Parliament also performs many of its oversight functions through its Standing Committees. The Public Accounts Committee (the Committee) is one of these committees and has given the power to examine the annual Draft Estimates prior to their tabling before Parliament.

This Report outlines the findings of the Committee's examination of the 2014 Draft Estimates that comprise the Recurrent and Development Estimates, the proposed recurrent Establishments Register and the related documents supporting the formulation of the Estimates.

In compliance with the Standing Orders this Report has been prepared for the information of members to assist them in their debate on the 2014 Appropriation Bill 2013. It aims to draw to the attention of the members of Parliament those matters, which the Public Accounts Committee has identified through its inquiry and particularly through the questioning of senior public officers.

The Committee wishes to put on record its appreciation to the representatives of the Central Bank of Solomon Islands and those public officials who appeared before the Committee and provided valuable information to assist the Committee in undertaking its important oversight role including ensuring that public funds are allocated and expended appropriately and for the public good.

1.1 Scope of this Report

Under Standing Order 69, the Committee is responsible to:

- (e) consider in detail the Draft Estimates prepared by the Government in support of the Annual Appropriation Bill;
 - (f) summon and examine the Accounting Officers and technical staff of Ministries and Departments and require the production of background information and explanation in relation to draft estimates;
-

- (g) report to Parliament in such a way that the report may inform Members prior to Parliamentary debate thereon of the background to the Draft Estimates and draw attention to those matters which the Committee feels should be the subject of such Parliamentary debate; and
- (h) make recommendations as the Committee sees fit and subsequently receive comments and reports on such recommendations from the Government.

In exercising these functions the Committee seeks to establish whether:

- the draft estimates have been drawn up within the prevailing legal framework;
- past budget performances were taken into consideration in developing the draft estimates;
- the draft estimates encompass the stated Government policies and that these policies are sound and have been designed and/or formulated based on relevant and appropriate information; and
- the draft estimates are feasible, practical and would ensure the achievement of those policies.

1.2 Methodology

The Committee interviewed and sought views from Permanent Secretaries, Under Secretaries, Chief Accounting Officers, Administrative Officers and other senior officials who are responsible for the development and implementation of the draft estimates. The Committee also obtained and reviewed relevant documents submitted by officials of the Ministries which pertain to the development of the 2014 Draft Estimates.

Due to the very late delivery of the Draft Estimates and 2014 Appropriation Bill 2013, further complicated by delays experienced in appointing an Acting Auditor General to replace the previous Auditor General as Secretary to the committee, there was insufficient time to interview representatives from four of the ministries and four statutory offices covered by the Budget, or

representatives from the private sector to inform the Committee on the financial impact that the government taxation policy has on the private business sector.

Ministries and statutory offices not invited to the committee hearings were invited to provide written submissions and some submissions were subsequently received by the committee.

2.0 COMMITTEE DELIBERATIONS

2.1 Budget Overview

The theme for the 2014 Consolidated Budget is “making a difference in the lives of our people and striving to do better with existing resources”.² The Budget will seek to deliver \$3.5 billion in spending to provide services to all Solomon Islanders with a focus on rural and general economic development, \$2,861.9 million in recurrent expenditure and \$641.1 million in development project expenditure. It has provided for \$34.6 million for contingency warrants to meet unforeseen expenditures throughout the year.

The focus of the government in 2014 is a continuing investment “in rural economic development strengthening the capacity to provide infrastructure and helping to build better lives for all Solomon Islanders”.³ In addition, other funding priorities of the government factored in the 2014 budget are an additional \$250.5 million in the recurrent budget to enable Ministries to maintain existing services and a non-ongoing funding of \$76.3 million for the cost of the National General Elections in 2014.

2.1.1 Recurrent Revenue

Total domestically sourced revenue estimated to be \$2838.6 million, an increase of \$170.3 million compared to the 2013 revised estimate.

Of this total amount, Inland Revenue is to contribute \$1,791.4 million, Customs and Excise to contribute \$818.9 million and other ministries to contribute \$228.3 million.

² 2014 Budget Strategy and Outlook: Budget Paper Volume 1, p.1

³ Ibid.

Donor budget support revenue is estimated at \$664.4 million, a reduction by \$260.2 million in comparison to the 2013 budget support. This figure does not include additional funding for the Solomon Oceanic Cable project, the Honiara Electricity network Upgrade project and the Exim loan.

2.1.2 Recurrent Expenditure

In 2014, Government will be spending \$3.5 billion and this includes donor funding of \$664.4 million, contingency provision of \$34.6 million.

Total 2014 Recurrent Expenditure estimates have been set at \$2,861.9 million. Between the two main components of the recurrent expenditure estimates, Payroll takes up \$855.7 million, which includes \$16.4 million of new money to fund 321 positions. Other Charges for 2014 total to up \$1,399.7 million.

2.1.3 Development Budget

Development expenditure in 2014 is estimated at \$641.1 million, a 32% decrease from the 2013 revised development expenditure. Donor funds make up \$80.0 million.

2.2 Summary of Findings and Recommendations

The Committee heard evidence from Accounting Officers and senior staff within certain key Government Ministries in relation to the Draft 2014 Recurrent and 2014 Development Estimates, the 2014 Establishments Registers. Briefing notes, planning documentation and explanatory material was also tabled with the Committee. A list of Ministries and the schedule of hearings is attached to the report (attachment). The full transcripts of these proceedings are contained in Hansard which is available on the Parliamentary website at www.parliament.gov.sb. A summary of significant issues and matters discussed in Ministries is contained in Part 3 of this Report. The following key findings, common themes and recommendations are summarized below:

2.2.1 Budget Process

The Committee received the 2014 Draft Budget Estimates less than a week before the proposed Committee Hearing and a week before Parliament will sit. This is unacceptable given the need to

satisfy the Committee's expected role in a short time frame. The Committee would expect to receive the annual budget one month in advance of Parliament meeting. This period would allow the Committee to receive ministry submissions two to three weeks in advance of ministry hearings.

The Committee held its last hearing on Thursday 12 December and initially was given less than a day to produce this report for tabling and debate in Parliament on the 13th December 2014. However, due to concern that such a timeframe would mean the tabling of an incomplete report, the tabling date has been moved to 16th December 2013.

This is not a new issue. The Committee noted that in previous reports it has made recommendations for budget papers to be submitted at least a month in advance. The Committee is concerned that the administration of the budget process is not getting any better despite recent budget preparation reforms in the Ministry of Finance and Treasury, and continues to impede the ability of the Committee to properly carry out its oversight role on this whole financial process from line ministries to Parliament.

Recommendation 1

That the Ministry of Finance and Treasury in the future provide the Committee with the detailed Budget and documentation one month prior to the proposed Budget deliberations in Parliament.

2.2.2 Budget Focus

The theme for the 2014 budget is "making a difference in the lives of our people and striving to do better with existing resources". The Permanent Secretary of the Ministry of Finance & Treasury in his presentation before the Committee stated that the overarching budget reform goals for 2014 are;

"To increase efficiency in public expenditure and reduce waste; to ensure ministries are properly resourced to deliver services; build infrastructure; lay the foundation for economic growth and provide development opportunities for people in the rural areas"

The Committee recognizes that these important budget reforms are long overdue and are indeed what the country really needs. However, the Committee fears that the practice of shifting policies

and budgets as the Ministry experienced in 2013 may hinder the achievements of these goals in 2014.

In looking at the framing of the Budget and past performance by the ministries and offices in implementing the activities funded by the Budget, the Committee is mindful of the need to ensure that the collection and expenditure of tax payers' moneys on behalf of the people of Solomon Islands is carried out with due attention to:

- **regularity:** the transactions are in accordance with the law;
- **propriety:** according to the intentions of the Parliament;
- **compliance:** with the law and the intentions of Government policy;
- **equity:** so that all Members and the public were treated equally and fairly; and
- **performance:** in the delivery of goods and services to intended standard with efficiency and effectiveness.

In conducting its hearings, the Committee was provided with many instances where these principles were not being followed. Very lengthy delays in administration of moneys and implementation of projects meant that performance was lacking. Instances were noted where Government Members of the Parliament had easier access to infrastructure funds than those Members not in government – and the resulting distortions sometimes resulted in services being delivered to beneficiaries in less need than others, such as shipping infrastructure projects for example.

Such biased decision-making breaches the principles of equity and performance even though they may be lawful and in accordance with government policy. For the principles of equity and performance to be complied with, decisions should be based on proper needs assessment and cost-benefit analyses to ensure that those goods and services are provided to those most in need.

2.2.3 Budget Risk

The Committee expressed great concern over the potential risk of not collecting the revenue required to implement the programs outlined in the Budget.

Budget Paper Volume 1 *Budget Strategy and Outlook* paints a somber picture. The paper points out that the outlook for the Solomon Islands economy is becoming increasingly challenging. This is because most of the key contributors to growth over recent years are slowing down.

Expected performance in 2013

In real terms, the economy is estimated to have grown by a modest 2.6 per cent in 2012 compared with 6 ½ percent in 2011 and 10 ½ per cent in 2010. Slower growth was largely driven by a sharp contraction in output in the agricultural sector, along with stabilizing logging production and gold production. Exports of all major agricultural commodities (palm oil, copra, and cocoa) recorded a decrease in volume and value during the year due to softening global demand and declining commodity prices. Growth in 2012 was supported by improvements in telecommunications, construction, manufacturing and the trade and services sector, aided by increased donor inflows.

Although the paper expects real economic growth to have increased to around 2.9 percent in 2013, it expects the growth to have come from the construction, manufacturing and services sectors rather than the traditional economic drivers.

The forestry sector is expected to have subtracted slightly from growth in 2013 as a result of log production (around 1.8 million cubic meters) falling below the level of production in 2012. A modest decline in output at the Gold Ridge Mine and lower production in the fishery sector are also expected to subtract from growth in 2013. Growth in the agricultural sector is forecast to be well below trend in 2013.

Expected performance in 2014

The Budget Paper Volume 1 predicts that in 2014 real GDP growth will accelerate to around 4 percent. The prediction is based on increased contributions from the agriculture, fisheries and services sector. Growth in the agriculture sector is forecast to accelerate in 2014 as the prices of major export commodities stabilise. The contribution of the industry sector is forecast to increase in 2014 and support real GDP growth over the medium term, reflecting the impact of solid investment in the manufacturing and construction sectors.

In 2013, overall headline inflation is expected to have averaged around 6 per cent as international fuel and commodity prices and domestic inflation moderates. In 2014, inflation is forecast to moderate slightly to around 5.5 per cent.

The amount of donor funds is also expected to contract during 2014 by 23% down to \$664.4 million. Tied grant funding for health, education, finance, fisheries, police and judicial services by

Australia and New Zealand is expected to decline to \$584.4 million. This does not include the non-cash technical assistance provided by these donors estimated at \$684 million.

Lack of quantified risk estimates

The committee remains concerned about the predictions for overall growth in real GDP in 2014. Once again, as in past years, there is no quantification of risk that the predicted outcomes will fail to materialize.

Budget Paper Volume 1 does identify Government decisions which could adversely affect outcomes (unplanned policy to provide free university education and the increase in payroll costs through overtime and allowances costs), but still does not attempt to measure likely impacts arising from exogenous factors such as the expected reductions in primary sector exports and donor funding support under different scenarios (best case, worst case and most likely case).

A case in point for example is the briefing provided to the Committee by the Central Bank of Solomon Islands which described a revision from 4.2% to 3.1% (a decline of 25% of original estimate) in economic growth for 2013 due to larger than anticipated contractions in the forestry and agriculture sectors.

The Committee noted that this matter has been raised a number of times previously and that a documented risk analysis has still not been prepared by the Ministry.

Recommendation 2

The Committee recommends that the future Budget process include a quantified risk analysis to measure the effect of potential risks that could impact on the implementation of programs outlined in the Budget and that a copy of this be provided to the Committee.

2.2.4 Reliance on virements and Supplementary Appropriation

Some Ministries who attended the hearings indicated that their current bids were inadequate and did not provide the funding required to properly operate and carry out their programs.

Aside from the necessity to balance the budget in line with revenue expectations, the Ministry of Finance & Treasury also apportions some of the blame for the bid reductions on the poorly framed bids submitted by ministries. However, the Committee is of the view that a more inclusive and participatory consultation process with the ministries would improve the quality of the bids.

Instead of revising their programs to match the actual bids approved in the Budget, they indicated that they would either seek additional funding through Supplementary Appropriation in June/July 2014, or use virements or contingency warrants to meet shortfalls in funding programs to implement some of the government's key policy areas.

The Committee was most concerned that this approach is not only inappropriate as the use of the virements and contingency warrants circumvents the lawful process of parliamentary appropriation, but also because it is dependent upon the treasury having sufficient unplanned additional revenue to meet the additional costs. This risk is even further heightened by the conducting of the 2014 General Election later in the year, and there are no guarantees that ministries will obtain the funding shortfalls that they are banking on.

Contingency warrants are provided for by the Constitution only for cases of unforeseen emergencies. The assurance that funds are used for the purpose that they were appropriated is the fundamental control of the Budget process.

The Committee noted that the reliance on Supplementary Appropriations and inappropriate use of virements and contingency warrants has been identified in every report in recent years, but the practice remains entrenched in the system due to poor planning and political necessity.

Recommendation 3

The Committee recommends that the Ministry of Finance and Treasury provide a list of all virements each year to the Committee as part of the Budget Estimates Inquiry. Further, the Committee expects Ministries to plan and budget for the financial year rather than having unrealistic expectations in terms of the Supplementary Appropriation or Contingency Warrants to fund core policy commitments.

2.2.5 Progress on Audit Reports

The Committee followed up with all Ministries subject to audit reports by the Auditor General and noted that Ministries are not implementing recommendations by the Auditor General. Many of the matters identified by the Auditor General have been occurring for many years – particularly acquittal of special imprests, reconciliation of bank accounts and ministry records with Treasury records, and the failure to maintain up to date and complete asset registers.

The Committee previously received Action Plans from many Ministries. The Committee has requested updates of all action plans and recommends strategic follow up audits be undertaken by the Auditor General.

Recommendation 4

The Committee recommends that all Ministries, which have been the subject of an audit report tabled in Parliament, provide an updated Action Plan to the Committee and the Auditor General every 6 months.

2.2.6 Focus on Appropriate Education for Economic Growth

The Committee was very concerned about the current emphasis on tertiary education when economic activity and future growth is becoming increasingly dependent on the manufacturing, construction and service industries as the traditional primary industry sector continues to decline.

The Government has provided a large injection of funds in 2013 to provide free tertiary education to the first intake of students in the newly formed Solomon Islands National University (SINU). Although the Government intends for this to be a 'one off' support to the students, the Committee is skeptical that the Government will be able to avoid repeating this support in future years.

However, the Committee was also concerned that there appeared to be little support for the vocational training sector which is essential for providing tradesmen and women needed in the sunrise industries of manufacturing and construction, as well as for the service industries such as hospitality and tourism.

The Committee expressed great concerns that each year some 10,000 urban youth are completing their education without being sufficiently qualified to enter into formal employment – and that such large numbers of unemployed youth could create social instability.

Recommendation 5

That the Ministry of Education and Human Resources review its current emphasis on academic tertiary education to consider the manpower needs for vocational training to provide the trades skills required to encourage economic growth.

2.2.7 Essential Manpower Establishment

The Committee noted from several ministries that there is shortage of manpower which is negatively impacting on the delivery of quality services for essential services in education, health, law and justice; as well as for other programs requiring planning, monitoring and evaluation of delivery of services such as those activities funded under the Development Budget.

The issue is described further in the relevant ministries' sections of this report.

3.0 COMMITTEE DELIBERATIONS

Standing Order 69 (1) (e) and (f) requires the Public Accounts Committee to examine in detail Draft Estimates prepared by Government in support of the Annual Appropriation Bill. For this purpose, the Committee shall summon the Accounting Officer and technical staff of the Ministries to provide background information and explanations to the Draft Estimates.

Further, provisions of Standing Order 69 (g) and (h) requires that the Committee shall report to Parliament in a manner that would fully inform the members prior to the Parliamentary debate on the Annual Appropriation Bill and shall draw attention to those matters which the Committee feels should be the subject of such Parliamentary debate.

Furthermore, the Public Accounts Committee shall make such recommendations as it thinks fit and receive comments and reports on such recommendations from the Government, particularly action that may be necessary to impose on those concerned.

As indicated previously the full transcripts of these proceedings are contained in Hansard which are available on the Parliamentary website at www.parliament.gov.sb.

3.1 Head 270 Ministry of Agriculture and Livestock Development

3.1.1 Change in Budget Support

The Committee noted an overall reduction in support to the ministry of \$12,858,657 which would have been more without donor support of \$6,120,000 in the Development Budget; as follows:

Budget	2013 Revised	2014	Change
Recurrent – Payroll	14,814,595	15,482,550	667,955
Recurrent – Other Charges	18,205,434	18,084,655	(120,780)
Development - Appropriated	56,569,000	37,043,168	(19,525,832)
Development – Non-Appropriated	0	6,120,000	6,120,000
Totals	89,589,029	76,730,373	(12,858,657)

Part of that apparent reduction in the Development Budget is due to the change in reporting development projects in multi-year rather than in the year of commencement. However, the ministry expressed concern that some of the cuts would prevent the ministry from touring the provinces or rehabilitate the Auki Office which is now a health hazard.

3.1.2 New measures in 2014 Budget

The Committee noted that the following new activities were being provided for in the 2014 Budget:

Activity	2014 Cost	Description
RECURRENT BUDGET		
Promoting Agriculture Natural Growing and Living	\$200,000	To provide \$600,000 over three years to improve agriculture development through conferences and seminars.
SUBTOTAL RECURRENT	\$200,000	
DEVELOPMENT BUDGET		

Agriculture Livelihood/ Improvement & Export Based Expansion	\$3,930,000	<p>To improve the livelihoods of about 10,000 rural and urban dwellers by 2018 through the provision of both technical and project support assistance to the most vulnerable and remote communities in the country.</p> <p>It aims to assist 500 highland crops farmers in the production of onion, carrot, head cabbage, broccoli and other high value crops. Also will support about 1,000 women and youths throughout the country with project support on crop production, floriculture and livestock. Furthermore 500 urban and peri-urban farmers would be assisted in small back yard farming initiatives.</p>
National Food Enhancement	\$3,000,000	<p>To improve the food security status of the country by promoting the production and conservation of indigenous crop. Also assist farmers in the production of exotic imported crops locally for import substitution. Through a food security survey try and get the actual food security status of the country, that will enable the ministry and SIG as a whole to come up with strategies to address food production and nutrition for the country</p>
National Bio-Security Strengthening	\$4,000,000	<p>Four Main Objectives of the programme as follows:</p> <p><i>Prevent the entry of plant and animal pests and pathogens.</i></p> <p><i>Effectively identify and control unwanted pests and diseases.</i></p> <p><i>Improve market access for agricultural products.</i></p> <p><i>Improve trade facilitation.</i></p>
National Cocoa Industry	\$4,020,000	<p>To increase Cocoa production, employment and income benefits for the rural population</p>
Solomon Islands Coconut Industry Development Programme	\$4,020,000	<p>To strengthen the Coconut industry through rehabilitation, processing and value adding activities</p>
National Oil Palm	\$8,000,000	<p>To establish 40,000 hectares of oil palm plantations in both large scale plantations and smallholders' plantations in Solomon Islands.</p>

National Cocoa Planting & Generic Material Development Programme	\$858,168	To improve livelihood of rural cocoa farmers by improving the cocoa genetic materials of the country. These materials will then be closely monitored as clones for 36 months after which most promising ones will be provisionally released and further studies will be conduct over an additional 36 months after which elite materials will be released to the cocoa farmers.
Field Experimental Station & Biotechnology Infrastructure Development	\$1,215,000	To revive the operation of the Agriculture Research Department through the rehabilitation and development of infrastructure of two field experimental stations (FES), in Tenaru and Ringi FES. In addition to the field experimental stations, the existing buildings at Henderson (Honiara, Guadalcanal) and Lata (Santa Cruz, Temotu) will be renovated to cater for diagnostic laboratories
National Livestock Program	\$8,000,000	Livestock Industry Development Strengthened. It comprises seven components namely: (i) National Cattle Development Project (NCDP); (ii) Pig Development Project (PIDP); (iii) Poultry Development Project PYDP; (iv) Honey Development Project (HDP); (v) Animal Health Laboratory Project (AHLDP); (vi) Slaughter House Development Project (SHDP); (vii) Staff Housing Development Project (SHDP). These projects will be implemented concurrently over the next five years.
SUB-TOTAL DEVELOPMENT	\$37,043,168	
TOTAL NEW MEASURES	\$37,243,168	

Matters raised by the Committee in the hearing with the ministry comprised:

- **Construction of slaughter houses** – The Committee was concerned to note that a plan to construct two slaughter houses does not seem to be progressing. The Ministry advised that it had commenced one in Auki, Malaita but it is still not completed due to issues with the contractor; whilst one intended for Honiara, Guadalcanal is yet to go ahead. The Committee expressed its concern that the projects were very delayed.

- **Bio security legislation** – The Committee noted that the ministry has commissioned two consultants to assist it with drafting the legislation with a view to it being completed early next year.
- **Giant Snail** –The Committee expressed its concern that the fight against the Giant Snail is being lost and that the ministry did not have the funds to purchase sufficient baits to service all affected areas.
- **Oil Palm** - The Committee queried progress of its palm oil plantation initiative – particularly in Malaita. The Permanent Secretary advised that two sites at Aulata and Waisisi have been targeted for developing nurseries, using plant stock from Malaysia, although only Waisisi now has a nursery to date.
- **Cattle Project** – The Committee is deeply concerned with the lack of progress regarding the Cattle project. The ministry advised that there is a plan to distribute animals to Tenavatu initially but that farmers needed assistance to improve their farms sufficiently to house the animals. Similar plans are in place for West Kwaio. The Committee also expressed concern that there was little infrastructure such as roads to transport the oil palm produce which is heavy but for which the ministry has been unsuccessful in obtaining funds.
- **Poultry industry** – The Committee expressed concern that the price of poultry had fallen due to imports of chicken from overseas to the point that local farmers were no longer able to compete. The ministry advised that it was researching appropriate local livestock feed as imported feed was reducing profitability, in order to assist farmers better compete against imports.
- **Commercial crop support** – The Committee expressed its concern over the decline in planting of coconuts and cocoa due to inadequate subsidies but also queried the ministry on progress in growing rice. The ministry advised that it was continuing with experimental plots in schools and had established two commercial farms at Gosaruru, Isabel and Paradise, Western with support from ROC advisors.
- **Audit reports** – The Committee noted that the Auditor General had raised the issue of 22 unacquitted imprests amounting to \$492,484 or reconciling its records to Treasury records. The ministry advised that it had commenced deducting from officers' salaries but still working on reconciling records.

3.2 Head 271 Office of the Auditor-General

3.2.1 Change in Budget Support

The Committee noted an overall increase in support to the Auditor General of \$7,675,148 as follows:

Budget	2013 Revised	2014	Change
Recurrent – Payroll	1,961,840	2,413,591	451,751
Recurrent – Other Charges	3,657,010	7,425,540	3,768,530
Development - Appropriated	1,280,000	0	(1,280,000)
Development – Non-Appropriated	0	4,734,867	4,734,867
Totals	6,898,850	14,573,998	7,675,148

However these figures appears to be an artifact of some of the numbers in the 2013 Revised Budget figures – for example, vote 2002 Audit Fees is shown as (\$1,000,000) as against 2013 Original Budget of \$3,226,919 which would mean a decline of (\$226,919) in the 2014 Budget.

3.2.2 New measures in 2014 Budget

The Committee noted that the following new activities were being provided for in the 2014 Budget:

Activity	2014 Cost	Description
RECURRENT BUDGET		
Civil Salaries	\$87,121	To provide funding for the appointment of a Solomon Islander Deputy Auditor General to localize the position, and a driver.

The Committee did not have the opportunity to conduct a hearing into the Office of the Auditor General but noted the following matter continued to be of concern:

- **Greater Independence** – The Committee expressed greater need for the independence of the Auditor General’s office to undertake its examinations and work unhindered to give greater credibility to the Auditor General’s report. Recent events had given pause for thought. A draft National Audit Office Bill is being further revised with assistance from a legal draftsman to give greater independence and broaden the scope for audit by the Auditor General.

3.3 Head 272 Ministry of Education & Human Resources Development

3.3.1 Change in Budget Support

The Committee noted an overall decrease in support to the ministry of \$30,201,165 as follows:

Budget	2013 Revised	2014	Change
Recurrent – Payroll	313,617,939	352,526,335	38,908,396
Recurrent – Other Charges	349,223,604	342,793,576	(6,430,028)
Recurrent – Budget Support	195,940,102	115,000,000	(80,940,102.00)
Development - Appropriated	94,600,000	94,000,000	(600,000)
Development – Non-Appropriated	161,092,881	179,953,450	18,860,569
Totals	1,114,474,526	1,084,273,361	(30,201,165)

3.3.2 New measures in 2014 Budget

The Committee noted that the following new activities were being provided for in the 2014 Budget:

Activity	2014 Cost	Description
RECURRENT BUDGET		
Supporting Quality Education – School Text Books	\$6,000,000	To provide \$12 million over three years to cater for increased demand from schools for text books.
Supporting Quality Education – Provincial Grants	\$2,364,785	To provide \$7.1 million over three years to maintain Provincial Education Authority Grants at 2013 levels.
Supporting Quality Education – Church Grants	\$919,329	To provide \$2.8 million over three years to maintain church grants at 2013 levels.
Supporting Quality Education – Civil Salaries – Long and Dedicated Services Benefits	\$2,257,519	To provide \$2.3 million in 2014 to cater for expected long service leave payments.
Civil Salaries	\$248,272	
SUBTOTAL RECURRENT	\$11,789,905	
Education Infrastructure	\$27,000,000	To provide the junior secondary school with a special classroom.
Transition to University Development	\$50,000,000	To fund SINU development.
Tertiary Training Awards	\$17,000,000	For Tertiary Scholarships.

SUBTOTAL DEVELOPMENT	\$94,000,000	
TOTAL NEW MEASURES	\$105,789,905	

Matters raised by the Committee during the hearing with the ministry raised the following matters:

- **Scholarship** – The Committee enquired as to how the Ministry allocates scholarship awards. A concern was raised whether scholarships are offered based on the need of the country, both in terms of vocational training (which was addressed in Chapter 2 of this report) and the appropriateness of degrees. The Permanent Secretary advised that the scholarships are allocated based on the opportunity list produced by the Ministry of Development Planning to students with GPA of 3 and above. However, the Committee expressed its concern that the ministry did not always follow that list and sometimes allowed students with lower grades to be awarded scholarships. The ministry agreed it was a problem and the Committee emphasized the need for the ministry to adhere to its own policies.
- **Qualifications framework** – The Committee expressed its concern that there did not appear to be a qualifications framework established to ensure that SINU will be providing a quality education. The ministry advised that it was trying to catch up to SINU and that it had restructured the ministry to provide sufficient senior staff to start focusing on such matters.
- **Teach absenteeism** – The Committee advised that the recent investigation conducted by the Education Committee had discovered that much of the problem lay in the lack of time inspections, the poor conditions of the schools, the lack of teacher accommodation, the lack of teacher appraisals and the lack of funds for the proper operation of the Education Authorities. The ministry acknowledged these issues and advised that there were a number of initiatives being put in place to better train principals and head teachers in management skills to better manage the schools and teachers. With respect to the Education Authorities, the ministry advised that it was dependent upon donor support – as was the provision of school inspectors. The Committee suggested that it might be more effective to split the policy role of the ministry from the operational role of the inspectorate and the Education Authorities. The Committee also pointed out that school grants were paid in such a manner that teachers were often absent for lengthy periods as they had to travel to an urban centre to collect the funds.
- **Education Act** – The Committee welcomed the overhaul of the Education Act and suggested to the ministry that the legislation also cater for Early Childhood Education which was absent

from the current educational structure. The ministry agreed that such matters should be included in the review.

- **Nguzu nguzu curriculum** – The Committee queried the ministry whether the Nguzu nguzu curriculum was still appropriate for use in the schools. The ministry advised that opinion was divided and that there was sufficient support to think that teachers needed to be better trained in the materials rather than an issue with the materials themselves.
- **Tertiary scholarships management** – The Committee queried the ministry on the findings of the Auditor General’s report on tertiary scholarships management – a matter which had become more problematic with the ‘one off’ policy on SINU scholarships. The ministry acknowledged that a lot of the problem has arisen from inadequate record keeping systems. The Committee urged the ministry to consider sourcing proper software such as was the case with the hospital in-patient recording system which is now regarded as highly efficient. The ministry advised that a donor was considering how best to assist and the Committee emphasized the need to take a lead to ensure that such a system was timely.
- **Unacquitted special imprests** – The Committee queried the Auditor General’s report that the ministry held \$1,196,041 in unacquitted special imprests. The ministry agreed that it was a major problem but it was now taking steps to identify all such imprest holders in a data base and commence recovery from salaries.

3.4 Head 273 Ministry of Finance and Treasury

3.4.1 Change in Budget Support

The Committee noted an overall reduction in support to the ministry of \$66,772,441 which cut across the board as follows:

Budget	2013 Revised	2014	Change
Recurrent – Payroll	22,909,733	26,600,888	3,691,155
Recurrent – Other Charges	77,475,495	57,900,094	(19,575,401)
Recurrent – Budget Support	34,105,228	12,716,000	(21,389,228)
Development - Appropriated	47,112,050	30,000,000	(17,112,050)
Development – Non-Appropriated	95,820,413	83,433,496	(12,386,917)
Totals	277,422,919	210,650,478	(66,772,441)

3.4.2 New measures in 2014 Budget

The Committee noted that the following new activities were being provided for in the 2014 Budget:

Activity	Cost	Description
RECURRENT BUDGET		
Increase in existing budget - FEDU.	\$55,878	This proposal will address the problem of insufficient funds in existing line items such as, Training, Public servant annual leave, and capex-computer.
Increase in operational costs to support MoFT functions (HQ)	\$1,061,973	This proposal will address the problem of inadequate funds on necessary line items by seeking additional funding for, Fuel, House rent, and Security.
Office Rental	\$120,000	This proposal will address the problem of insufficient funds on office rental by providing additional funding for office rent at Gizo and Shortland for Customs officers.
Investigation Cost (Internal Audit)	\$100,000	This proposal will address the problem of increasing referral cases for investigation by seeking new funding for the implementation of certain internal control to minimize risks.
Annual Licenses for AX & Aurion	\$1,366,237	This proposal will address the problem of insufficient funds on the line item by providing additional funding for the Annual Licenses on the Payroll System and Financial
Three year support & Maintenance of SIG-Konect Metropolitan Area Network	\$1,000,000	This proposal will address the emerging issue of construction and replication of ICT infrastructure in individual ministries is costly and poorly managed by seeking additional funding for the maintenance of services to centralise ICT
Additional bids to recurrent budget - IRD	\$2,110,857	This proposal will address the problem of increase number of staff that need additional equipment by providing additional funding for the support to core business activities to ensure effective operation in IRD Division
Service Maintenance to 40KVA UPS at SIG Data Centre and 10KVA at DR Site	\$220,800	This proposal will address the emerging issue of no proper service agreement to maintain the critical equipment by providing new funding for the maintenance of IT equipment.

Development of staff in MoFT Treasury and across line ministries (SIGAS)	\$630,000	This proposal will address the problem of insufficient funds on necessary line items to organise, develop and deliver financial training to SIG accountants by providing additional funding for the staff development across line Ministries to implement public financial management reforms. (SIGAS)
Debt Management Unit additional bids to recurrent budget	\$60,000	This proposal will address the issue of related cost to staff shortage this year 2013 by seeking additional funding for the support of core business activities in DMU section.
Training Internal Audit	\$1,639,500	Bid to Host 2014 FEMM Meeting
Civil Salaries	\$324,269	Funding for salaries and wage for new staff.
SUBTOTAL RECURRENT	\$32,889,514	
DEVELOPMENT		
Moft Development Programme	\$30,000,000	This is for SIG contributions to RMS, TMS, HIES & the new treasury building. Also for finishing activity of the Customs extension. Funding for the Demographic health survey & the national statistical Development strategy And for varies activities under treasury. ICT
SUBTOTAL DEVELOPMENT	\$30,000,000	
TOTAL NEW MEASURES	\$62,889,514	

Matters raised by the Committee during the hearing with the ministry raised the following additional matters to those addressed in Chapter 2 of this report:

- **Duty exemptions** – The Committee asked the extent of customs and duties exemptions being granted to companies and requested a listing of such exemptions. The Commissioner of Inland Revenue advised that since 1 August 2013 the exemption arrangements have been changed so that an Exemption Committee is now required to consider all new requests for exemptions and the Minister is unable to override its recommendations though the Minister can refer such recommendations back for further information, and it is now possible to identify individual exemptions

- **Unacquitted special imprests** – The Committee queried the Auditor General’s report that the ministry held \$231,723 in unacquitted special imprests. The ministry agreed that it was a major problem but it was now taking steps to identify all such imprest holders and identify their recoverability.
- **Overseas delegations** - The Committee expressed its concern over the size and cost of overseas delegations which would result in considerable imprests to cover travelling costs. The ministry agreed that management of such imprests was problematic and it was looking at the possibility of standardizing travel entitlements such as per diems and accommodation so that acquittals were no longer necessary.
- **Beche de mer export duties** – The Committee queried whether beche de mer exports attracted tax revenue but was advised that this came under the jurisdiction of the Comptroller of Customs.
- **Cash management** – The Committee expressed its concerns that although funds have been appropriated under the budget very often there is no cash to meet the needs of the National Referral Hospital or rural clinics. The ministry responded by advising that it provides advice on availability of revenue when framing the budget but cash shortages will arise when expenditure decisions are made outside of that advice. Virements, prior year savings and expected underperforming of the budget very often provides sufficient funds but it is certainly challenging to try to balance priorities.
- **Reconciliation of financial records and bank accounts** - The Committee queried the Auditor General’s report that the ministry could not reconcile a difference of \$8 million between Internal Revenue revenue collections data and Treasury records; and had not reconciled 28 bank accounts. The ministry advised that its focus was on the main operating accounts and that there was the issue of migration of records to a new accounting system. The ministry believes the problems have now been largely addressed but there was a lagging problem due to timing differences between commercial banks and changes of staff.
- **PNG government grant** – The Committee queried why the PNG Government grant received in 2013 was not reflected as an ongoing grant in future years in the Budget. The ministry advised that although there was a pledge from PNG to provide such a grant each year for the

next 5 years, it was reluctant to include it in the Budget until received and which can then be accessed through Supplementary Appropriation.

- **Assessing value of log exports** – The Committee queried how the ministry satisfied itself that log exports were correctly assessed for duty. The Comptroller of Customs advised that he was working with Forestry to ensure that species and size were correctly recorded. Questioned about export of prohibited species, the Comptroller advised that any permits to export such species was determined by the Central Bank and Forestry.

3.5 Head 274 Foreign Affairs External Trade and Immigration

3.5.1 Change in Budget Support

The Committee noted an overall reduction in support to the ministry of \$3,104,241 as follows:

Budget	2013 Revised	2014	Change
Recurrent – Payroll	4,200,264	5,272,927	1,072,663
Recurrent – Other Charges	41,985,910	32,738,232	(9,247,677)
Development - Appropriated	500,000	2,500,000	2,000,000
Development – Non-Appropriated	0	3,070,773	3,070,773
Totals	46,686,174	43,581,932	(3,104,241)

3.1.2 New measures in 2014 Budget

The Committee noted that the following new activities were being provided for in the 2014 Budget:

Name	Cost	Description
RECURRENT		
Strengthening Friendships – Havana Mission	\$1,708,214	To provide \$5.1 million over three years to continue to have a diplomatic presence in Cuba.
Strengthening Friendships – Kuala Lumpur Mission	\$1,590,000	To provide \$4.7 million over three years to continue to have a diplomatic presence in Malaysia.
Strengthening Friendships - Wellington Mission	\$400,000	To provide \$0.4 million in 2014 to relocate the High Commission in New Zealand from Auckland to Wellington.
Strengthening Friendships – Travel	\$131,837	To provide an additional \$0.4 million to allow officials to travel to international meetings and negotiations.

Maintenance of Missions – Brussels	\$135,483	To provide \$0.4 million of three years to maintain missions to Belgium.
Maintenance of Missions – New York	\$348,570	To provide \$1.1 million of three years to maintain missions to the United States of America.
Suva Mission	\$47,725	To provide \$.1 million of three years to maintain missions to Fiji.
SUBTOTAL RECURRENT	\$4,361,829	
DEVELOPMENT		
MAFAET Infrastructure programme	\$2,500,000	Funding for the building of the Suva Chancery and VIP Lounge.
SUBTOTAL DEVELOPMENT	\$2,500,000	
TOTAL NEW MEASURES	\$6,861,829	

The Committee did not have the opportunity to conduct a hearing into the budget of the ministry but did receive a submission in support of its bids which were not reflected in the Budget to cover salaries for an additional 8 posts; annual grants to its overseas posts and additional funding for its capital works in Fiji and the airport VIP Lounge.

3.6 Head 275 Office of the Governor-General

3.6.1 Change in Budget Support

The Committee noted an increase in support to the Office of the Governor General of \$2,673,640 as follows:

Budget	2013 Revised	2014	Change
Recurrent – Payroll	2,958,050	2,537,909	(420,141)
Recurrent – Other Charges	7,306,596	9,900,377	2,593,781
Development - Appropriated	500,000	1,000,000	500,000
Development – Non-Appropriated	0	0	0
Totals	10,764,646	13,438,286	2,673,640

3.6.2 New measures in 2014 Budget

The Committee noted that the following new activities were being provided for in the 2014 Budget:

Name	Cost	Description
RECURRENT		
Government Office	\$2,497,200	To provide \$2.5 million in 2014 to support the election of a new Governor General to the Solomon Islands and associated cost of travel to be appointed in the United Kingdom.
Civil Salaries	\$53,574	Funding for salaries and wage for new staff
SUBTOTAL RECURRENT	\$2,550,774	
Government House improvement and rehabilitation	\$1,000,000	To meet the ongoing GG building rehabilitation and improvement programme for the existing perimeter fence and the new office space within the GG office. These are ongoing office infrastructure improvement programme.
SUBTOTAL DEVELOPMENT	\$1,000,000	
TOTAL MEASURES	\$3,550,774	

The Committee was unable to conduct a hearing into the budget for this item due to lack of time.

3.7 Head 276 Ministry of Health and Medical Services

3.7.1 Change in Budget Support

The Committee noted an overall reduction in support to the ministry of \$144,131,637 as follows:

Budget	2013 Revised	2014	Change
Recurrent – Payroll	147,511,122	158,440,248	10,929,126
Recurrent – Other Charges	125,739,995	135,700,849	9,960,854
Recurrent – Budget Support	278,929,187	197,753,293	(81,175,894)
Development - Appropriated	28,700,000	26,000,000	(2,700,000)
Development – Non-Appropriated	95,084,494	13,938,771	(81,145,723)
Totals	675,964,798	531,833,161	(144,131,637)

Part of that apparent reduction in the Development Budget is due to the change in reporting development projects in multi-year rather than in the year of commencement.

3.7.2 New measures in 2014 Budget

The Committee noted that the following new activities were being provided for in the 2014 Budget:

Activity	Cost	Description
RECURRENT		
Improving Health Facilities – Security	\$500,000	To provide \$1.5 million over three years to improve security of central administration buildings.
Health Service Conditions – leave fares	\$80,909	To provide \$2.4 million over three years to allow for annual leave fares.
Saving Lives– overseas referrals	\$1,000,000	To provide \$3 million over three years to provide for patient refers to St Vincent Hospital, Sydney Australia.
Preventative Health – increase to primary care in Honiara	\$1,000,000	To provide \$3 million over three years to supplement primary health care in the Capital City.
Saving Lives – Specialist Cardiac Treatment	\$500,000	To provide \$1.5 million over three years to support the costs of specialist cardiac doctors visiting the National Referral Hospital.
Saving Lives – Increased Health Service Grant	\$1,200,000	To provide \$3.6 million over three years to provide a health service grant to the National Referral Hospital.
Workforce Development - Primary Eye Care	\$100,000	To provide \$0.1 million in 2014 to provide training in eye care to nurses in the National Eye Division.
Improving Health Facilities - Tulagi	\$250,000	To provide \$0.3 million in 2014 to improve staff housing at Tulagi.
Workforce Development – Midwifery and Paediatrics	\$300,000	To provide \$0.3 million in 2014 to conduct in-service training for midwives and paediatric nurses at Solomon Islands National University.
Civil Salaries	\$1,201,603	Funding to cater for absorbing skilled and well trained medical, paramedical and nurses to participate in improving health service delivery

Medical Doctors Retention	\$6,213,630	To provide \$18.6 million over three years to retain specialised medical Doctors at the National Referral Hospital.
RECURRENT SUBTOTAL	\$12,349,563.32	
DEVELOPMENT		
Primary Health Care Development Program	\$5,000,000	Empowering the Area Health Centres to deliver needed PHC services through the provision of good standard health facilities; qualified and skilled health personal; quality standard equipment.
Secondary Health Care Development Program	\$3,000,000	Decentralisation of secondary services to provinces where majority of population can be served through improved health facilities, provision of qualified and skilled health personal and provision of quality equipment.
Tertiary Care Development Program	\$15,000,000	Provide quality tertiary health care services for all the people of the urban and rural areas of Solomon Islands through improving the National Referral Hospital facility, equipment and qualified health personals.
Public Health Development Program	\$1,000,000	Rural Water, sanitation and hygiene that are accessible to people who are disable, children, women and the vulnerable through Infrastructure development (office and staff housing) to public health officers in the rural areas.
Cross Cutting Development Program	\$2,000,000	Decentralisation of supply centre to the rural areas by building second level medical stores at the strategic locations like the Area Health Centres, provision of qualified pharmacy technical officer rural centres and provision office administration facility at the Head Quarter.
DEVELOPMENT SUBTOTAL	\$26,000,000	
GRAND TOTAL	\$38,349,563	

Matters raised by the Committee during the hearing with the ministry raised the following matters:

- **Inadequate budget** -The Committee is deeply concerned about the lack of sufficient budget to properly deliver health services at the National Referral Hospital and elsewhere. The ministry agreed and pointed out that the benchmark for staffing adequacy established by WHO was a payroll of 10% of GDP whereas Solomon Islands operated at less than half that level.
- **Private health care** - The Committee queried whether there was thought being given to allow private health care as a means of attracting doctors back from overseas. The ministry advised that it was developing specialist posts and boosting the public system.
- **Professional Disciplinary Boards** – The Committee queried the status of the medical and dental boards which are supposed to be ensuring that medical and dental services were being provided to professional standard. The ministry advised that they had recently been reviewed to see how it may be extended to nursing, health workers and pharmacists. The boards are to be revitalized.
- **Prevention of equipment procurement** – The Committee expressed concern that suspension of purchasing officers due to recent fraud may impact on purchases of vital equipment. The ministry advised that such contracts were through the CTB with reputable overseas companies which make such expensive machines to order.
- **Funding of rural hospitals and laboratory** – The committee was impressed with the Gizo Hospital and queried the status of Kira Kira and the laboratories based in Honiara. The ministry advised that it was currently conducting an extensive survey to assess future needs, including how well Solomon Islands was meeting Millennium Development Goals.
- **Operation of National Referral Hospital** – The Committee expressed great concern over the state of the hospital and queried whether the morgue was being expanded to cater for demand. The ministry advised that additional 12 spaces.

3.8 Head 277 Ministry of Infrastructure Development

3.8.1 Change in Budget Support

The Committee noted an overall reduction in support to the ministry of \$10,033,172 as follows:

Budget	2013 Revised	2014	Change
Recurrent – Payroll	7,827,323	8,614,996	787,673
Recurrent – Other Charges	59,509,574	54,382,328	(5,127,246)
Development - Appropriated	118,800,000	84,000,000	(34,800,000)
Development – Non-Appropriated	210,682,279	239,788,680	29,106,401
Totals	396,819,176	386,786,004	(10,033,172)

Part of that apparent reduction in the Development Budget is due to the change in reporting development projects in multi-year rather than in the year of commencement.

3.8.2 New measures in 2014 Budget

The Committee noted that the following new activities were being provided for in the 2014 Budget:

Name	Cost	Description
Recurrent		
Improving Expertise – house rent	\$600,000	To provide \$1.8 million over three years to provide for additional housing for key staff to improve retention.
Improving Infrastructure – roads	\$400,000	To provide \$1.2 million over three years to increase attention to road maintenance.
Improving Infrastructure – Wharves	\$108,516	To provide \$0.3 million over three years to continue to improve access of communities to wharves.
Improving Infrastructure – Consultation and Management	\$160,000	To provide \$0.5 million over three years to improve consultation with provinces on infrastructure maintenance and to provide ongoing training to staff on infrastructure management databases.
Generating Revenue – Light Dues	\$459,107	To provide \$0.2 million to pay landholder fees for locations where navigation lights are placed, necessary for the collection of light dues from passing ships. The Government will also provide \$0.2 million for the purchase of new canoes in Gizo and Kirakira to help with collections of revenue.

Improving Infrastructure – Transport Support Development Program.	\$1,000,000	To provide \$3.0 million over three years as a contribution to donor support for the Transport Development Program. This agreement will cease in 2016 and will need to be re- negotiated.
Improving Infrastructure – Support to Rapid Employment	\$1,000,000	To provide \$3 million over three years for the Rapid Employment Program which helps to maintain roads around Honiara.
Civil Salary	\$518,102	Funding for salaries and wage for new staff
SUBTOTAL RECURRENT	\$4,245,726	
Rural Transport Infrastructure programme	\$25,000,000	This program is mainly for the rural roads which are in the National Transport Plan but are not funded in the National Transport Fund. Mainly for road rehabilitation and new works. This is an ongoing program.
Main roads Quality Improvement	\$10,000,000	The two roads classified as main roads in the two provinces Guadalcanal(Honiara -Lambi, Honiara Aola) and Malaita Auki-Hauhui, Auki-Fouia, Dala - Atori and California Road. The funds will be used for the rehabilitation and maintenance as Mid is now Currently committed to maintaining them and the funds will be part of the funding for the NTF. This is an ongoing program.
Honiara Road improvement programme	\$6,000,000	This program is to improve Honiara roads now in bad conditions. This an ongoing program under the NTF.
Rural Wharves	\$6,000,000	Solomon Islands depend much on the sea to travel; there we need to have lots of wharves. This program is to fund building of new wharves to help out with the Transportation.
Navigational Aids	\$5,000,000	This program is to conduct feasibility studies on the light houses and construct them. For the phase one only feasibility studies will be conducted. This is an ongoing program.

Munda international one off payment	\$20,000,000	This project was to pay-off the delayed claim of the Munda Airstrip, Noro- Munda road which is part of the SIG obligation to the Projects funded by the New Zealand Government.
Hydrographic Strengthening Programme	\$2,000,000	The Solomon Islands waters need to survey and charted to make shipping routes safer and in times of disasters, when ships or passenger are need to be rescued it will be easier to locate them. This program will be to do the survey and the charting of the Solomon Seas.
Office and Green Terrace Development	\$10,000,000	This program is to build the MID Engineering Complex, upgrade the mechanical workshop, rehabilitate the Marine Headquarters and rehabilitate the Green Terrace which house government officers.
SUBTOTAL DEVELOPMENT	\$84,000,000	
TOTAL NEW MEASURES	\$88,245,726	

Matters raised by the Committee during the hearing with the ministry raised the following matters:

- **Motor Vehicle** – The Committee noted with concern that government vehicles are used and abused uncontrollably. The Committee enquired as to what is the policy on the use of government vehicles. The Permanent Secretary admitted that under the existing policy which gives Permanent Secretaries of line ministries the control over the vehicles allocated to them does not seem effective. Permanent Secretaries are not exercising control over vehicles as expected of them.
- **Encroachment on to road corridors** – The Committee enquired about the progress of the drafting of the building code. The Permanent Secretary has advised that under RAMSI funding the building code is currently reviewed by SKM consultant. When the code is adopted it will be applied on all future building constructions. Existing buildings, unfortunately, will not be subject to the building code standards.
- **Road contracts used for election campaigning** – The Committee raised a concern that a local contractor was using a road contract to campaign for the forthcoming election. The ministry undertook to look into it to ensure that such funds were not being misused.

- **Non-use of under and overpasses** – The Committee queried the failure of people to utilize the over and under passes when crossing the increasingly busy roads which are being hampered by slow drives. The ministry advised that pedestrians feel intimidated by the passes and slow drivers need to be better policed. On the other hand, villagers are damaging roads by cutting ditches and building speed bumps on the highways to slow drivers down and Committee suggested that the ministry investigate the speed bumps used in Fiji which are very effective.
- **National Shipping Grant allocations** – The Committee queried the number and quality of applications for grants which showed that in 2013 5 grants were for \$1M – \$3M while the 17 others were for less than \$100,000. Where those ships were purchased for constituencies, the Committee requested advice on how ownership would be determined – indeed for all constituency assets purchased under the CDF arrangements. The ministry advised that the Attorney General was being requested to provide advice on how to establish ownership of such assets.

3.9 Head 279 National Parliament

3.9.1 Change in Budget Support

The Committee noted an overall increase in support to the Parliament of \$24,791,834 as follows:

Budget	2013 Revised	2014	Change
Recurrent – Payroll	28,398,016	54,051,338	25,653,322
Recurrent – Other Charges	35,625,539	35,363,949	(261,590)
Development - Appropriated	3,000,000	5,000,000	2,000,000
Development – Non-Appropriated	2,599,898	0	(2,599,898)
Totals	69,623,453	94,415,287	24,791,834

3.9.2 New measures in 2014 Budget

The Committee noted that the following new activities were being provided for in the 2014 Budget:

Name	Cost	Description
RECURRENT		
Parliamentary Session and Committee	\$633,333	To provide \$1.3 million over three years to establish up to 10 Parliamentary Committees in the National Parliament of SI, to conduct inquiries and public hearing in all provinces.

MP's Terminal Grant	\$20,000,000	To provide \$20 million in 2014 to pay MP's Terminal grant at the end of a term in Parliament as a form of gratuity for services rendered to the people of Solomon Islands at the particular term in office.
MP's Discretionary Funds	\$6,491,923	To provide \$6.5 million to increase MP's Discretionary Funds as to be paid in accordance with the Parliamentary Entitlement Regulation
Maintaining Communication Links	\$515,631	To provide \$0.5 million in 2014 to upgrade National Parliament Servers. This will help National Parliament staff in helping MPs do
Civil Salaries	\$129,292	Additional funding for new staff.
SUBTOTAL RECURRENT	\$27,770,179	
DEVELOPMENT		
National Parliament Development Programme	\$5,000,000	
SUBTOTAL DEVELOPMENT	\$5,000,000	
TOTAL NEW MEASURES	\$32,770,179	

The Committee was unable to conduct a hearing into the budget for this item due to lack of time.

3.10 Head 280 Ministry of Forestry & Research

3.10.1 Change in Budget Support

The Committee noted an overall reduction in support to the ministry of \$19,458,157 as follows:

Budget	2013 Revised	2014	Change
Recurrent – Payroll	9,307,050	8,974,195	(332,855)
Recurrent – Other Charges	16,555,765	16,820,463	264,698
Development - Appropriated	30,900,000	11,370,000	(19,530,000)
Development – Non-Appropriated	0	140,000	140,000
Totals	56,762,815	37,304,658	(19,458,157)

Part of that apparent reduction in the Development Budget is due to the change in reporting development projects in multi-year rather than in the year of commencement.

3.10.2 New measures in 2014 Budget

The Committee noted that the following new activities were being provided for in the 2014 Budget:

Name	Cost	Description
Recurrent		
Maintaining Growth– Timber Maximisation	\$320,500	To provide \$1 million over three years to monitor timber export in the provinces.
Maintaining Growth – Compliance	\$250,000	To provide \$0.8 million over three years to ensure compliance with cutting of timber by providing more fuel for monitoring.
Forest Management & Technical Services	\$149,000	To provide \$0.4 million to provide technical services and review compliance issues in provinces, including additional funding for local fares for staff and fuel.
Regeneration – Residential Buildings	\$1,284,887	The Government will provide \$1.3 million in 2014 to build new residential buildings in Rennel, Guadalcanal, Afio, Auki, and Malu'u for staff working on Plantation Development Reforestation.
Civil Salaries	\$640,790	Funding for salaries for new staff
SUBTOTAL RECURRENT DEVELOPMENT	\$2,134,543	
Downstream Processing Project	\$3,350,000	The project will provide chainsaws and Lucas mills to forest owners in the constituencies, administered by MPs, and aims at sustainable harvesting.
Natural Forest Resources Development	4,020,000	To provide advice, equipment and plant for communities and regions of Solomon Islands to carry out replanting of various tree species It will also assist in the strengthening/ rehabilitation of the office facilities and nursery in Poitete, MFR HQ and Honiara in terms of the replanting nurseries, equipment and training
National Herbarium Research Laboratory Project	1,000,000	The project will seek to understand the contribution to carbon capture made by Solomon Island forests.

National Herbarium and Botanical Garden fencing and landscaping project	2,000,000	Building of a new office complex and lab at the Botanical Garden. This will assist in the operation of the Herbarium Division in collecting vital information on flora and fauna in Solomon Islands.
SUBTOTAL DEVELOPMENT	\$10,370,000	
TOTAL NEW MEASURES	\$12,504,543	

Matters raised by the Committee during the hearing with the ministry raised the following matters:

- **Medicinal plants** – The Committee queried the nature of the medicinal plant project and was informed that it was intended to capture local knowledge of such plants. The Committee requested the ministry to properly safeguard the intellectual property of such knowledge.
- **Auditor General's report** – The Committee queried the Auditor General's findings that 19 special imprests had not been acquitted, there was a lack of reconciling ministry records against Treasury records and that it did not maintain an asset register. The ministry advised that it was still coming to grips with the new accounting system but that the whole of government needed to take a wider approach to improving these controls.
- **Monitoring of MPs reforestation projects** – The committee queried what arrangements had been put in place to monitor these projects. The ministry advised that this was a large challenge and it would be going to Cabinet to get guidance on monitoring and evaluation arrangements.

3.11 Head 281 Prime Minister's Office & Cabinet

3.11.1 Change in Budget Support

The Committee noted an overall reduction in support to the Office of \$40,866,424 as follows:

Budget	2013 Revised	2014	Change
Recurrent – Payroll	21,660,254	27,974,996	6,314,742
Recurrent – Other Charges	65,342,841	51,185,640	(14,157,201)
Development - Appropriated	3,500,000	6,000,000	2,500,000
Development – Non-Appropriated	37,078,826	1,554,861	(35,523,965)
Totals	127,581,921	86,715,497	(40,866,424)

Part of that apparent reduction in the Development Budget is due to the change in reporting development projects in multi-year rather than in the year of commencement.

3.11.2 New measures in 2014 Budget

The Committee noted that the following new activities were being provided for in the 2014 Budget:

Name	Cost	Description
RECURRENT		
Civil Salaries	\$171,617	Funding for salaries for new staff
SUBTOTAL RECURRENT	\$171,617	
DEVELOPMENT		
OPMC Infrastructure Program (ROC)	\$4,000,000	
PMO Reform Programme	\$2,000,000	
SUBTOTAL DEVELOPMENT	\$6,000,000	
TOTAL NEW MEASURES	\$6,171,617	

Matters raised by the Committee during the hearing with the ministry raised the following matters:

- **Parliamentary Entitlements Committee** – The Committee expressed its concern as to why the PEC was located within the PMO where it is unable to be seen as independent. The Office noted its concerns
- **Auditor General’s report on accounts**– The Committee brought to attention the Auditor General’s report on the Office’s accounts which disclosed the failure to acquit 31 imprests amounting to \$1,560,892, a failure to reconcile 3 bank accounts and a lack of an asset register. The Office advised that the outstanding imprests stem as far back as 2010 but that active steps were being taken including recovery from ex-staff; but assets were only being captured through the MOFT accounting system for IT equipment. The Office acknowledged that the lack of a register usually ends up with loss of assets upon change of government but that enforcement was difficult.

- **Phones** - The Committee expressed concern over the lack of control over phones and phone usage. The Office advised that a strict one phone per person was now being enforced.

3.12 Head 283 Ministry of Police, National Security and Correctional Services

3.12.1 Change in Budget Support

The Committee noted an overall decrease in support to the ministry of \$3,659,303 as follows:

Budget	2013 Revised	2014	Change
Recurrent – Payroll	74,680,287	80,866,457	6,186,170
Recurrent – Other Charges	86,632,942	98,669,505	12,036,563
Recurrent – Budget Support	24,531,496	3,268,999	(21,262,497)
Development - Appropriated	10,000,000	18,000,000	8,000,000
Development – Non-Appropriated	31,625,000	23,005,461	(8,619,539)
Totals	227,469,725	223,810,422	(3,659,303)

3.1.2 New measures in 2014 Budget

The Committee noted that the following new activities were being provided for in the 2014 Budget:

Activity	Cost	Description
RECURRENT		
2014 General Election – Security	\$1,100,000	To provide \$1.1 million to support the Royal Solomon Islands Police Force and Correctional Services Service to support a peaceful and democratic 2014 General Election.
Prisoner Industries & Program	\$500,000	To provide \$1.5 million to implement Industries and rehabilitation programs for prisoners including expansion to provinces.
Increasing Utility Costs	\$3,700,000	To provide \$11.1 million over three years to provide for increasing water costs associated with prisons and other constabulary activities.
Prisoner Services - Food	\$750,000	To provide \$2.3 million over three years to meet the rising cost of providing standard food and catering services to prisoners.
Prisoner Services – Vehicles	\$250,000	To provide \$0.8 million over three years to meet operational requirements for vehicles and machinery.

Prisoner Services – Training	\$200,000	To provide \$0.6 million over three years to meet the cost of training correctional service officers.
Prisoner Services – Specialised equipment.	\$500,000	The Government will provide \$1.5 million to provide equipment, including gensets, to improve the efficiency and effectiveness in managing prisons.
Prisoner Services – Maintenance	\$50,000	The Government will provide \$0.2 million to maintain new equipment to promote effective and efficient prison services.
Civil Salaries	\$1,035,405	Funding for salaries and wage for new staff
SUBTOTAL RECURRENT DEVELOPMENT	\$ 8,085,405	
Lofang and Babanakira	\$8,000,000	New police stations and quarters
Police and Correctional Service infrastructure programme	\$10,000,000	This programme includes non- residential and residential building for RSIPF, CSSI and the Ministry of Police, National Security and Correctional Services. Another component that will be included later is the land purchase for these infrastructure projects.
SUBTOTAL DEVELOPMENT	\$18,000,000	
TOTAL NEW MEASURES	\$26,085,405	

Matters raised by the Committee during the hearing with the ministry raised the following matters:

- **Election security costs** - The Committee was most concerned to learn that the ministry and its associated commissions only received a quarter of the funding it needs to ensure adequate security during the 2014 general election. The costs do not only cover the election itself but also preparations prior to the ballot and the period during the forming of government afterward
- **Police budget deficiencies** – The Committee was also concerned that the ministry and its associated commissions had insufficient funds for officer accommodation, training, uniforms and travel; and strongly supports an increase in such funding. The ministry and its associated commissions required 170 new positions but were only granted 44 – some of these positions

were specialist in nature such as CID which was not functioning effectively due to lack of manpower and skills.

- **Public confidence in police** – The Committee expressed its concerns and frustration with police behaviour which was alleged to be undisciplined and corrupt. Excessive delays in handling criminal cases, unexplained losses of records in police files, and incidents of damage and theft were raised with the ministry. The Acting Police Commissioner explained that she did not feel that it was common though incidents did occur, and invited any aggrieved persons to approach her directly if they had any complaints.
- **Honiara traffic flow** – The Committee queried the causes and solution to the current traffic jams being experienced in Honiara. The ministry believed the Traffic Management Board was not meeting to be able to discuss control; however, the Committee subsequently learnt that this was not the case and recommends that the Police be invited to future meetings.
- **Prisoner pardons** – The Committee queried whether the Parole Board was still functioning and whether it and the Governor General were still issuing pardons. The ministry advised that the Board's term had expired and that new Regulations under the new Police Act were being drawn up to establish procedures for same.

3.13 Head 284 Ministry of Provincial Governments and Institutional Strengthening

3.13.1 Change in Budget Support

The Committee noted an overall increase in support to the ministry of \$17,508,193 as follows:

Budget	2013 Revised	2014	Change
Recurrent – Payroll	18,176,158	22,014,831	3,838,673
Recurrent – Other Charges	67,456,710	74,855,948	7,399,238
Development - Appropriated	27,500,000	41,000,000	13,500,000
Development – Non-Appropriated	7,229,718	0	(7,229,718)
Totals	120,362,586	137,870,779	17,508,193

3.13.2 New measures in 2014 Budget

The Committee noted that the following new activities were being provided for in the 2014 Budget:

Activity	Cost	Description
RECURRENT		
Provincial Health Services – Malaita	\$572,707	To provide \$1.7 million over three years to improve provincial health services in Malaita by increasing the fixed services grants.
Promoting Democracy – 2014 Elections	\$9,000,000	To provide \$9 million in 2014 to cater for six provincial elections and additional efforts required for the General Election.
Staff – House Rental	\$1,580,667	To provide \$4.7 million over three years to meet the costs of providing accommodation to key staff.
Provincial Politicians - Touring Grant	\$882,500	To provide \$2.6 million over three years to provide, in conjunction with existing baseline funding, for 172 MPA's ward touring grant at \$50,000 per member.
Civil Salaries - MPA's Terminal Grant	\$3,282,937	To provide \$3.3 million in 2014 to cover the cost of termination payments.
Civil Salaries	\$318,226	Funding for salaries and wage for new staff
SUBTOTAL RECURRENT	\$15,637,037	
DEVELOPMENT		
Provincial Township Development Program (Taro & Doma)	\$5,000,000	
Provincial Institutional Infrastructure Development Program	\$5,000,000	
Provincial Government Strengthening Program(PGSP)	\$30,000,000	
SUBTOTAL DEVELOPMENT	\$40,000,000	
TOTAL NEW MEASURES	\$55,637,037	

The Committee was unable to conduct a hearing into the budget for this item due to lack of time.

3.14 Head 285 Lands, Housing and Survey

3.14.1 Change in Budget Support

The Committee noted an overall increase in support to the ministry of \$8,125,474 as follows:

Budget	2013 Revised	2014	Change
Recurrent – Payroll	5,330,289	5,800,350	470,061
Recurrent – Other Charges	14,407,164	17,562,577	3,155,413
Development - Appropriated	10,300,000	14,000,000	3,700,000
Development – Non-Appropriated	0	800,000	800,000
Totals	30,037,453	38,162,927	8,125,474

3.14.2 New measures in 2014 Budget

The Committee noted that the following new activities were being provided for in the 2014 Budget:

Activity	Cost	Description
RECURRENT		
Ministry Productivity – New Generator	\$500,000	To provide \$0.5 million in 2014 to purchase a new generator to replace existing faulty generator to improve productivity in the Ministry.
Increase – Annual Leave Fares	\$165,600	To provide \$0.5 million over three years to ensure staff have sufficient annual leave fares.
Housing Development - Maintenance	\$5,000	To provide \$15,000 in 2014 to undertake repairs on leased commercial properties.
Vehicle Insurance	\$40,000	To provide \$0.1 million over three years to provide Insurance for the Ministry's vehicles.
Supporting Land Valuation	\$28,000	To provide \$0.1 million over three years to support allowances of the Lands Valuation Board.
SUBTOTAL	\$738,600	
DEVELOPMENT		
Institutional and Capacity Building Strengthening Programme	\$1,000,000	Funding for The Programmes ensures that, the current legislature and the administrative structure remains effective, efficient and relevant.

Land Development, Preparation and Construction Programme	\$8,000,000	Funding to support on preparing sites (land) and developing Physical Infrastructure & Utilities to support SIG delivery of services to all Solomon Islanders.
Solomon Islands Urban Management Programme	\$3,000,000	Funding to support managing urban land in Solomon Islands inclusive of urban land in the provinces.
SUBTOTAL	\$12,000,000	
TOTAL NEW MEASURES	\$12,738,600	

The Committee was pleased to note the reforms in the ministry after 20 years of hiatus. Matters raised by the Committee during the hearing with the ministry raised the following matters:

- **Contractor failed to perform** – The Committee enquired after the current status of a contractor who failed to perform after receiving advance payment and the ministry had promised to follow up and inform it. The ministry advised that the project was held up due to a boundary dispute but the Committee was dissatisfied that matters were not progressing.
- **Squatters on land for sale** – The Committee queried the ministry’s ability to proceed with the forthcoming sale of sub-divided land when so many squatters were residing on it. The ministry regretted the failure not to apply processes to evict them.
- **Alienated land boundaries against traditional land** – The Committee raised the issue of earlier negotiations with chiefs to agree final boundaries of alienated land. The ministry advised that this process was complete, the boundaries recorded against GIS maps, and a final report was being prepared for final agreement.
- **Unresolved land tensions** – The committee expressed its concern over continuing unresolved land grievances that still need to be properly addressed. The ministry concurred and looked to political will to resolve the dilemma.
- **Land sold to foreigners** – The Committee expressed its concern over the extent that new land releases appear to be sold to foreigners who do not develop it in a timely fashion. The ministry advised that it had the legal power to retrieve the land in such circumstances. If there had been some improvements already commenced on the land the owner would need to be compensated otherwise his purchase price is merely refunded.

3.15 Head 286 Ministry of Development Planning and Aid Coordination

3.15.1 Change in Budget Support

The Committee noted an overall reduction in support to the ministry of \$49,266,346 as follows:

Budget	2013 Revised	2014	Change
Recurrent – Payroll	2,287,023	2,730,984	443,961
Recurrent – Other Charges	5,144,331	6,293,731	1,149,400
Development - Appropriated	31,300,000	2,000,000	(29,300,000)
Development – Non-Appropriated	80,294,707	58,735,000	(21,559,707)
Totals	119,026,061	69,759,715	(49,266,346)

Part of that apparent reduction in the Development Budget is due to the change in reporting development projects in multi-year rather than in the year of commencement.

3.15.2 New measures in 2014 Budget

The Committee noted that the following new activities were being provided for in the 2014 Budget:

Activity	Cost	Description
RECURRENT		
House Rent	\$200,000	To provide \$0.6 million over three years to provide for house rental for new staff and to cater for increases.
Office Rent	\$720,000	To provide \$2.2 million over three years to fund office costs of the National Authorising Office (NAO) previously met by donors.
Maintenance of Motor Vehicles	\$34,000	To provide \$0.1 million over three years to ensure the Ministries vehicle fleet is appropriately maintained.
Telephones	\$20,000	To provide \$0.1 million over three years to ensure essential communications.
Local fares and accommodation	\$50,000	To provide \$0.1 million over three years to ensure officer's provincial travel to conduct workshops and awareness programs on SIG policies.
Civil Salaries	\$4,153	Additional funding for staff overtime.
SUBTOTAL RECURRENT	\$1,028,153	

DEVELOPMENT		
Institutional Development Program	\$2,000,000	The Institutional Development Program is about the need to improve planning, aid coordination and management and monitoring and evaluation in Solomon Islands. It is timely and important as the implementation NDS and Medium Term Development Priorities process have become one of the key activities that the Ministry is heavily engaged in. The necessary support and the need to improve the planning, coordination and monitoring and evaluation processes is why this programme is needed.
SUBTOTAL DEVELOPMENT	\$2,000,000	
TOTAL NEW MEASURES	\$3,032,660	

Matters raised by the Committee during the hearing with the ministry raised the following matters:

- **Budget focus on economic development** – Given the need to develop economic growth, the Committee expressed concern that the allocation of money and resources may not be achieving optimal results. The Committee was unable to determine the impact of these investment dollars in achieving the development of the economy in the medium to long term. The Committee suggested that the Ministry needs to be focused on facilitating economic growth in order to improve the quality of life of Solomon Islanders. The ministry agreed but pointed out it had little control over final budget decisions and the Development Budget is spread across many areas rather than focused on a few large projects.
- **New office building** – The Committee queried the need for a new building and was advised that it was the most cost-effective solution to its accommodation needs.
- **Project delays causing price increases** – The Committee was concerned how long delays in RAM project start times led to underfunding due to price rises. The ministry undertook to provide a list of the projects (subsequently provided) and advised that it had negotiated bulk purchases to lock in prices whereby recipients could obtain the supplies directly as required. This alleviated part of the problem but it still created a funding challenge. The Committee also commented on how slow start times impacted on the larger projects with budgetary consequences. The ministry advised under the new multi-year Development Budget, it will be easier to track and adjust funding requirements from year to year compared to the single year approach previously.

- **Auditor General's report on finance** – the Committee queried the status of unacquitted 17 special imprests amounting to \$437,993, the failure to reconcile ministry records with Treasury and the lack of an asset register. The ministry advised that it was addressing the issues including acquiring software to mirror Treasury records and updating the asset register.

3.16 Head 287 Ministry of Culture and Tourism

3.16.1 Change in Budget Support

The Committee noted an overall reduction in support to the ministry of \$13,873,533) which would have been more without donor support of \$6,120,000 in the Development Budget; as follows:

Budget	2013 Revised	2014	Change
Recurrent – Payroll	2,920,918	2,970,211	49,293
Recurrent – Other Charges	14,793,023	15,570,197	777,174
Development - Appropriated	29,700,000	15,000,000	(14,700,000)
Development – Non-Appropriated	0	0	0
Totals	47,413,941	33,540,408	(13,873,533)

Part of that apparent reduction in the Development Budget is due to the change in reporting development projects in multi-year rather than in the year of commencement.

3.16.2 New measures in 2014 Budget

The Committee noted that the following new activities were being provided for in the 2014 Budget:

Activity	Cost	Description
RECURRENT		
Office Rental	\$155,674	To provide \$4.7 million over three years to ensure sufficient office space is provided for increasing number of staff at MCT Division.
Maintain Motor Vehicle	\$20,000	To provide \$0.1 million over three years to ensure the Ministries vehicle fleet is appropriately maintained
MP's Overseas Travel	\$200,000	To provide \$0.6 million over three years to allow Ministers to travel on specific government business.

Electricity	\$100,000	To provide \$0.3 million over three years to ensure power to key national institutions is provided, including: National Museum, Art Gallery, Museum Auditorium and Culture Divisions
Artifacts and Display	\$12,318	To provide \$36,954 over three years to enable purchasing of artifacts for the ethnographic collection and organise regular displays and exhibitions.
WWII Wrecks & Relics	\$46,090	To provide \$0.1 million over three years to enable purchasing of WWII Wrecks & Relics for the national museum.
Subscriptions & Memberships to SPTO	\$150,000	To provide \$0.5 million to cater for annual subscriptions & memberships fees to South Pacific Tourism Organisation.
Tourism Industry Training	\$600,000	To provide \$1.8 million to provide training to key people in the tourism industry.
Melanesian Festival of Pacific Arts 2014	\$4,000,000	To provide \$4 million in 2014 to cover the costs of hosting the Melanesian Festival of Pacific Arts. This will include the costs of preparatory and planning; uniforms & accessories; accommodation, transport and logistics for provincial participants.
Provincial Culture Promotion	\$100,000	To provide \$0.3 million over three years to support the promotion of provincial culture.
Maintain National Arts Gallery Buildings	\$50,000	To provide \$0.2 million over three years to ensure national monuments are appropriately maintained.
Research and Statistic	\$150,000	To provide \$0.5 million over three years to increase the capacity of the Ministry to undertake research and keep up to date statistical data and other information
SIVB Marketing and Promotions	\$648,740	To provide \$1.9 million over three years to support the important work of the Solomon Islands Visitors Bureau (SIVB), who carry out marketing and promotion activities to help reach tourism development goals set by the Government.
Civil Salaries	\$96,999	Funding for salaries and wage for new staff.

RECURRENT SUBTOTAL	\$6,239,821	
DEVELOPMENT		
Reinvigorating the SINM & NA	\$5,000,000	This is for the initial phases of the new National Museum, review of wreck and war relics Act 1980 & to developing a SI National Museum Act. Also to construct fence and security hut for the National Archives.
SI Tourism Development & Institutional Strengthening Program	\$5,000,000	This is for continuous funding for the Tourism Pilot Projects and provincial information centres.
Tourism Grants	\$5,000,000	To promote the development of eco- tourism product & services undertaken by individuals or organizations that are economically viable and sustainable, demonstrate clear environmental benefits, culturally appropriate and take into account the benefits to the community and the economy at large.
SUBTOTAL DEVELOPMENT	\$15,000,000	
TOTAL NEW MEASURES	\$21,329,821	

The ministry was pleased to advise that through recent efforts Solomon Islands is now ranked 6th as a desirable place to visit by the prestigious *Lonely Planet Guide*. Matters raised by the Committee during the hearing with the ministry raised the following matters:

- **Outstanding bills from FOPA** – The Committee queried why there were no funds in the 2014 Budget to pay still unsettled accounts. The ministry acknowledged that the arrears was still not fully quantified though legitimate claims are now well established – however, the matter was now with MOFT rather than the ministry. The Committee requested a list of the outstanding arrears (still to be provided).
- **Eco tourism MP projects** – The Committee queried the basis for the new cap on funding of rural eco lodges which rendered them ineffective. The ministry acknowledged the concern but advised that it was concerned to be able to demonstrate value for money.
- **Panatina Cultural Village** – The Committee enquired who now owned the village. The ministry advised that it was now part of SINU

- **Tourism School** – The Committee queried the status of the school and was advised that it has been completed and about to be handed over to SINU.
- **National Museum Act** – The Committee queried the status of the new legislation and was advised that it now covers Provincial Ordinances.
- **Tourist data collection** – The Committee enquired on the availability of in depth tourism data and was informed that an extensive survey was planned but without funds for the moment.

3.17 Head 288 Ministry of Commerce, Industry and Employment

3.17.1 Change in Budget Support

The Committee noted an overall reduction in support to the ministry of \$1,622,161 as follows:

Budget	2013 Revised	2014	Change
Recurrent – Payroll	9,618,216	8,378,918	(1,239,298)
Recurrent – Other Charges	26,911,830	27,328,967	417,137
Development - Appropriated	6,800,000	6,000,000	(800,000)
Development – Non-Appropriated	0	0	0
Totals	43,330,046	41,707,885	(1,622,161)

3.17.2 New measures in 2014 Budget

The Committee noted that the following new activities were being provided for in the 2014 Budget:

Activity	Cost	Description
RECURRENT		
House Rent	\$300,000	To provide an additional \$0.9 million over three years for house rental for new staff and cater for increases.
Office Rent	\$300,000	To provide an additional \$0.9 million over three years to cater for office rental of Trade Dispute Panel Office.
Purchase of SI Passports	\$200,000	To provide \$0.6 million over three years to cover the cost of purchasing passports from the United Kingdom, with these costs to be offset by the passport fees.

Publicity & Promotions	\$200,000	To provide \$0.6 million over three years to fund essential processing and packaging equipment to support entrepreneurs engaged in honey, craft, fruit juice, and nut production.
Subscriptions	\$320,000	To will provide \$0.7 million over three years to cover the costs of affiliation to overseas bodies, including the ILO and WTO.
Civil Salaries	\$175,863	Funding for salaries for new staff
SUBTOTAL RECURRENT	\$1,994,993	
DEVELOPMENT		
Private Sector and MSME Development Program	\$2,000,000	Funding to assist Private Sector growth thru implementation of the SME Policy
Industrial and Commercial Estate development	\$4,000,000	Funding to develop identified industrial and commercial estate sites (Bina, Noro, Suava)
SUBTOTAL DEVELOPMENT	\$6,000,000	
TOTAL NEW MEASURES	\$7,994,993	

Matters raised by the Committee during the hearing with the ministry raised the following matters:

- **Bina Harbor Project** - The Committee noted the delay of implementing the Bina Harbor project. The Permanent Secretary advised that the delay is a request from the government to discuss the Terms of Reference of a Consultant to undertake a study on the feasibility of the project. The Committee was concerned that this project has been dragged too long, particularly as the traditional land owners were willing to negotiate without waiting for the court case.
- **Employment data** – The Committee enquired as to whether the ministry had up to date detailed statistics on employment. The ministry advised that it attempted to conduct such a survey in 2013 but did not have the capacity. The Committee suggested that NPF data could be helpful but acknowledged that a lot of employers are not registered to avoid paying taxes. The Committee was also concerned about illegal immigrants taking up jobs and the ministry advised that it was getting 2 new posts to help monitor and intervene in these cases.

- **Tax Exemption Committee** – The Committee asked whether the ministry was able to influence decision making of the Exemption Committee but was told that it was outnumbered by other agencies on the Committee.
- **SME Credit guarantee system** – Committee expressed concern that the guarantee limits were too low to be effective but the ministry advised that the system needed to work in with the commercial banks
- **Industrial relations and consumer legislation** – Committee expressed the view that the industrial relations legislation was very weak with little protection for workers who are injured or are killed, while Solomon Islands should look to Samoa for effective consumer legislation. The ministry advised that draft legislation was with AG Chambers after which discussions will be held with stakeholders.

3.18 Head 289 Ministry of Communication and Aviation

3.18.1 Change in Budget Support

The Committee noted an overall increase in support to the ministry of \$30,557,748 as follows:

Budget	2013 Revised	2014	Change
Recurrent – Payroll	9,357,145	9,957,808	600,663
Recurrent – Other Charges	55,378,158	36,184,872	(19,193,286)
Development - Appropriated	49,200,000	20,000,000	(29,200,000)
Development – Non-Appropriated	26,222,879	104,573,250	78,350,371
Totals	140,158,182	170,715,930	30,557,748

Part of that apparent reduction in the Development Budget is due to the change in reporting development projects in multi-year rather than in the year of commencement.

3.18.2 New measures in 2014 Budget

The Committee noted that the following new activities were being provided for in the 2014 Budget:

Activity	Cost	Description
RECURRENT		
Communications Policy Unit	\$250,000	To provide \$0.8 million over three years for other costs associated with the establishment of a Communications Policy Unit.

Maintenance	\$1,500,000	To provide \$4.5 million over three years to enhance the quality of maintenance to existing provincial airports in the country
Civil Salaries	\$162,943	Funding for salaries and wage for new staff.
SUBTOTAL RECURRENT	\$1,912,943	
DEVELOPMENT		
International Airports (Henderson & Munda) program	\$8,000,000	Provision for the two international airports equipment and Munda Terminal.
Provincial Airports Program	\$12,000,000	Building Terminals and Tar sealing for the Provincials airports and equipments.
SUBTOTAL DEVELOPMENT	\$20,000,000	
TOTAL NEW MEASURES	\$21,912,943	

The Committee conducted a hearing on the ministry's budget and raised the following matters:

- **Allegations of corruption** – The Committee was dismayed at allegations that ministry officials were accepting bribes in order to take up land adjacent to airfield perimeter fences in contravention with the legislation. The ministry denied any such problems existed. Any land occupation was on lease and predated current arrangements.
- **Munda airport** – The Committee queried whether there was still a lot of unexploded ordinance on the airfield and was informed that it had all been cleared within the perimeter fence but that there is still unknown quantities beyond the fence line. There was also an ongoing dispute between the contractor and landowners. The ministry advised that this was close to being settled one contract but needed an approval from the Central Tenders Board before MOFT could settle the claim. The Committee also expressed its concern that the tarmac was already starting to lift and was informed that the matter was being taken up by MID and CASI.
- **Gizo airport** – The Committee queried when the Gizo terminal would be upgraded and was informed that the ministry was still trying to determine the owner of the land

3.19 Head 290 Ministry of Fisheries and Marine Resources

3.19.1 Change in Budget Support

The Committee noted an overall increase in support to the ministry of \$17,478,265 as follows:

Budget	2013 Revised	2014	Change
Recurrent – Payroll	4,773,894	6,140,750	1,366,750
Recurrent – Other Charges	12,608,603	12,868,273	259,670
Recurrent – Budget Support	5,478,528	6,665,000	1,186,472
Development - Appropriated	8,200,000	8,340,000	140,000
Development – Non-Appropriated	18,490,000	33,015,373	14,525,373
Totals	49,551,025	67,029,396	17,478,265

3.19.2 New measures in 2014 Budget

The Committee noted that the following new activities were being provided for in the 2014 Budget:

Activity	Cost	Description
RECURRENT		
PNA Meetings	\$900,000	To provide \$0.9 million in 2014 to host the Parties to the Nauru Agreement (PNA) conference in Honiara in 2014.
MFMR Office Space	\$450,000	To provide \$0.5 million in 2014 to address the ongoing issue of inadequate office space at ministry. The proposal is to convert fisheries eastern office corridor into an office.
Subscriptions to overseas bodies	\$1,333,113	To provide \$4.0 million over three years to cover contributions to regional and overseas bodies, including to Forum Fisheries Agency, International Whaling Commission, and Western & Central Pacific Fisheries Commission.
Civil Salaries	\$451,564	Funding for salaries and wage for new staff
SUBTOTAL RECURRENT	\$3,134,677	
DEVELOPMENT		
Tuna Onshore Development	4,000,000	Funding to secure land for Tuna Onshore Development
Community Fisheries Livelihood Programme	1,340,000	Funding to support Community Fisheries Livelihood & Food Security.

Infrastructure Supporting Development Livelihood	3,000,000	Funding to improvement of infrastructures that support the livelihood programmes
SUBTOTAL DEVELOPMENT	8,340,000	
TOTAL NEW MEASURES	\$11,474,677	

The Committee conducted a hearing on the ministry's budget and raised the following matters:

- **Auditor General's report on tuna fisheries management** – The ministry raised the matter of the report and informed the Committee that it was addressing the issues raised in the report, including establishing a project management unit headed up by a senior official.
- **Tuna onshore investment program** – The Committee requested an update on the progress of establishing these facilities in Doma, Suava and Tenaru. The ministry advised that land was the issue and in the case of Doma is currently before the High Court; an MOU has been signed with the investors and the ministry is awaiting a detailed proposal; with respect to Suava the land issue is more complicated due to the number of groups involved.
- **Traditional and scientific knowledge** – The Committee enquired as to the status of a New Zealand project intended to achieve sustainable management of marine resources. The ministry advised that advisors are currently working alongside ministry officials.
- **Constituency fishing projects** – The Committee questioned whether the ministry had undertaken any evaluation of the effectiveness of constituency fishing projects. The ministry advised that it no longer managed any such projects at present as had occurred in previous years.
- **Beche de mer** – The Committee queried the current status of harvesting beche de mer and the ministry confirmed that it was still banned and that a previous case of illegal export was still being pursued with the Police. Enforcement of the ban on harvesting was proving difficult but the ministry is still actively pursuing matters.

3.20 Head 291 Ministry of Public Service

3.20.1 Change in Budget Support

The Committee noted an overall reduction in support to the ministry of \$4,464,166 as follows:

Budget	2013 Revised	2014	Change
Recurrent – Payroll	10,585,637	7,304,749	(3,280,888)
Recurrent – Other Charges	12,640,969	13,936,550	1,295,581
Development - Appropriated	17,000,000	4,000,000	(13,000,000)
Development – Non-Appropriated	15,808,051	26,329,192	10,521,141
Totals	56,034,657	51,570,491	(4,464,166)

3.20.2 New measures in 2014 Budget

The Committee noted that the following new activities were being provided for in the 2014 Budget:

Activity	Cost	Description
RECURRENT		
Utilities	\$74,244	To provide \$0.2 million to cover additional costs of utilities in the new office space for the Ministry at Town Ground.
Insurance	\$600,000	To provide \$1.8 million over three years to cater for insurance of overseas trips and also for the new office space at Town Ground
SUBTOTAL RECURRENT	\$674,244	
DEVELOPMENT		
Public Services Infrastructure	\$4,000,000	This major infrastructure development project covers non-residential infrastructure outputs, for instance refurbishing the MPS new office complex with office facilities. In addition, new infrastructure provided to support the work of the Institute of Public Administration and Management (IPAM). The infrastructure development project also covers residential infrastructure output. This is mainly the public service housing program to support welfare of public officers across the Public Service and the refurbishment of a government flat to house the Ministry's workforce.
SUBTOTAL DEVELOPMENT	\$4,000,000	
TOTAL NEW MEASURES	\$4,674,244	

The Committee conducted a hearing on the ministry's budget and raised the following matters:

- **Human Resources Information System** - a performance management is carried out. It is a HRM information system that is in place to collaborate information on the Public Services workforce. Progress has been made. The Ministry plans to work with Ministry of Finance and Treasury in order to access recruitment, employment and remuneration codes to be able to produce a report on recruitment.
- **Training policy** - an In-service Training policy is being designed to be in place to moderate the exercise of public servants going on in-service. More procedural processes and bonding will be introduces for such a course. And this In-service Training policy is anticipated to go to cabinet before tabling in Parliament. The necessitate of it is to ensure human resources development is retained and positions are made available to capture trained human resources into the workforces from various existing trainings institution , in particular SINU and USP.
- **Separation awareness** - The Ministry has conducted 2 sessions on "Separation Awareness" for Public Servants who are at or nearing the age of retiring or would be redundant.
- **Registry Manual** The Ministry is planning to orchestrate the practice of keeping a Registry manual for the recordings of data and other relevant information in all ministries.
- **Remuneration Policy** - Component of the Remuneration policy will be regulated by the new Act which is pending the repealing of the Public Service Act. There has been 97 cases received by the office for this year; 44 cases have been concludes while 53 are still pending.
- **Taskforce on Remuneration Policy and Act** - a Task force is engaged to research on the remunerations policies. The Ministry planned with the Budget to repeal the Public Service Act and bring it to Parliament in the coming year. The New Act will specify Public Service organization's responsibilities, management of Public Service employment in terms of establishment and remuneration. Drafting of instructions by a Technical Draftsman is in progress in association with the Attorney General Chamber.
- **Absenteeism** - absenteeism amongst public officers are also becoming an issue, and has financial impediments is not managed. The repealing of the current Public Service Act is hoping to address this along with the disciplinary measures that will be tighten.

- **IPAM** - the Institution of Public Administration and Management have conducted 87 courses and have seen to 1671 public officers receiving required trainings. The courses includes code of conduct, public service induction, Information Technology (IT) training, public admin and leadership and management. All ministries were covered including all provinces. The Ministry is anticipating such activities to be carried out again with the current budget.
- **Decentralization of Submissions** - this program was piloted by the Ministry of Health and Medical Services. The arrangement allows the MHMS to make submission directly to Commissioner. The arrangement was deemed successful.
- **Completion of New Office** - the Ministry has concluded its major development which is the New Office Complex. The Ministry has seen saving of \$3.3million on Office rental as an achievement. There is a tremendous reduction on rentals for their Ministry.
- **Engagement of Technical Advisors and Human Resource Managers** - The Ministry is anticipating 17 Human Resource Managers Diploma grandaunts from Divine Word, under a scheme to Training and qualifies Human Resources Managers into the system.

3.21 Head 292 Justice and Legal Affairs & Head 296 National Judiciary

3.21.1 Change in Budget Support

The Committee noted an overall reduction in support to the ministry of \$41,265,992 as follows:

Budget	2013 Revised	2014	Change
Recurrent – Payroll	9,740,563	11,435,021	1,694,458
Recurrent – Other Charges	17,944,694	16,502,116	(1,442,578)
Recurrent – Budget Support	2,500,376	1,583,836	(916,540)
Development - Appropriated	2,000,000	9,000,000	7,000,000
Development – Non-Appropriated	72,831,100	25,229,768	(47,601,332)
Totals	105,016,733	63,750,741	(41,265,992)

Part of that apparent reduction in the Development Budget is due to the change in reporting development projects in multi-year rather than in the year of commencement.

3.21.2 New measures in 2014 Budget

The Committee noted that the following new activities were being provided for in the 2014 Budget:

Activity	Cost	Description
RECURRENT		
Consultancy fee	\$898,064	To provide \$1.1 million in 2014 and early 2015 to provide for the costs of consultant Legal Draftsman under Attorney General Chambers.
Consultancy fee	\$1,013,284	To provide \$3.0 million over three years to support general legal advice to the Solicitor General.
Housing Rent	\$500,000	To provide \$1.5 million to ensure suitable accommodation is provided for key Ministry staff.
Court circuit costs	\$200,000	To provide \$0.6 million over three years to support the Office of the Director of Public Prosecution to perform their core function to prosecute.
Staff Training	\$100,000	To provide \$0.1 million in 2014 to improve the standard of the ODPP SI office through learning to attend International Association of Prosecutors (IAP) conferences, to have knowledge and ideas of international standards of prosecution.
Provincial HQ Awareness/ consult-AGC	\$90,000	To provide \$0.3 million over three years to conduct awareness and consultation to the provincial headquarters under Attorney General Chambers.
Formal Court Attire- PSO, ODPP & AGC.	\$255,612	To provide \$0.3 million in 2014 to cater for Formal Court Attire for the Public Solicitor's Office, Office of the Director of Public Prosecution and Attorney General Chambers.
Civil Salaries	\$466,145	Funding for salaries for new staff
SUBTOTAL RECURRENT	3,523,105	
DEVELOPMENT		

MJLA Institutional Infrastructure Programme	\$9,000,000	Funding for New MJLA Office Complex and Staff Housing
SUBTOTAL DEVELOPMENT	\$9,000,000	
TOTAL NEW MEASURES	\$12,523,105	

The Committee did not conduct a hearing on the National Judiciary budget as it ran out of time. The ministry did provide the Committee a written submission.

3.22 Head 293 Ministry of Home Affairs.

3.22.1 Change in Budget Support

The Committee noted an overall increase in support to the ministry of \$14,083,848 as follows:

Budget	2013 Revised	2014	Change
Recurrent – Payroll	1,909,385	2,472,277	562,892
Recurrent – Other Charges	68,269,568	82,405,853	14,136,285
Development - Appropriated	2,500,000	1,500,000	(1,000,000)
Development – Non-Appropriated	6,415,329	6,800,000	384,671
Totals	79,094,282	93,178,130	14,083,848

Part of that apparent reduction in the Development Budget is due to the change in reporting development projects in multi-year rather than in the year of commencement.

3.22.2 New measures in 2014 Budget

The Committee noted that the following new activities were being provided for in the 2014 Budget:

Activity	Cost	Description
RECURRENT		
Solomon Island Electoral Commission	\$56,108,860	To provide \$56.1 million in 2014 to ensure democratic elections are run effectively in 2014. This includes the completion of Biometric Voter Registration and Legislation of Political Parties Integrity Bill.
Nukapu Chapel Project	\$631,736	To cater for shortfall of funds to complete the Bishop Paterson memorial chapel on Nukapu Islands, Temotu Province
Civil Salaries	\$439,022	Funding for salaries and wage for new staff
SUBTOTAL RECURRENT	\$57,179,618	

DEVELOPMENT		
Solomon Island Electoral Commission IT Program.	\$1,500,000	The program will develop an IT System that hopes to sustain the general voters listing and that the system can also be easily updated every time nearing election periods.
SUBTOTAL DEVELOPMENT	\$1,500,000	
TOTAL NEW MEASURES	\$58,679,618	

3.23 Head 294 National Unity, Reconciliation and Peace

3.23.1 Change in Budget Support

The Committee noted an overall increase in support to the ministry of \$5,334,327 as follows:

Budget	2013 Revised	2014	Change
Recurrent – Payroll	2,320,742	2,795,138	474,396
Recurrent – Other Charges	8,261,639	10,121,570	1,859,931
Development - Appropriated	0	3,000,000	3,000,000
Development – Non-Appropriated	3,500,000	3,500,000	0
Totals	14,082,381	19,416,708	5,334,327

3.23.2 New measures in 2014 Budget

The Committee noted that the following new activities were being provided for in the 2014 Budget:

Activity	Cost	Description
RECURRENT		
Reconciliation program grant - Choiseul	\$204,334	To provide \$0.6 million over three years to cater for community reconciliation programs and meetings in Choiseul Province.
Reconciliation program grant - Malaita	\$297,811	To provide \$0.9 million over three years to support peace building process through reconciliation programs to be conducted in Malaita Province.
Reconciliation program grant - Guadalcanal	\$560,864	To provide \$1.7 million over three years to facilitate consultation and reconciliation programs to be conducted in Guadalcanal Province.

Reconciliation program grant - Western	\$128,236	To provide \$0.4 million over three years to support an integrated approach to peace building in Western Province.
Organizational Administration	\$100,000	To provide \$0.3 million over three years to allow the Ministry of National Unit to develop a multi-stakeholder approach in working with church groups and other NGOs.
House Rental	\$664,650	To provide \$2.0 million over three years to ensure newly recruited staff have sufficient access to housing and to cater more broadly for increasing costs.
Motor Vehicle	\$335,750	To provide \$0.3 million in 2014 to provide new vehicles for the Guadalcanal Peace office.
Fuel	\$60,000	To provide \$0.2 million to cover fuel costs of the Ministry Headquarter as well as Provincial Offices
Annual Leave Fares	\$10,000	To provide \$30,000 over three years to cover annual leave fares of new staff.
Entertainment	\$200,000	To provide \$0.6 million over three years to support celebrations of International Peace Day.
Capex-Computer software and hardware-Purchase: Western	\$294,414	To provide \$0.3 million in 2014 to cover the cost of new computers for new officers for Headquarter and the Provincial Offices.
Conferences, Seminars and Workshops	\$279,843	To provide \$0.3 million to allow staff to travel to relevant overseas conferences and seminars.
Civil Salaries	\$167,968	Funding for salaries for new staff.
SUBTOTAL RECURRENT	\$3,303,870	

DEVELOPMENT		
National Peace building, State building and Institutional Development Program	\$3,000,000	The National peace building, state building and institutional development programme comprises the following five components:- <u>Component 1:</u> Establishing of Cultural Peace Centers in the Provinces, <u>Component 2:</u> Early Warning Systems / Resilience to conflict <u>Component 3:</u> Human Resource Development Plan <u>Component 4:</u> Institutional Infrastructure – Office & Staff Residential Development
SUBTOTAL DEVELOPMENT	\$3,000,000	
TOTAL NEW MEASURES	\$6,303,870	

The Committee conducted a hearing into the budget of the ministry and raised the following matters:

- **Status of Weathercoast reconciliations** – The Committee was concerned about progress and proper process in conducting peace and reconciliation ceremonies with affected communities and asked the status of the Weathercoast peace-making. The ministry advised that the ceremony was to be held the following week at a cost of \$3.8M when taking into account transport, security and logistics.
- **Truth and Reconciliation Report** – The Committee expressed its concern that the Government has still not tabled the report in the Parliament as required by law. The ministry advised that it had been requested to prepare a Cabinet Submission for consideration due to the nature of the information it contained.
- **Workplan framework** – The Committee was concerned about the effectiveness of some of the ceremonies that had already taken place. The ministry agreed that early attempts were not carefully enough thought through and it was preparing a framework for Cabinet which would be considered at a Round Table to ensure that new ceremonies properly accounted for the underlying issues.

- **UN Food Security Trust Fund** – The Committee queried the nature of the fund and was informed that it was to fund UNDP rural community projects; particularly water supply and sanitation.

3.24 Head 295 Ministry of Mines, Energy and Rural Electrification

3.24.1 Change in Budget Support

The Committee noted an overall increase in support to the ministry of \$85,310,678 as follows:

Budget	2013 Revised	2014	Change
Recurrent – Payroll	4,708,919	5,968,736	1,259,817
Recurrent – Other Charges	13,660,791	12,487,123	(1,173,668)
Development - Appropriated	27,630,000	22,020,000	(5,610,000)
Development – Non-Appropriated	45,785,154	136,619,683	90,834,529
Totals	91,784,864	177,095,542	85,310,678

3.24.2 New measures in 2014 Budget

The Committee noted that the following new activities were being provided for in the 2014 Budget:

Activity	Cost	Description
RECURRENT		
Electricity	\$1,000,000	To provide \$3 million over three years to ensure adequate supply of electricity to the Ministry of Mines and Energy.
Subscription to Organizations	\$70,000	To provide \$2.1 million over three years to allow for membership to relevant international organisations.
Maintain - Machinery	\$150,000	To provide \$0.5 million over three years to ensure machinery of the Ministry of mines is maintained adequately.
Conferences, Seminars and Workshop	\$200,000	To provide \$0.6 million to the allow Ministry officials to participate in international and Regional organizations conferences and seminars.
Transport - Other	\$160,000	To provide \$0.2 million over three years to allow staff to travel to all provinces in the country to do Geo-Hazard Awareness and Provincial Geological mapping.

Monitoring & Evaluation	\$100,000	To provide \$0.3 million over three years to undertake monitoring & evaluation of areas where mining and prospecting activities are conducted.
Fuel	\$50,000	To provide \$0.2 million over three years to ensure sufficient fuel for the Ministry to monitor Gold Ridge Tailing Dam and Gold Ridge Plant Site and other alluvial mining activities in Guadalcanal.
SUBTOTAL RECURRENT	\$1,730,000	
DEVELOPMENT		
Renewable Energy Development	\$10,000,000	<p>Provision of building solar energy, wind energy and mini hydro facilities at schools and provincial areas on trial basis. This will cover for all of the provinces.</p> <p>At the same time; this project will also assist in the Tina Hydro Project in terms of provision of funds for Project management, government contribution and the logistic support.</p> <p>Also carry out mini hydro schemes and pilot projects, to seek endorsement of good feasible projects to be implemented by various organization. This includes ADB's mini hydro scheme in Auki</p>
Constituency Renewable Rural Electrification	\$4,020,000	The project will purchase and provide solar panels to constituency members, who will transport it to enlisted people in the constituencies. This project is administered by MPs, they will provide the listing and the funds to Energy Division and the Division will procure the items on their behalf. The equipments will then be given to the MPs, who will distribute it by themselves or thru the CDOs the project aims at providing suitable electricity to all.

SI Water Sector Development Program	\$7,000,000	This programme is to build the water capacity in Honiara through SIWA. It will involve in carrying out logistic support and other contribution of supply pipes and project management to support the JICA and AusAID – SIWA Water Project. The programme is also will support GEF programme in trying to make adaptation measures of water resources in Solomon Islands in addressing climate change/ disaster risk
Geology Laboratory (ROC)	\$1,000,000	Building of a new office complex and provision of a new lab equipments at Office Hq. This will assist in the operation of the Geo tech in collecting vital information composition of mineral, geological and other studies and researches. This will be the basis on making good determination of experimental knowledge on the natural gems and mineral deposits in country and do lab analysis of these resources. The building of such facilities and equipment will save us a lot of money from doing research overseas and at most build our research capabilities.
SUBTOTAL DEVELOPMENT	\$22,020,000	
TOTAL NEW MEASURES	\$23,750,000	

3.25 Head 296 National Judiciary

3.25.1 Change in Budget Support

The Committee noted an overall reduction in support to the Judiciary of \$55,908,907 as follows:

Budget	2013 Revised	2014	Change
Recurrent – Payroll	7,932,333	9,573,783	1,641,450
Recurrent – Other Charges	15,626,975	10,826,150	(4,800,825)
Recurrent – Budget Support	552,049	7,932,717	7,380,668
Development - Appropriated	4,000,000	3,000,000	(1,000,000)
Development – Non-Appropriated	59,130,200	0	(59,130,200)
Totals	87,241,557	31,332,650	(55,908,907)

Part of that apparent reduction in the Development Budget is due to the change in reporting development projects in multi-year rather than in the year of commencement.

3.25.2 New measures in 2014 Budget

The Committee noted that the following new activities were being provided for in the 2014 Budget:

Activity	Cost	Description
RECURRENT		
Magistrate Malaita - Fuel	\$10,000	To provide \$30,000 over three years to cater for the new OBM canoe to be purchased for Magistrate Malaita.
Magistrate Malaita – OBM Canoe	\$31,590	To provide \$31,590 in 2014 to purchase one outboard motor canoe for Malaita.
Magistrate Western - Fuel	\$10,000	To provide \$30,000 over three years to cater for the new OBM canoe to be purchased for Magistrate Western.
Magistrate Western – OBM Canoe	\$31,590	To provide \$31,590 in 2014 to purchase one outboard motor canoe for Western.
Magistrate Eastern - Fuel	\$10,000	To provide \$30,000 over three years to cater for the new OBM canoe to be purchased for Magistrate Eastern.
Magistrate Eastern – OBM canoe	\$31,590	To provide \$31,590 in 2014 to purchase one outboard motor canoe for Eastern.
Civil Salaries	\$220,955	
SUBTOTAL RECURRENT	\$345,725	
DEVELOPMENT		
NJ Institutional Infrastructure Programme	\$3,000,000	Funding for NJ Housing, Central Magistrates Complex, National Court Houses Rehabilitation & Construction
SUBTOTAL DEVELOPMENT	\$3,345,725	
TOTAL NEW MEASURES	\$3,345,725	

The Committee did not conduct a hearing on the National Judiciary budget as it ran out of time.

3.26 Head 297 Ministry of Women, Youth & Children's Affairs.

3.26.1 Change in Budget Support

The Committee noted an overall increase in support to the ministry of \$6,032,825 as follows:

Budget	2013 Revised	2014	Change
Recurrent – Payroll	1,635,790	2,090,692	454,902
Recurrent – Other Charges	10,537,832	10,135,874	(401,958)
Development - Appropriated	12,650,000	4,000,000	(8,650,000)
Development – Non-Appropriated	2,336,345	16,966,226	14,629,881
Totals	27,159,967	33,192,792	6,032,825

3.1.2 New measures in 2014 Budget

The Committee noted that the following new activities were being provided for in the 2014 Budget:

Name	Cost	Description
RECURRENT		
National Policy Outcomes	\$100,000	To provide \$0.1 million in 2014 to promote CRC Caregivers.
National Policy Outcomes	\$50,000	To provide \$0.2 million over three years to fund child protection, including the promotion of the Action Committee on Children.
Civil Salaries	\$99,802	Funding for newly recruited and upgrade of existing staff.
SUBTOTAL RECURRENT	\$249,802	
DEVELOPMENT		
Programme investing, empowering and enhancing women youth and children	\$4,000,000	This program encompasses activities that try to address and enhance the lives and welfare of Women, Youths and Children in the area of policy and institutional strengthening as well as in physical infrastructure.
SUBTOTAL DEVELOPMENT	\$4,000,000	
TOTAL NEW MEASURES	\$4,294,802	

The Committee did not conduct a hearing on the ministry's budget as it ran out of time. The ministry did provide a written submission to the Committee.

3.27 Head 298 Ministry of Rural Development and Indigenous Affairs

3.27.1 Change in Budget Support

The Committee noted an overall reduction in support to the ministry of \$24,889,927 as follows:

Budget	2013 Revised	2014	Change
Recurrent – Payroll	5,322,122	7,092,997	1,770,875
Recurrent – Other Charges	10,594,605	7,052,763	(3,541,842)
Development - Appropriated	176,690,000	144,400,000	(32,290,000)
Development – Non-Appropriated	0	9,171,040	9,171,040
Totals	192,606,727	167,716,800	(24,889,927)

Part of that apparent reduction in the Development Budget is due to the change in reporting development projects in multi-year rather than in the year of commencement.

3.27.2 New measures in 2014 Budget

The Committee noted that the following new activities were being provided for in the 2014 Budget:

Activity	Cost	Description
RECURRENT		
Electricity	\$1,147,636	The Government will provide \$3.4 million over three years to ensure the adequate provision to pay for electricity bill for the Ministry moving to SMI building.
Workshops /Conference	\$100,000	The Government will provide \$0.3 million to ensure rural constituencies are adequately consulted.
Maintain- Motor Vehicle	\$20,000	The Government will provide \$0.1 million to ensure that vehicles are adequately maintained to ensure that consultation with constituencies can be undertaken
Civil Salaries	\$1,498,877	Funding for new salary and wage for new staff.
SUBTOTAL RECURRENT	\$2,766,513	
DEVELOPMENT		
Constituency development programme	\$80,400,000	These are constituency grants

Economic growth center programme	\$10,000,000	To fund the Economic growth centres
ROC support to constituency development (ROC)	\$20,000,000	Discretionary fund to assist MPs meet other needs of constituents
ROC constituency Micro project fund (ROC)	\$10,000,000	To fund Small income generating projects
Millennium Development Funds (ROC)	\$20,000,000	To fund health and education related projects
Health and Education Special Development Project	\$10,000,000	To fund small income generating projects
SUBTOTAL DEVELOPMENT	\$144,400,000	
TOTAL NEW MEASURES	\$147,166,513	

3.28 Head 299 Ministry of Environment, Conservation, & Meteorology

3.28.1 Change in Budget Support

The Committee noted an overall increase in support to the ministry of \$54,951,513 most of it provided by donor support as follows:

Budget	2013 Revised	2014	Change
Recurrent – Payroll	6,658,768	7,301,894	643,126
Recurrent – Other Charges	26,214,828	15,422,062	(10,792,766)
Development - Appropriated	10,700,000	18,920,000	8,220,000
Development – Non-Appropriated	10,225,363	67,106,516	56,881,153
Totals	53,798,959	108,750,472	54,951,513

3.28.2 New measures in 2014 Budget

The Committee noted that the following new activities were being provided for in the 2014 Budget:

Activity	Cost	Description
RECURRENT		
Equipment and Instruments for weather forecast	\$235,300	To provide \$7.1 million to provide support the observation and weather monitoring services.

Record Management	\$120,000	To provide \$0.4 million to enable timely dissemination of public weather and aviation weather services.
Office Rental	\$2,160,000	To provide \$2.2 million in 2014 to allow the Ministry to rent office space during the construction of Environment Haus.
Civil Salaries	\$27,197	Funding to cater for Principal Climate Change Officer
SUBTOTAL RECURRENT	\$2,542,497	
DEVELOPMENT		
NDMO infrastructure strengthening programme	\$5,000,000	Funding to support physical Infrastructure
Early Warning System	\$1,500,000	Funding to support Solomon Islands Meteorological Services.
Afio Meteorological Station	\$1,000,000	Funding to support Solomon Islands Meteorological Services.
Lata Meteorological Station	\$920,000	Funding to support Solomon Islands Meteorological Services.
Environment Haus	\$6,000,000	MECDM new office complex
Ecosystem & Biodiversity Conservation, Management & Restoration Program (including Mataniko River Cleaning)	\$2,000,000	Funding to support national climate change programme linking the development of low carbon emission
SICAP (Solomon Islands Climate Adaptation Programme)	\$2,500,000	Funding to support physical Infrastructures
SUBTOTAL DEVELOPMENT	\$18,920,000	
TOTAL NEW MEASURES	\$21,462,497	

The Committee conducted a hearing into the ministry's budget and considered the following matters:

- **Amount of budget allocation** – The Committee queried the reduction in the 2014 Budget and was advised that the ministry had requested an additional \$170 million which was not granted. The ministry believed that it was because the general elections could be expected to

impact upon MPs ability to implement projects at that time. However the Committee disputed this interpretation by stating that the funds belonged to the constituencies and not the MPs, and that the ministry was not correct in making such decisions and cut off funding when constituency programs were being implemented.

- **Health and education special development projects** – The Committee queried the nature of these projects and was advised that the projects comprised:
 - Taro national secondary school, North West Choiseul for \$1M
 - Feragua national secondary school, Lau Mbaelelea for \$1M
 - Gizo Kolombangara national secondary school in Gao/Bugotu for \$1M
 - Tataba area health centre for staff for \$500,000; and
 - Afio area health centre for staff also for \$500,000

- **Additional CDO staff** – The Committee queried how the ministry was going to recruit the project officers and accountants for each constituency and was advised that normal public service advertising and recruiting would apply and that MPS had approved the necessary establishment within the ministry.

- **Constituency Water Supply and Sanitation Program** – The Committee queried the source and funding of these projects and was advised that there was a confusion last year but it is confirmed to be from ROC to an amount of \$200,000 per constituency in 2014.

- **Equitable distribution of funds** – Members of the Committee questioned an apparent discrepancy in funding between constituencies and identified Gizo/Kolombangara and Small Malaita in particular as appearing to attract more funds than others. The ministry undertook to clarify the position and inform the Committee.

APPENDICES

Appendix 1 Submissions

No	Author
1	Ministry of Justice & Legal Affairs / National Judiciary
2	Ministry of Women , Youth , Children & Family Affairs
3	Ministry of Foreign Affairs & External Trade

Appendix 2 Witnesses

Date	Name	Position & Organisation
Thursday 5 December 2013	Mr. Michael Kikiolo	Chief Manager (Actg)- Economic Department- Central Bank of Solomon Islands (CBSI)
	Ms. Elizabeth Ragimana- Ms.	Manager- Economics Department, CBSI
	Ms. Katie Longelau	Senior Analyst, CBSI
Friday 6 December 2013	Mr. Shadrach Fanega	Permanent Secretary – Ministry of Finance & Treasury (MoFT)
	Mr. Harry Kuma	Under Secretary
	Mr. Paula Uluinaceva	Accountant General
	Mr. Mark Bell	Commissioner – Inland Revenue
	Mr. Brendan Nadel	Budget Advisor
	Mr. Greg Moores	Budget Advisor
	Mr. Norman Hiropuhi	Director- Budget Unit
	Mr. Duffy Ako	Budget Officer
	Mr. Jeffrey Wickham	Secretary to the Prime Minister – Office of the Prime Minister & Cabinet
	Mr. James Remobatu	Secretary to Cabinet
	Mr. Ronald Unusi	Permanent Secretary- CRU
	Mr. Jeffery Kauha	Permanent Secretary – RAMSI
	Mr. Pellion Buare	Financial Controller
	Mr. Luke Cheka	Human Resources Manager
	Mr. Jeremiah Manele	Permanent Secretary- Ministry of Development Planning & Aid Co-ordination
	Mr. Allan Daonga	Under Secretary
	Ms. Lyn Legua	Director – Development Planning
	Mr. Sammy Wara	Chief Planning Officer
	Mr. Daniel Rove	Director – Social Services
	Mr. Andrew Prakash	Director – Economic Sector
Monday 9 December 2013	Mr. Charles Fono	Financial Controller
	Dr. Fred Isom Rohorua	Ministry of Education & Human Resources Development (MEHRD)
	Mr. Andrew Dormans Tahisihaka	Financial Controller
	Ms. Rose Kudi	National Training Unit
	Dr. Melchior Mataki	Permanent Secretary - Ministry of Environment, Climate Change, Disaster Management & Meteorology
	Mr. Chanel Iroi	Under Secretary
	Mr. Lennis Rukale-	Permanent Secretary- Ministry of National Unity, Peace & Reconciliation
	Mr. Rueben Lilo	Director of Reconciliation
	Ms. Jessie Kualu	Financial Controller
	Mr. John Wasi	Permanent Secretary - Ministry of culture & Tourism

	Mrs. Margaret Inifiri	Deputy Government Archivist
	Mr. Banny Sivoro	Director- Tourism
	Mr. Joseph Mamau	Accountant
	Mr. Benedict Horuna	Cultural Officer
	Ms. Rita Sahu	Ethnologist
	Ms. Ella Simata	SAO- Culture
Tuesday 10 December 2013	Mr. Edmond Sikua	Permanent Secretary- Ministry of Police, National Security & Correctional Services
	Ms. Juanita Matanga	Acting Commissioner- RSIPF
	Mr. Francis Haisoma	Commissioner, CSSI
	Mr. Paul Kapakeni	Financial Controller
	Mr. Fred Fakari'i	Permanent Secretary- Ministry Of Home Affairs
	Mr. Steven Jude Oto	Chief Accountant -RSIPF
	Mr. James Manate'e	Director – CSSI
	Mr. Carlos Noronha	Finance Advisor
	Mrs. Martha Alabae	Finance Officer
	Mr. Fred Fakari'i	Permanent Secretary – Ministry of Home Affairs
	Mr. Fred Bosoboe	Principal Admin Officer - SIEC
	Mr. Rueben Rongomea	Senior Accountant
	Mr. David Ramosaea	IT Admin Officer
	Mr. Francis Lomo	Permanent Secretary – Ministry of Communication & Aviation
	Ms. Michelle Maelaua	Human Resource Manager
	Mr. Sam Tarivasa	Financial Controller
	Dr. Lester Ross	Permanent Secretary – Ministry of Health & Medical Services
	Mr. Oswald Ramo	Under Secretary- Admin /Finance
	Dr. Chris Becha	Under Secretary – Policy & Planning
	Mr. Willy Hotoro	Manager - National Medical Store
	Ms. Maude	Technical Assistant – World Bank
	Mr. Stanley Waleanisia	Permanent Secretary – Ministry of Lands, Housing & Survey
	Ms. Nester Maelanga	Commissioner of Lands (Actg)
	Mr. Gregory Rofeta	Under Secretary - Admin
	Mr. Rowley Wanega	DPP- MLHS
	Ms. Lynette Tora	Human Resources Manager
	Mr. Selesa Alepio	Chief Accountant
	Ms. Joyce Galo	Valuer General
Wednesday 11 December 2013	Mr. Moses Virivolomo	Permanent Secretary- Ministry of Infrastructure Development
	Mr. Mark Kamoia	Human Resources Manager
	Mrs. Modesta Namokari	Financial Controller
	Mr. Pattesson Fakavai	Director – Architects Division
	Ms. Selina Boso	Permanent Secretary – Ministry of Rural Development
	Mr. Dick Anasimae	Financial Controller
	Mr. John Misite'e	Director - RDP
	Mr. Shadrach Fanega	Permanent Secretary - MoFT

	Ms. Elizabeth Kausimae	Under Secretary
	Mr. Mark Bell	Commissioner - IRD
	Mr. Nathan Kama	Comptroller – Customs
	Mr. Paula Uluinaceva	Accountant General
	Mr. Bebeno Mulesae	Financial Controller
	Mr. Jon Fraznel	Ind. Review – Researcher
	Mr. Henry Okole	Ind. Review – Researcher
	Mr. Ronnie Piva	Human Resources Manager
	Mrs. Sally Kuper	D/ Director (Actg)- ICTSU
	Mr. Smith Iniakwala	Director - ICTSU
	Mr. Jerry. K	Admin Officer
	Mr. Ishmael Avui	Permanent Secretary _ Ministry of Public Service
	Mr. Coldrine Kolae	Chief Admin officer
	Mrs. Elda Wate	Chief Accountant
	Mr. Jimi Saelea	Permanent Secretary (Actg) Ministry of Agriculture & Livestock
	Mr. David Patternot	Under Secretary - Admin
	Mr. Barney Keqa	Director – Livestock
	Mr. George Boe	National Co-ordinator – Oil Palm
	Mr. Benjamin Manau	Financial Controller
	Mr. Patteson. A	Deputy Director – Quarantine
	Ms. Maria Gharuka	CRO- MAL
	Mr. Michael Ho’ota	Director – Extension
	Dr. Christian Ramofafia	Permanent Secretary – Ministry of Fisheries & Marine Resources
	Mr. Alick Misibini	Financial Controller
	Ronnelle Panda	DDPPMU - MFMR
	Mr. Edward Honiwala	DD – Offshore
	Mr. Francis Tofuakalo	D/Director – Provincial Fisheries
	Mr. James Teri	Director – Fisheries
Thursday 12 December 2013	Mr. Barnabas Anga	Permanent Secretary (Actg) Ministry of Mines, Energy & Rural Electrification.
	Mr. Don Tolia	Technical Advisor – Consultant
	Mr. Isaac Lekelau	Deputy Director – Water Resources
	Mr. John Korinihona	Director of Energy
	Mr. Henry Ngengele	Financial Controller
	Mr. Fred Conning	Deputy Project Manager - TRHDP
	Dr. Paul Roughan	Strategic Advisor - TRHDP
	Mr. Mark France	Project Manager – Tina Hydro Project
	Mr. Barnabas Anga	Permanent Secretary – Ministry of Forestry & Research
	Mr. Gordon Konairamo	Under Secretary- Technical
	Mrs. Beverly Maezama	Financial Controller
	Mr. Hence Vaekesa	Permanent Secretary – Ministry of Commerce, Industry, Labour & Immigration
	Mrs. Gwen Koke	Financial Controller
	Mr. Jeffrey Deve	Director of Immigration
	Mr. Hunter Masuguria	Under Secretary - Admin

	Mr. Edwin Saramo	Registrar of Companies
	Mr. Timothy Watekary	Director – CAPC
	Mr. Morris Rapeau	Director IDD

Appendix 3 Minutes of Public Hearings



PUBLIC ACCOUNTS COMMITTEE

NATIONAL PARLIAMENT OF SOLOMON ISLANDS

Minutes of Proceedings Committee Hearing – Day 1

Hearing No: 1

Thursday 5th December 2013, CR II, Parliament House 2:56 pm

1. Members Present

Hon. Hon Douglas Ete, MP (Chairman)
Hon. Peter Shanel Agovaka, MP
Hon. Mathew Wale, MP
Hon. Andrew Manepora'a, MP
Hon. John Maneniaru, MP

Secretary: Mr. Robert Cohen- Auditor General (Acting)

Absent- Hon. Martin Kealoe, MP
- Hon. Vika Lusibaea, MP

Secretariat

Ms. Emily Kupenga- Committee Secretary
Mr. Davidson Kukuti- Hansard Reporter
Mr. Sanjay Dhari- ICT
Mr. Eric Wate – Camera

Witnesses

Mr. Michael Kikiolo- Chief Manager (Acting) – Economic Department, CBSI
Ms. Elizabeth Ragimana- Manager- Economic Department, CBSI
Ms. Katie Longelau- Senior Analyst, CBSI

2. **Prayer-** Hon. John Maneniaru said the opening prayer.

3. Committee Hearing into the 2014 Appropriation Bill 2013

The Chairman, Hon Douglas Ete made his opening statement. He welcomes official from CBSI and the new Secretary to the PAC, Mr Robert Cohen to his first sitting with the committee.

The Chairman clarifies the concept of Parliamentary privileges to witnesses and asked the team leader to make his presentation before the committee.

Mr. Michael Kikiolo, of CBSI introduced his team and made a presentation before the committee on the Economic outlook of the country on the years 2013/ 2014.

The committee questioned the official from CBSI based on the presentation. The officials answered the questions. Evidence concluded.

3. Adjournment: The committee adjourned hearing at 4:40 pm

Committee Hearing - Day 2

Hearing No: 2

Friday 6th December 2013, CR II, Parliament House 9:45am

1. Members Present

Hon. Hon Douglas Ete, MP (Chairman)
 Hon. Peter Shanel Agovaka, MP
 Hon. Mathew Wale, MP
 Hon. John Maneniaru, MP
 Hon. Andrew Manepora'a, MP

Secretary: Mr. Robert Cohen- Auditor General (Acting)

Absent- Hon. Martin Kealoe, MP
 - Hon. Vika Lusibaea, MP

Secretariat

Ms. Emily Kupenga- Committee Secretary
 Mr. Davidson Kukuti- Hansard Reporter
 Mr. Whitmon Tabiru- Hansard Reporter
 Mr. Moffet Maenao- ICT
 Mr. Lawrence Scott – Camera
 Mr. Eric Wate- Camera

Witnesses

Mr. Shadrach Fanega, Permanent Secretary- Ministry of Finance
 Mr. Paula Uluinaceva, Accountant General - MoF
 Mr. Brendan Nadel, Budget Advisor- MoF

2. Prayer- Hon. Peter Shanel said the opening prayer

3. Committee inquiry into the 2014 Appropriation Bill 2013

The Chairman made the opening remarks and welcomes the PS of Finance and his officials. The PS of Finance made his presentation before the committee. The questioned the PS and his officials. The PS and his officials answered the questions and made clarification. Evidence concluded.

4. Suspension: The committee suspends hearing for lunch at 12:15 pm

Hearing No: 3

The committee resumes hearing at 2:16 pm

1. Witnesses

Mr. Jeffery Wickham, SPM- Office of the Prime Minister & Cabinet
Mr. Ronald Unusi, James Remobatu, Secretary to Cabinet
Mr. Ronald Unusi, PS, Constitution Reform Unit
Mr. Pellion Buare, Financial Controller
Mr. Jeffery Kauha – PS, RAMSI
Mr. Luke Cheka, Human Resources Manager

2. Committee inquiry into 2014 Appropriation Bill 2013

The Chairman welcomes officials from the office of the Prime Minister and Cabinet.
The Secretary to the Prime Minister made his presentation before the committee.

The committee questioned the officials from the office of the Prime minister. The officials answered the questions and made clarifications. Evidence concluded.

3. Brief Suspension –The committee briefly suspends hearing at 3:11 pm.

Hearing No: 4

The committee resumes hearing at 3:16pm

1. Witnesses

Mr. Jeremiah Manele- PS- Ministry of Development Planning & Aid Co-ordination
Mr. Allan Daonga- Under Secretary, MDPAC
Ms. Lyn Legua- Director, Planning & Budget
Mr. Charles Fono- Financial Controller
Mr. Lottie Vaisekavea- Rural Development Program

2. Committee inquiry into the 2014 Appropriation Bill 2013

The Chairman welcomes the PS and officials from the Ministry of Planning and Aid Co-ordination.
The PS made his presentation before the committee.

The committee questioned the PS and his officials. The PS and officials answered the questions and made clarifications. Evidence concluded.

3. Adjournment – The committee adjourned hearing at 4:10 pm

Committee Hearing- Day 3

Hearing No: 5

Monday 9th December 2013, CR II, Parliament House 10:10 am

1. Members Present

Hon. Hon Douglas Ete, MP (Chairman)
Hon. Peter Shanel Agovaka, MP
Hon. Mathew Wale, MP
Hon. John Maneniaru, MP
Hon. Andrew Manepora'a, MP

Secretary: Mr. Robert Cohen- Auditor General (Acting)

Absent- Hon. Martin Kealoe, MP
- Hon. Vika Lusibaea, MP

Secretariat

Ms. Emily Kupenga- Committee Secretary
Mr. Frederick Iro- Hansard Reporter
Ms. Esther Turangaluvu- Hansard Reporter
Mr. Moffet Maenao- ICT
Mr. Eric Wate – Camera

Witnesses

Dr. Fred Isom Rohorua, Permanent Secretary, MEHRD
Mr Andrew Dormans Tahisihaka, FC
Ms. Rose Kudi, NTU

2. **Prayer-** Hon. Peter Shanel Agovaka said the opening prayer.

3. Committee Hearing into the 2014 Appropriation Bill 2013

The Chairman, Hon Douglas Ete made his opening statement. He welcomes the PS of Education and officials from the Mins try.

The Chairman clarifies the concept of Parliamentary privileges to witnesses and asked the PS to make his presentation before the committee.

The PS of MERHD introduced his team and made his presentation before the committee. The committee questioned PS and his official's .The officials answered the questions. Evidence concluded.

3. **Brief Suspension:** The committee suspends at 11:30 am

Hearing No: 6

The committee resumes hearing at 11:41 am

1. Witnesses

Dr. Melchior Mataka, PS – Ministry of Environment, Climate Change, Disaster Management & Meteorology.
Mr. Chanel Iroi- Under Secretary

2. Committee Hearing into the 2014 Appropriation Bill 2013

The Chairman welcomes the PS and Under Secretary of the MECCDM and reminded them of Parliamentary Privileges. The Chairman invites the PS to make his presentation.

The PS made his presentation before the committee. The committee questioned the officials. Evidence concluded.

3. **Suspension** – The committee suspends hearing for lunch at 12:56 pm

Hearing No: 7

The committee resumes hearing at 2:42 pm

1. Witnesses

Mr. Lennis Rukale- Permanent Secretary- Ministry of National Unity, Peace & Reconciliation.

Mr. Rueben Lilo- Director of Reconciliation

Ms. Jessie Kualu- Financial Controller

2. Committee Hearing into the 2014 Appropriation Bill 2013

The Chairman welcomes the PS and officials of the Ministry of National Unity, Reconciliation. He then reminded them of Parliamentary Privileges. The Chairman invites the PS to make his presentation.

The PS made his presentation before the committee. The committee questioned the officials. Evidence concluded.

4. Suspension – The committee briefly suspends hearing at 3:15 pm

Hearing No: 8

The committee resumes hearing at 3:27 pm

1. Witnesses

Mr. John Wasi- Permanent Secretary- Ministry of Culture & Tourism

Mr. Banny Sivoru- Director- Tourism

2. Committee Hearing into the 2014 Appropriation Bill 2013

The Chairman welcomes the PS and officials of the Ministry of Culture & Tourism. He reminded them of Parliamentary Privileges. The Chairman invites the PS to make his presentation.

The PS made his presentation before the committee. The committee questioned the officials. Evidence concluded.

3. Adjournment – The committee adjourns hearing at 4:49 pm

Committee Hearing - Day 4

Hearing No: 9

Tuesday 10th December 2013, CR II, Parliament House 10:10 am

1. Members Present

Hon. Hon Douglas Ete, MP (Chairman)

Hon. Peter Shanel Agovaka, MP

Hon. Mathew Wale, MP

Hon. John Maneniaru, MP

Hon. Andrew Manepora'a, MP

Secretary: Mr. Robert Cohen- Auditor General (Acting)

Absent- Hon. Martin Kealoe, MP
Hon. Vika Lusibaea, MP

Secretariat

Ms. Emily Kupenga- Committee Secretary
Mr. Ignatius Talifilu - Hansard Reporter
Ms. Arol Kimi- Hansard Reporter
Mr. Moffet Maenao- ICT
Mr. Sunjay Dhari- ICT
Mr. Eric Wate – Camera

Witnesses

Mr. Edmond Sikua, Permanent Secretary- Ministry of Police, National Security & Correctional Services
Ms. Juanita Matanga- Acting Commissioner- RSIPF
Mr. Francis Haisoma – Commissioner, CSSI

2. **Prayer-** Hon. Peter Shanel Agovaka said the opening prayer.

3. Committee Hearing into the 2014 Appropriation Bill 2013

The Chairman, Hon Douglas Ete made his opening statement. He welcomes the PS of the Ministry of Police, National Security & Correctional Services, reminded them on Parliamentary privileges and asks the PS to make a run down on the budget of his Ministry.

The PS of MPNSCSS made his presentation before the committee. The committee questioned the PS and his officials. The officials answered the questions. Evidence concluded.

4. **Brief Suspension** – The committee briefly suspends hearing at 11:35 am.

Hearing No: 10

The committee resumes hearing at 11:35 am

1. Witnesses

Mr. Fred Fakari'i- Permanent Secretary- Ministry of Home Affairs
Mr. Frederick Bosoboe, Principal Admin Officer- SI Electoral Commission

2. Committee Hearing into the 2014 Appropriation Bill 2013

The Chairman welcomes the PS of Ministry of Home Affairs and his officials, reminded them of Parliamentary privileges. The Chair then asked the PS to make a run down on the 2014 budget of the ministry.

The PS made a presentation before the committee. The committee questioned the PS and his official. Evidence concluded.

3. **Suspension** – The committee suspends hearing at 12:21 pm for lunch.

Hearing No: 11

The committee resumes hearing at 1:58 pm

1. Witnesses

Mr. Francis Lomo, Permanent Secretary – Ministry Of Communication & Aviation.
Ms. Michelle Maelaua- HRM
Mr. Sam Tarivasa- Financial Controller

2. Committee Hearing into the 2014 Appropriation Bill 2013

The Acting Chairman, Hon Peter Shanel called the meeting to order. welcomes the PS of the Ministry of Communication & his officials reminded them of Parliamentary privileges. The Acting Chair then asked the PS to make a run down on the 2014 budget of the ministry.

The PS introduced his team and made a presentation before the committee. The committee questioned the PS and his officials. Evidence concluded.

3. Suspension – The committee suspends hearing at 2:33 pm

Hearing No: 12

The committee resumes hearing at 2:40 pm

1. Witnesses

Dr. Lester Ross, Permanent Secretary – Ministry of Health & Medical Services.
Mr. Oswald Ramo, Under Secretary (Admin & Finance)
Mr. Chris Becha , Under Secretary (Policy & Planning)
Mr. Willy Horoto, Manager- National Medical Store

2. Committee Hearing into the 2014 Appropriation Bill 2013

The Acting Chairman, Hon Peter Shanel called the meeting to order. He Welcomes the PS of the Ministry of Health & Medical Services & his officials. The Chair reminded them of Parliamentary privileges and the live recordings of these hearings. The Acting Chair commented on the Health budget as the Second biggest next to the Education budget. He then asked the PS to introduce his officials and make a run down on the 2014 budget of the ministry.

The PS introduced his team and made a presentation before the committee. The committee questioned the PS and his officials. Evidence concluded.

3. Suspension – The committee suspends hearing at 4:17 pm

Hearing No: 13

The committee resumes hearing at 4:25 pm

1. Witnesses

Mr. Stanley Waleanisia, Permanent Secretary- Ministry of Lands, Housing & Survey
Ms. Nester Maelanga- Commissioner of Lands

2. Committee Hearing into the 2014 Appropriation Bill 2013

The Chairman of the committee, Hon Douglas Ete welcomes the PS of the Ministry of Lands and his officials before the committee. The Chair commended the Ministry on reforms that are beginning to happen in the Ministry.

The Chair then asked the PS to make a run down on the activities and its budget for 2014. The PS introduced his officials and made his presentation before the committee. The committee questioned the PS and his official. Evidenced Concluded.

3. **Adjournment** – The committee adjourns hearing at 5:18 pm

Committee Hearing- Day 5

Hearing No: 14

Wednesday 11 December 2013, CR II, Parliament House 10:05 am

1. Members Present

Hon. Hon Douglas Ete, MP (Chairman)
 Hon. Peter Shanel Agovaka, MP
 Hon. Mathew Wale, MP
 Hon. John Maneniaru, MP
 Hon. Andrew Manepora'a, MP

Secretary: Mr. Robert Cohen- Auditor General (Acting)

Absent- Hon. Martin Kealoe, MP
 Hon. Vika Lusibaea, MP

Secretariat

Ms. Emily Kupenga- Committee Secretary
 Mr. Ignatius Talifilu - Hansard Reporter
 Mr. Davidson Kukuti- Hansard Reporter
 Mr. Whitmon Tabiru – Hansard Reporter
 Mr. Moffet Maenao- ICT
 Mr. Sunjay Dhari- ICT
 Mr. Eric Wate – Camera

Witnesses

Mr. Moses Virivolomo, Permanent Secretary- Ministry of Infrastructure Development
 Ms. Modesta Namokari – Financial Controller

2. **Prayer-** Hon. Peter Shanel Agovaka said the opening prayer.

3. Committee Hearing into the 2014 Appropriation Bill 2013

The Chairman, Hon Douglas Ete made his opening statement. He welcomes the PS of the Ministry of Infrastructure Development and his officials. The Chair then invited the PS to make a run down of the budget estimate of his ministry.

The PS tabled a paper which is the list of beneficiaries of the National transport Fund and made a comprehensive presentation on the budget, the achievements and priority issues of the ministry.

The committee questioned the PS and officials of MID. The PS and the officials answered the questions. Evidence concluded.

4. **Brief Suspension** - The committee briefly suspends hearing at 11:41 am

Hearing No: 15

The committee resumes hearing at 11:56 am

1. Witnesses

Ms. Selina Boso, Permanent Secretary – Ministry of Rural Development
Mr. Dick Anasimae, Financial Controller

2. Committee Hearing into the 2014 Appropriation Bill 2013

The Chairman, Hon Douglas Ete welcomes the PS of MRD and officials of the ministry. He thanks the officials for their presence and ask the PS to inform the committee on the policies and programs of the ministry.

The PS thanks the committee for the opportunity to come before the committee, introduced her team and made her presentation to the committee on the MRD.

The committee questioned the PS and her officials based on the presentation. The PS and officials answered the questions. Evidence concluded.

3. Suspension –The committee suspends for lunch at 12:26 pm

Hearing No: 16

The committee resumes hearing at 2:36 pm

1. Witnesses

Mr. Shadrach Fanega, Permanent Secretary – MoFT
Ms. Elizabeth Kausimae- Under Secretary
Mr. Paula Uluinaceva, Accountant General
Mr. Mark Bell, Commissioner of Inland Revenue
Mr. Nathan Kama, Comptroller of Customs
Mr. Bebeno Mulesae, Financial Controller

2. Committee Hearing into the 2014 Appropriation Bill 2013

The Acting Chairman of the committee, Hon. Peter Shanel Agovaka welcomes the Officials from MoFT to the hearing. He reminds them of Parliamentary Privileges and asks the Under Secretary (US) to brief the committee on the budget of the ministry.

The US made a brief presentation on the MoFT budget. The committee questioned the officials on the budget of the Ministry and other financial procedures. The officials answered the questions. Evidence concluded.

3. Brief suspension – The hearing briefly suspends at 4:03 pm

Hearing No: 17

The committee resumes hearing at 4:18 pm

1. Witnesses

Mr. Ishmael Avui, Permanent Secretary – Ministry Of Public Service (MPS)

Mrs. Elda Wate, Chief Accountant, MPS

2. Committee Hearing into the 2014 Appropriation Bill 2013

The Chairman welcomes the PS of the Ministry of Public Service and his officials. He reminded them of the Parliamentary privileges and the PS to proceed with his presentation.

The PS made a comprehensive presentation on the Ministry. The committee questioned the PS based on his presentation and other matters of the ministry. The PS answered the questioned. Evidence concluded.

3. Brief Suspension- The committee briefly suspends hearing at 5:07 pm

Hearing No: 18

The committee resumes hearing at 5:15 pm

1. Witnesses

Mr. Simi Saelea, Permanent Secretary (Acting), Ministry of Agriculture & Livestock

2. Committee Hearing into the 2014 Appropriation Bill 2013

The Acting Chairman, Hon Peter Shanel welcomes the PS MAL and reminded the team of Parliamentary privileges. The PS then invites the PS to introduce his team and make a presentation.

The PS table briefing notes (synopsis) before the committee and made his presentation.

The committee questioned the officials. The officials answered the questions. Evidence concluded.

4. Brief Suspension- The committee briefly suspends hearing at 6:18 pm

Hearing No:19

The committee resumes hearing at 6:25 pm

1. Witnesses

Dr. Christian Ramofafia, Permanent Secretary- Ministry of Fisheries & Marine Resources.

2. Committee Hearing into the 2014 Appropriation Bill 2013

The Acting Chairman of the Committee, Hon. Peter Shanel Agovaka welcomes the PS and officials from the MFMR. He reminded them of Parliamentary privileges and invites the PS to make his presentation.

The PS introduced his team, tabled briefing papers and made his presentation before the committee.

The committee questioned the officials based on the presentation and other matters. The officials answered the questions. Evidence concluded.

3. Adjournment – The committee adjourns hearing at 6:55 pm

Committee Hearing- Day 6

Hearing No: 20

Thursday 12 December 2013, CR II, Parliament House 3:35pm

1. Members Present

Hon. Hon Douglas Ete, MP (Chairman)
Hon. Peter Shanel Agovaka, MP
Hon. Mathew Wale, MP
Hon. John Maneniaru, MP

Secretary: Mr. Robert Cohen- Auditor General (Acting)

Absent- Hon. Martin Kealoe, MP

- Hon. Vika Lusibaea, MP
- Hon. Andrew Manepora'a, MP

Secretariat

Ms. Emily Kupenga- Committee Secretary
Mr. Davidson Kukuti- Hansard Reporter
Mr. Whitmon Tabiru- Hansard Reporter
Mr. Moffet Maenao- ICT
Mr. Lawrence Scott – Camera
Mr. Eric Wate- Camera

Witnesses

Mr. Barnabas Anga, Permanent Secretary (Supervising), Ministry of Mines, Energy & Rural Electrification
Mr. John Korinihona , Director of Energy
Mr. Henry Ngengele, Financial Controller
Mr. Mark France, Project Manager – Tina Hydro Project

2. Prayer- Hon. Peter Shanel said the opening prayer.

3. Committee inquiry into 2014 Appropriation Bill 2013

The Chairman, Hon. Douglas Ete welcomes the PS of MMERE and officials of the ministry to the committee. The Chair apologized for the delay of the meeting, reminded the team of Parliamentary privileges and invited the Chair to make his presentation.

The PS introduced his team and made his presentation before the committee. The committee questioned the witnesses. The witnesses answered the questions. Evidence concluded.

4. Brief suspension – The hearing briefly suspends at 4:47 pm

Hearing No: 21

The hearing resumes at 4:57 pm

1. Witnesses

Mr. Barnabas Anga, Permanent Secretary
 Mr. Gordon Konairamo, Under Secretary (Technical)
 Mrs. Beverly Maezama , Financial Controller

2. Committee inquiry into 2014 Appropriation Bill 2013

The Acting Chairman welcomes the PS of Forestry and his officials before the committee. He reminded them of parliamentary privileges and invited the PS to introduced his team and make his presentation before the committee.

The committee questioned the PS and his official based on the presentation. The witnesses answered the questions. Evidence concluded.

3. Brief Suspension- The committee briefly suspends hearing at 5:26 pm

Hearing No: 22

The hearing resumes at 5:40 pm

1. Witnesses

Mr. Hence Vaekesa, Permanent Secretary, Ministry of Commerce, Industry, Labour & Immigration (MCILI)

Mr. Jeffery Deve, Director of Immigration

Mrs. Gwen Koke, Financial Controller

2. Committee inquiry into 2014 Appropriation Bill 2013

The Acting Chairman of the Committee, Hon Peter Shanel Agovaka welcomes the PS of MCILI and officials to the committee. He reminded the officials of Parliamentary privileges and asks the PS to make a run down on the budget of the ministry.

The PS introduced his team and makes his presentation before the committee. The committee questioned the PS and his officials based on the presentation. The witnesses answered the questions. Evidence concludes.

4. Adjournment – The committee adjourn hearing at 6:59 pm

