

**PARLIAMENT OF THE
REPUBLIC OF VANUATU**

NINTH LEGISLATURE OF PARLIAMENT

**FIRST EXTRAORDINARY SESSION OF 2009
FIRST MEETING**

MONDAY 23 FEBRUARY 2009

SPEAKER : The Hon George A. WELLS, Member for Luganville
PRESENT : 44 Members
ABSENT :
LATE :

1. The sitting commenced at 9.10am.
2. The Hon. Speaker George A WELLS stated that according to article 21(4) of the Constitution that two thirds of the Members should be present at the first sitting of any session of Parliament and as there was a quorum consisting of 44 Members; it rendered the sitting to be legally and constitutionally constituted to proceed with the agenda. Then he declared the First Extra Ordinary Session of 2009 open.
3. The Hon. Ralph REGENVANU, Member for Port Vila, said the prayer.
4. The Hon. Speaker WELLS welcomed the Hon Members and then after reading the agenda he called upon His Excellency Chief Justice Vincent LUNABEK to perform his duties for the swearing in of the newly elected Member of Parliament.
5. The Hon. Ioane SIMON Omawa, Member for Epi, took his oath of allegiance administered by the Chief Justice LUNABEK and then signed the Roll of Members.
6. After welcoming the Hon. SIMON into the House The Hon. Speaker WELLS announced that due to the late arrival of some Members; he had decided to adjourn the sitting in order to give time for the Members to read and consult with Ministers concerning the Bills.

7. **The sitting was adjourned at 9.25am.**

**PARLIAMENT OF THE
REPUBLIC OF VANUATU**

NINTH LEGISLATURE OF PARLIAMENT

**FIRST EXTRA ORDINARY SESSION OF 2009
FIRST MEETING**

WEDNESDAY 25 FEBRUARY 2009

SPEAKER : The Hon. George A WELLS, Member for Luganville

PRESENT :

ABSENT :

LATE :

1. The sitting commenced at 2.30p.m.
2. The Hon. David TOSUL, Member for Pentecost, said the prayer.
3. The Hon. Speaker WELLS read the agenda.

ANNOUNCEMENT BY THE SPEAKER

4. The Hon. Speaker WELLS announced that as according to the Standing Orders of Parliament, section 52(1), he could not interfere and therefore shall not make any decisions concerning the dispute in the Opposition Bloc regarding the position of the Leader of the Opposition. He thus ruled that the Opposition Bloc would need to sort out its differences amongst the various political parties contained in it and decide who should take up the said position.

BILL FOR THE MARITIME (AMENDMENT) ACT NO. OF 2009

FIRST READING

5. The Hon. Serge VOHOR, Minister of Infrastructure and Public Utilities and Member for Santo, introduced the Bill, stated the purpose for the amendment then moved that the bill be read a first time.
6. Leader of the Opposition and Member for Port Vila, The Hon. Maxime CARLTO Korman, was of the opinion that it was adequate that the Government consider the current problem with the maritime affairs but the Opposition wanted to see another Maritime Act that would bring in revenue to the country. He nevertheless said that the opposition shall support the Bill.
7. The Hon. Marcellino PIPITE, Member for Santo, spoke in support for the Bill as it would implement duties and responsibilities formerly done by the now defunct Maritime Authority. He also raised concern about the compensation to be paid to former staff of the Authority.
8. Deputy Leader of Opposition and Member for Malekula, The Hon. Sato KILMAN, gave his support for the Bill but expressed concern regarding the continuous changes occurring in the maritime sector. He asked for clarification concerning the appointment of the Chief Executive Officer (CEO) by the Public Service Commission (PSC) and if it was the Government's policy to change the appointments to statutory bodies by the authorizing the PSC to carry it out instead. He stressed that with the amendment; there must be control over future appointments. He concluded by stating that despite various amendments made to the Maritime Act, the Government continued to appoint the same people with bad records.
9. The Hon. Minister VOHOR responded to the comments raised and pointed out the Government was considering tabling a new Maritime Authority Act as the former Act was not transparent. He continued that the new Act would allow Ni-Vanuatu to apply for top positions and also it would discourage nepotism. He went on that maritime affairs and issues were currently equally dealt with by the Ministry of Finance and Economic Management (MFEM) and the Ministry of Infrastructure and public Utilities (MIPU).
10. The Hon. Harry I IARIS, Member for Tanna, supported the Bill but strongly spoke against the Government's ignorance over maritime issues that were long outstanding. He viewed that Ni-Vanuatu did not benefit from the maritime sector but only certain individuals. He wanted to see stricter control measures included in the amendment.
11. The Hon. Toara D KALO, Member for Shepherds, remarked that the Bill drew light to the current problems faced by the maritime sector due to improper appointments. He stressed the importance of the position of the Commissioner that it should be someone with maritime qualification and did not want to see political appointment be made.

12. The Hon. Paul TELUKLUK, Member for Malekula, wanted to see a new Maritime Authority Act be tabled as soon as possible as it was a high priority since the repeal of the Act had affected Ni-Vanuatu ship owners greatly.
13. The Hon. TOSUL commented that the Bill was important in that it would improve the appointment of officers to top positions and also reinforce the work of officers of the Maritime Authority.
14. The Hon. Minister VOHOR once again assured the House that the Government established the Maritime Act in order to avoid similar problems that had occurred with the former Vanuatu Maritime Authority (VMA) Act. He confirmed that appointments made by the PSC were always based on merit and qualification thus new appointments made would be so.
15. The motion that the Bill be read a first time was approved unanimously.

COMMITTEE STAGE

Section 1, "**Amendment**"

Amendment 1, "**Subsection 3(1)**"

16. The Hon. TELUKLUK pointed out in the French version of the Bill that there was no mention of 'au plus deux' in the principle Act.
17. The Hon. Minister VOHOR agreed with the Hon. TELUKLUK thus he requested a break in order to verify the point raised.
18. The sitting was suspended at 3.30p.m and resumed at 4.10p.m.
19. Amendment 1 was approved on division.

Amendment 2, "**Subsection 3 (2)**"

20. The Hon. Sato KILMAN, Deputy Leader of Opposition and Member for Malekula, asked the Hon. Minister MOLISA if he could answer the question raised that should the employees of the Vanuatu Maritime Authority (VMA) be under the Public Service Commission (PSC) and why the issue must be brought to court and also why must there should be a repayment of the land at the main wharf.
21. The Minister for Public Utilities and Member for Santo, The Hon. Serge VOHOR responded that the Ministry was still analyzing the situation and whether it should be brought to court or not. Furthermore he said that only civil servants were under PSC whereas those appointed by the VMA were not controlled and disciplined according to the VMA Act.

22. The Leader of Opposition and Member for Port Vila, The Hon. Maxime CARLOT Korman confirmed that the issue did not concern the whole wharf but only part of it. He said the issue has been brought to court but the lease he signed has not been registered. He then asked the Minister of Lands and the Attorney General (AG) to address the issue. He concluded that the lease had should be granted now that the Government was aware of the situation.
23. Amendment 2 was approved on division.
24. Section 1 was approved unanimously.
25. Section 2 “**Commencement**”, was approved unanimously.

SECOND READING

26. The Hon. Serge VOHOR, Minister of Infrastructure and Public Utilities and Member for Santo, moved that the Bill be read the second time and do pass.
27. The Motion that the Bill be read the second time and do pass was carried by 47 votes in favor and 1 abstention.

BILL FOR THE VANUATU FINANCIAL SERVICES COMMISSION (AMENDMENT) ACT NO. OF 2009

FIRST READING

28. The Minister for Finance and Economic Management and Member for Santo, The Hon. Sela MOLISA, introduced the Bill, stated the reason for the amendments then moved that the Bill be read a first time.
29. The Hon. Maxime CARLOT Korman, Leader of the Opposition and Member for Port Vila spoke in support of the Bill that he was eager to know how much 25% of public funds were. He claimed that some Ministries did not make enough money so they depended on public funds. In addition said he had concerns on how much money would be spent on the extra work given to the commission. Moreover he said that all the work done by the Finance Sections in Government Departments and Institution must should the approval of the Government.
30. **The sitting was adjourned at 5.00pm.**

**PARLIAMENT OF THE
REPUBLIC OF VANUATU**

NINTH LEGISLATURE OF PARLIAMENT

FIRST EXTRAORDINARY SESSION OF 2009
FIRST MEETING

THURSDAY 26 FEBRUARY 2009

SPEAKER : The Hon. Peter VUTA, First Deputy Speaker and Member for Ambae

PRESENT :

ABSENT :

LATE :

1. The sitting commenced at 9.10am.
2. The Hon. Willie R. A. TITONGOA, Member for Tongoa, said the prayer.
3. The Hon. Speaker VUTA read the agenda.

**BILL FOR THE VANUATU FINANCIAL SERVICE COMMISSION
(AMENDMENT) ACT NO. OF 2009**

FIRST READING (Continue)

4. The Hon. Sato KILMAN, Leader of Opposition and Member for Malekula acknowledged the Hon. Minister MOLISA for the comprehensible explanation of the Bill and asked if other Ministers could do the same. He then asked the Minister how much money has been spent last year (2008) and also wanted clarification of the actual figures of 25%.
5. The Hon. CARLOT Korman, Deputy Leader of Opposition and Member for Port Vila raised a point of order and then asked two Members to declare their affiliation.

6. The Hon. Serge VOHOR referred to the announcement made by the Hon. Speaker the day before.
7. The Hon. CARLOT Korman said he respected the rights of each Member and asked the Hon. Speaker to make sure that there were proper declarations of affiliations.
8. The Hon. Speaker VUTA referred to Standing Order (SO) 52 and reminded the House that all Members must complete their affiliation forms to make sure they were affiliated.
9. The Hon. Minister MOLISA confirmed that approximately vt10 million was from Business licenses, vt157 million from company fees, vt2 million from other licenses (other than business licenses), vt253 million from stamp duties, US \$644000 from shipping registry fees and a total of US \$66000 from promotion works. He said the actual figures of the 25% that was retained by the commission was vt103 million. He also explained that the amendment was to allow the Reserve Bank of Vanuatu (RBV) to supervise the insurance instead of the commission because the commission had no resources like RBV. He added that more work needed to be done on companies' registration in order to get more revenue. Concerning the board, he said that there has not been any consultation with the Minister which was why he needed the approval of item 11 in Parliament. He concluded that the current board was headed by a Ni Vanuatu lawyer, a RBV staff and some other members.
10. The Hon. Marcellino PIPITE, Member for Santo was worried about the 25% the Minister currently clarified. He asked the Government if the retain of 25% was the only option for the commission or could it be shared among the six provinces. He concluded by encouraging the Minister to recruit qualified personnel in the Commission.
11. The Hon. Minister MOLISA clarified that the funds shared among the six Provinces were not based on how much was collected. He further explained that currently there were issues in which statutory bodies and state owned enterprises did not comply with requirements of the Companies Act and did not have audited reports. He added that the VFSC, under Section 18, must have an audit report or it would face similar problems.
12. The Hon. Paul TELUKLUK, Member for Malekula, referred to "item 8" and wanted to know the limit and salaries. He also said he was concerned that the money would be used for personal advantages. He then questioned if "item 9" would give the right to appoint foreigners into the Ministry. In addition he asked if "item 18" provided that the Commission should keep the money for a year and why.

13. The Hon. KILMAN wanted to know the Minister's intension to deal with statutory bodies and state owned enterprises with great liabilities and how the Government would recover the money. He understood that the Government had shares in some companies however he asked the Minister to confirm if they were private or public companies.
14. The Hon. Joshua KALSAKAU, Member for Efate, commented that the Commission was an important financial institution but the running processes were small. He then asked justification on the purpose of the 25% kept by the commission.
15. The Hon. Moana CARCASSES, Opposition Whip and Member for Port Vila, said Vanuatu had a small economy and that the Government only collected its money from taxes and business houses. He also asked the Government to consult with regulatory bodies and business houses because they might be jeopardizing the financial situation. He concluded that money was needed for health and education purposes, thus it was important to have control over it.
16. The Hon. Minister MOLISA explained that the ideal situation was to have a '*across the board*' system. He went to say that the Asian Development Bank (ADB) was currently offering technical assistance to the Commission and then confirmed that there were no expatriates in the Board. He then explained that "Item 18" provided that the Commission transfer all its left over funds to the Government on the 1st of February of every financial year.
17. The sitting was suspended at 10.20a.m and resumed at 11.10 a.m.
18. The Hon. Minister MOLISA wanted to respond to a query raised by the Leader of the Opposition earlier on but decided to drop the answer since he was not present in the Chamber.
19. The motion that the Bill be read a first time was carried by 28 votes in favor and 19 abstentions.

COMMITTEE STAGE

Section 1, "**Amendment**"

20. Amendment 1, "**Section 1 (definition of financial business)**", was approved on division.
21. Amendment 2, "**Section 2 (definitions of Financial Centre Association)**", was approved on division.
22. Amendment 3, "**Subsection 3(2)**", was approved on division.

23. Amendment 4, “**After subsection 3(2)**”, was approved on division.
24. Amendment 5, “**Subsection 3(11)**”, was approved on division.
25. Amendment 6, “**Subsection 4(2)**”, was approved on division.
26. Amendment 7, “**Subsection 6(1)**”, was approved on division.
27. Amendment 8, “**At the end of section 6**”, was approved on division.
28. Amendment 9, “**Paragraph 7(2) (b)**”, was approved on division.
29. Amendment 10, “**Subsection 8(1)**”, was approved on division.
- Amendment 11, “**Subsection 9(1)**”
30. The Hon. Paul TELUKLUK, Member for Malekula, wanted to know why the Minister’s power to approve was removed.
31. The Hon. Minister MOLISA responder that since the Commissioner had much experience and the Minister put his trust and confidence in him, it was acceptable that the Commissioner could make the appropriate appointment.
32. Amendment 11 was approved on division.
33. Amendment 12, “**Subsection 9(2)**”, was approved on division.
34. Amendment 13, “**Subsection 9(4)**”, was approved on division.
35. Amendment 14, “**Subsection 9(6)**”, was approved on division.
- Amendment 15, “**Paragraph 16(1) (b)**”
36. The Hon. PIPITE questioned which particular paragraph the amendment was referring to.
37. The Hon. Minister MOLISA explained that previously the Government paid a fee however it was this paragraph hat would now be repealed.
38. Amendment 15 was approved on division.
- Amendment 16, “**After subsection 16(1)**”
39. The Hon. Ralph REGENVANU, Member for Port Vila, wondered how the Government would control the expenditure.

40. The Hon. Minister MOLISA explained that the accounts of the Commission would be audited.
41. Amendment 16 was approved on division.
42. The sitting was suspended at 11.30a.m and resumed at 2.30p.m.

**BILL FOR THE VANUATU FINANCIAL SERVICE COMMISSION
(AMENDMENT) ACT NO OF 2009**

COMMITTEE STAGE (Continue)

43. The Hon. Minister VOHOR informed the House that the Bill will be published in the gazette together with the Bill of the VFSC that was passed last year (2008).
44. Amendment 17, “**Subsection 16(2)**” was approved on division.
45. Amendment 18, “**After subsection 16(2)**” was approved on division.
46. The Hon. PIPITE commented that “Item 19” repealed Section 19 of the Act which meant that there will be no audit report provided.
47. The Hon. Minister MOLISA clarified that since the Government signed an agreement with the VFSC in 1997 there had not been any budget allocated for the office until present. He said that in fact, there was a committee responsible for the balance sheet of the VFSC and should there be any required changes, it will be done and approved in the House.
48. The Hon. REGENVANU was of the opinion that Section 19 provided a good process and that it was a disadvantage to repeal the Section. In addition he suggested that it would be better if the Minister was conscious about the budget and the audit before tabling the Bill in Parliament.
49. The Hon. Minister MOLISA clarified that the VFSC budget has not been problematic until the signing of the agreement in 1997 and later the VFSC budget was cut out completely because it was not doing its work.
50. Amendment 19, “**Section 19**”, was approved on division.
51. Amendment 20, “**Paragraph 21 (1) (b)**”, was approved on division.
52. The Hon. KILMAN understood that the section gave power to the Minister to regulate the office. He then asked if there would be proper regulation on the commencement of the Act.

53. The Hon. Minister MOLISA explained that the new section clarified the role of the VFSC which is to be responsible and make sure that companies paid their loans.
54. Amendment 21, “**After Section 24**”, was approved on division.
55. Section 1 “**Amendment**”, was approved on division.
56. Section 2, “**Commencement**”, was approved on division.

SECOND READING

57. The Hon. Sela MOLISA, Minister of Finance and Economic Management, thanked the House for their support and then moved that the Bill be read the second time and do pass.
58. The motion that the Bill be read the second time and do pass was approved by 28 votes in favor and 15 abstentions.

BILL FOR THE STAMP DUTIES (AMENDMENT) ACT NO OF 2009

FIRST READING

59. The Minister for Finance and Economic Management, Hon. Sela MOLISA introduced the Bill, stated the reason for the amendments and then moved that the bill be read a first time.
60. The Hon. KILMAN commented that the rate of making amendments was very high now than it was before. He also commented that it was a usual practice for the Government to raise fees to balance the budget just before it is prepared. He went to say that the Opposition would not comment much as it was a mindful for the Government.
61. The Hon. Minister MOLISA explained that it has been 20 years since the Act was made which was why it needed to be amended. He then explained that the Government had considered the increase of fees because tax payers have not been faithfully paying their fees. He added that it was either the fees were left unpaid or the rates increased and push tax payers to pay.
62. The Hon. PIPITE stated that the Bill had two parts to it, one of which talked about penalties and the other about fees. Having heard that land lease should be paid 75 years in advance he wanted to know if it was true. He further commented that from the Opposition’s point of view, the fees were too high for expatriates and less likely for the locals to afford as the cost of living had risen and salaries dropped. He finally asked the Minister to clarify the salary of the Director of the VFSC.

63. The Hon. Minister MOLISA clarified that the penalty rate was around Vt 5 million so that people respected the Law. He went on to clarify that the salary for the Director of the VFSC was Vt 300 000 on a monthly basis.
64. The Hon. IARIS mentioned that the priority to raise funds was to target the ‘big’ business houses. He went on to say that the people who can afford paying taxes were mostly people earning a Government salary. He then asked if people in rural areas could afford the high rate of taxes.
65. The Hon. KALSAKAU commented that expensive land transactions did not go in line with genuine circumstances therefore the Government made great loss.
66. The Hon. Minister VOHOR was of the opinion that the main concerns were about the people living in rural areas. He went on to say that people coming from the islands to live in town were creating their own burden. He further explained that if a person could afford buying a land then he could afford stamp duties.
67. The Hon. James NWANGO, Member for Ambae, complained that the amendments were not helpful to village people. He added that when amendments were made in Parliament, people in the rural areas should be the first people to think of and about how the circumstances would affect them.
68. The Hon. CARCASSES said it was important for the Government to make sure that its people followed the Law. He went to say that it would be less demanding to decrease tax rates and find ways to make sure everyone paid their fees. He concluded that the more tax rates were raised the more ‘smart’ people would find loopholes to bypass the Law.
69. The Hon. Minister MOLISA explained that the fees collected by the Government through stamp duties were used for the benefit of the people living in rural areas. He then reminded the House that the purpose of the Bill was to make sure that land leases were paid.
70. The Motion that the Bill be read a first time was carried by 29 votes in favor and 15 abstentions.
71. The sitting was suspended at 4.10p.m and resumed at 4.40p.m.

COMMITTEE STAGE

Section 1, “**Amendment**”

72. Amendment 1, “**Section 1**”, was approved unanimously.
73. Amendment 2, “**Subsection 4(1)**”, was approved unanimously.

74. Amendment 3, "**Subsection 4(2) and 4(3)**", was approved unanimously.
75. Amendment 4, "**Subsection 6(2) (Proviso)**", was approved unanimously.
76. Amendment 5, "**Paragraph 6(2) (a)**", was approved unanimously.
77. Amendment 6, "**Paragraph 6(2) (b)**", was approved unanimously.
78. Amendment 7, "**Section 11**", was approved unanimously.
- Amendment 8, "**After section 23**"
79. The Hon. KALSAKAU sought clarification as to how the duty paid would be refunded.
80. The Hon. Minister MOLISA explained that the new amendment outlined that once the Controller was satisfied that a person had paid duty in excess of the amount of the duty payable then subject to section 51, the Controller must refund the person the amount so paid in excess.
81. The Hon. KALSAKAU asked a supplementary question concerning the refund of the caution paid as well.
82. The Hon. Minister MOLISA responded that there was never a provision for the refund of the caution paid.
83. Amendment 8 was approved unanimously.
84. Amendment 9, "**Section 24**", was approved unanimously.
85. Amendment 10, "**Subsection 28(3)**", was approved unanimously.
86. Amendment 11, "**Paragraph 30(1) (a) and (b)**", was approved unanimously.
87. Amendment 12, "**Subsection 34(3)**", was approved unanimously.
88. Amendment 13, "**Subsection 38(2)**", was approved unanimously.
89. Amendment 14, "**Subsection 39(2)**", was approved unanimously.
90. Amendment 15, "**Section 44**", was approved unanimously.
91. Amendment 16, "**Subsection 46(2)**", was approved unanimously.
92. Amendment 17, "**Section 47**", was approved unanimously.

93. Amendment 18, "**Section 49**", was approved unanimously.
94. Amendment 19, "**Subsection 50(2)**", was approved unanimously.
95. Amendment 20, "**Section 51**", was approved unanimously.
96. Amendment 21, "**Schedule-Under the heading "DECLARATION OF TRUST"**", was approved unanimously.
97. Amendment 22, "**Schedule-Under the heading "LEASES"**", was approved unanimously.
98. Amendment 23, "**Schedule-Under the heading "MORTGAGE"**", was approved unanimously.
99. Amendment 24, "**Schedule-After the part under the heading "MORTGAGE"**", was approved unanimously.
100. Amendment 25, "**Schedule-After the part under the heading "POWERS OF ATTORNEY"**", was approved unanimously.
101. Amendment 26, "**Schedule-After the part under the heading "TRANSFER OF PROPERTY"**", was approved unanimously.
102. Amendment 27, "**Schedule-After the part under the heading "SETTLEMENTS"**", was approved unanimously.
103. Amendment 28, "**Schedule-After the part under the heading "Minimum Payment"**", was approved unanimously.
104. Amendment 29, "**Schedule-After the part under the heading "Maximum payment in respect of certain instruments"**", was approved unanimously.
105. Section 1 was approved unanimously.
106. Section 2, "**Commencement**", was approved unanimously.

SECOND READING

107. Minister of Finance and Economic Management, The Hon. Sela MOLISA thanked the House for its support and then moved that the Bill be read the second time and do pass.
108. The motion that the Bill be read the second time and do pass was carried unanimously.

109. **The sitting was adjourned at 5.00 p.m.**

**PARLIAMENT OF THE
REPUBLIC OF VANUATU**

NINTH LEGISLATURE OF PARLIAMENT

FIRST EXTRA ORDINARY SESSION OF 2009
FIRST MEETING

FRIDAY 27 FEBRUARY 2009

SPEAKER : The Hon. George A WELLS, Member for Luganville

PRESENT :

ABSENT :

LATE :

1. The sitting commenced at 9.15 a.m.
2. The Hon. Jean Ravou A KOLOMULE, Member for Santo, said the prayer.
3. The Hon. Speaker WELLS read the agenda.

ANNOUNCEMENT BY THE SPEAKER

4. The Hon. WELLS announced the installation of the new PA system inside the Parliament Chamber through the assistance of the Government of France and through an official request by the then Speaker of Parliament and former Member for Parliament for Port Vila, The Hon. Henri TAGA Tarikarea in 2004.

**BILL FOR THE PARLIAMENT MEMBERS' EXPENSES AND
ALLOWANCES (AMENDMENT) ACT NO. OF 2009**

FIRST READING

5. The Hon. Marcellino PIPITE, Member for Santo, raised a point of order and expressed concern why there were two (2) lists of Bills and he wanted to know

the purpose for calling an extraordinary session since the Bills were not tabled according to the numbering on the list sent to the Members.

6. The Hon. Speaker WELLS explained that the first list of Bills contained the 12 Bills that were approved to be tabled during the extraordinary session and served with the notice of summon however the second list contained other Bills that were also ready to be tabled after the summon had been dispatched to Members.
7. Deputy Leader of the Opposition and Member for Malekula, The Hon. Sato KILMAN questioned the Speaker to point out to the House where in the Standing Orders of Parliament allowed an official list of Bills that was already dispatched to the Members, to be amended.
8. The Hon. Speaker WELLS responded that there was no provision in the Standing Orders but since it was the Government's request to include the Bills then Parliament must follow the requirement of seven (7) days for the Bills to be eligible to be tabled as stated in the Standing Orders.
9. The Hon. Paul TELUKLUK, Member for Malekula, complained about the lateness of the receipt of the Bills and that they were not in order to be tabled.
10. The Hon. Speaker WELLS reiterated that the Bills complied with the requirement under the Standing Orders.
11. The Hon. Ralph REGENVANU, Member for Port Vila, also complained about the late receipt of the Bills and requested that the Secretariat should dispatch the summons early.
12. The Hon. Speaker WELLS clarified the House that only Members residing in the islands should receive their Bills late but those residing in Port Vila and nearby villages should pick up their Bills at the Secretariat. He then proceeded to ask the presenter of the next Bill to introduce it.
13. The Hon. Edward N NATAPEI, Prime Minister and Member for Port Vila, introduced the Bill, stated the purpose for the amendment then moved that the Bill be read a first time.
14. Leader of the Opposition and Member for Port Vila, The Hon. Maxime CARLOT Korman spoke strongly that it was sufficient to make laws to control how Members of Parliament use their allocations but it was the Parliament and not the Government that controlled the decision making thus Members' allocation should be controlled by the Speaker of Parliament. He further explained that as the parliament was the Legislative body, the Executive being the Government cannot control its affairs. He nevertheless agreed that it was indeed necessary to control the use of Members' allocation and declared the Opposition's support for the Bill.

15. The Hon. Morking STEVEN, Member for Tanna, gave his support for the Bill but was not pleased with the quarterly instalment distribution of Vt 500,000.
16. The Hon. Alfred CARLOT, Member for Efate, wanted to see the commencement date be retrospective in order to prove the accountability of old Members of Parliament (MPs) who were also in the present (9th) Legislature that there had been no misuse of allocations in the past.
17. The Hon. Samson SAMSEN, Member for Santo, was also of the same view as Hon. CARLOT that former and present MPs had continually misused allocations for personal gains. He wanted to see that other MPs benefits such as for transportation should also have been included in the Bill.
18. The Hon. Danstan HILTON, Member for Banks/Torres, expressed concern that the Vt 2 million was not enough for scattered constituencies such as TORBA, and Outer Southern Islands to name a few thus he wanted the Government to increase the allocations for the constituencies mentioned.
19. The Hon. KILMAN, Deputy Leader of Opposition, stated that the reason for allocations was to help support voters or political supporters. He was of the opinion that the Government was becoming dictatorial in the way it was dictating how an MP should use his/her allocation. He also agreed with the comment made by Hon. HILTON concerning scattered constituencies receiving the same amount of Vt 2 million that it was not enough as did smaller constituencies such as Port Vila.
20. The Hon. PM NATAPEI responded to the queries and comments raised that because Vanuatu had limited resources, the budget estimate for a year must be approved by Parliament. He went on that should the Bill's commencement be back dated indeed a lot of current MPs who were also in other Legislatures would be in breach of the Law. However the current amendment would control the use of allocation to avoid favouritism. He pointed out that allocations should not be used on political supporters only but the whole constituency as well.
21. The Hon. Harry I IARIS, Member for Tanna, spoke strongly on the amendment and urged the Government to back date the commencement of the Bill. He went on that since the Bill was being tabled; Parliament should be realistic and increase the amount of the allocation to cater for not only scattered constituencies but unforeseen circumstances as well. He plainly stated that the Vt 2 million was insufficient.
22. The sitting was suspended at 10.35a.m and resumed at 11.15a.m.
23. The Hon. Speaker WELLS announced the appointment of The Hon. Sato KILMAN as new Leader of Opposition.

24. The Hon. Maxime CARLOT Korman said it was not confirmed that the Hon. KILMAN was the Leader of the Opposition.
25. The Hon. Moana CARCASSES KALOSIL, Member for Port Vila, stated that when the Opposition decided to meet some of its Members moved to the Government side.
26. The Hon. Speaker WELLS said his announcement and decision was made according to the letter he received from the office of the Opposition.

BILL FOR THE PARLIAMENT (MEMBERS' EXPENSES AND ALLOWANCES) (AMENDMENT) ACT NO. OF 2009

FIRST READING (Continue)

27. The Hon. David TOSUL, Member for Pentecost, commented that the Vt 2 million allocated for the Project Fund was insufficient. He said that during the previous years it had increased to Vt 2.3 million where Vt 300,000 was supposedly to cover the cost of transport and Value Added Tax (VAT). He added that the amount has decreased to Vt 2 million, half of which would be spent on VAT and freight and which would not be sufficient for the projects.
28. Prime Minister and Member for Port Vila, the Hon. Edward N NATAPEI explained that the drop of allocation funds was due to the economic crisis which was still on the rise thus would affect the Government. He also said that through donor funding some project developments would be improved. He concluded that the Ministry of Finance would consider the components of freight and VAT.
29. The sitting was suspended at 11.35am and resumed at 2.25 p.m.
30. The Hon. PM NATAPEI responded to the questioned raised; concerning transportation, he confirmed that it was included in the budget in which MPs should submit necessary receipts to the Department of Finance. Concerning the retrospective commencement date, he explained that it could not be retrospective because the Bill was official and was not aimed at penalising current MPs who were also in other Legislatures. He confirmed that the MPs' allocation could not be increased.
31. The Hon. Bob LOUGHMAN, Member for Tanna, wanted to see improvement in the distribution of Bills by the Parliament Secretariat. He was of the Opinion that Provincial Councillors utilized their allocations according to the same principles.
32. The Hon. Ioane S OMAWA, Member for Epi, referred to subsection 7(1) and wanted to know more on the total amount of the budget ceiling. He then sought clarification on subsection 7(5).

33. The Hon. PM NATAPEI asked the Members to comment on the principle of the Bill and not on the sections.
34. The Hon. PIPITE drew light on the Office of The Speaker's inattention to verify and follow up submissive reports. He stated that the page containing section 7(9) of the French version of the Bill was missing. He then urged to increase the amount of Vt 500.000 due that a car could not be purchase with such amount.
35. The Hon. PM NATAPEI stated that there were three amendments undertaken in this Bill. He also emphasized the French version indicated by Hon. PIPITE.
36. The motion that the Bill be read a first time was carried by 37 votes in favor and 9 abstentions.
37. The Hon. PM NATAPEI requested a break in order to make necessary corrections in the French version of the Bill.
38. The sitting was suspended at 2.45p.m and resumed at 4.00p.m.

BILL FOR THE PARLIAMENT (MEMBERS EXPENSE AND ALLOWANCES) (AMENDMENT) ACT NO. OF 2009

FIRST READING (continue)

39. Prime Minister, Hon. NATAPEI thanked the Hon. Speaker WELLS for allowing the House to make amendments.
40. The Hon. Bob LOUGHMAN, Member for Tanna, was of the opinion that if section 7(8) was passed, it would be discriminatory as there were different sectors in the society. He then suggested that through parliamentary amendment the section (amendment) could be repealed.
41. The Hon. Prime Minister NATAPEI explained that the section was wide enough to cover for the Chiefs sector and disable people. He said the Members' comments were taken note of and if changes were done there would be difficulties in the budget. He concluded that it was up to the House to decide.
42. The Hon. Iauko H IARIS, Member for Tanna, suggested that the Vt 2 million must be increased to Vt 4 million and then moved that a parliamentary amendment be made on subsection 7(2).
43. The Hon. Moana CARCASSES, Deputy Leader of the Opposition and Member for Port Vila seconded the motion.
44. The Hon. Prime Minister NATAPEI opposed the motion and explained that the budget had not catered for the increase of the amount for MPs allocation.

45. The Hon. Minister MOLISA explained that it was a very tight budget and then referred to Chapter 4 Article 25 (2) and (3) of the Constitution which stated that no taxation shall be imposed to or altered and no expenditure of public funds shall be incurred except by or under a law passed in Parliament.
46. The Hon. KILMAN said the reasons given by the Hon. NATAPEI and the Hon. MOLISA was unacceptable because the budget had not been passed yet.
47. The motion to amend subsection 7 (2) by deleting Vt 2 million and substituting Vt 4 million was carried by 20 votes in favor and 18 votes against.
48. The Hon. Minister MOLISA said that although the budget had not been passed it was unconstitutional and then requested a break to consult with the Attorney General (AG) and the other Government Lawyers concerning the issue.
49. The Hon. Prime Minister NATAPEI said that if it was necessary to seek consultation then so be it.
50. The Hon. KILMAN raised a point of order and said it would be better if the amendment was debated, nevertheless he confirmed that it was straight forward and needed not to seek consultation.
51. **The sitting was adjourned at 4.20p.m.**

**PARLIAMENT OF THE
REPUBLIC OF VANUATU**

NINTH LEGISLATURE OF PARLIAMENT

**FIRST EXTRAORDINARY SESSION OF 2009
FIRST MEETING**

MONDAY 2 MARCH 2009

- SPEAKER** : The Hon George A. WELLS, Member for Luganville
- PRESENT** : 47 Members
- ABSENT** : Hon. Maxime CARLOT Korman, Member for Port Vila
Hon. Judah ISAAC, Member for Tanna
Hon. Sato KILMAN, Member for Malekula
Hon. Dominique MORIN, Member for Luganville
- LATE** :

1. The sitting commenced at 9.10 am.
2. The Hon. Danstan HILTON, Member for Banks/Torres, said the prayer.
3. The Hon. Speaker WELLS read the agenda and announced that the motion passed the other day was inappropriate, unconstitutional and had no effect.

**BILL FOR THE PARLIAMENT (MEMBERS EXPENSE AND
ALLOWANCES) (AMENDMENT) ACT NO. OF 2009**

FIRST READING (Continue)

4. The Hon. Moana CARCASSES, Opposition whip and Member for Port Vila referred to subsection 7 (2) and said that the issue was raised by the majority of Members. He went on to say that it was important for the Government make right decisions not only for itself but for the betterment of the nation.

5. The Hon. Marcellino PIPITE, Member for Santo, pointed out that the issue was about how the money shall be utilized. He added that the main concerns that the Members raised, was increase the amount so that it should cover for transport and freight expenses. He concluded that as long as the amount remained the same, the point would remain the same.
6. The Hon. Paul TELUKLUK, Member for Malekula, wanted to know which chapter in the Constitution stated that the motion passed in Parliament was not effective. He then commented that Bills were tabled so that the Members debated over it and made decisions.
7. The Hon. Speaker WELLS advised the House that the chair had already made its ruling and if anyone felt that their rights were violated, correct procedures should be followed.
8. The Hon. Toara Daniel KALO, Member for Shepherds, said that it takes time to apply for VAT exemption, therefore he was of the opinion that the Vt 2 million would not be sufficient to cover for transport and freight. He then questioned subsection 7 (7); are MPs allocations paid quarterly or yearly subsection 7 (8) if it would also cover for freight and fare. Lastly, he wanted to know why marriage ceremony was not included as part of a supporter's request.
9. The sitting was suspended at 9.30a.m and resumed at 9.40a.m.
10. The Hon. Joshua KALSAKAU, Member for Efate, explained that becoming an MP depended on how you were able to handle it, and allocations contributed a lot. He added that if the money was insufficient then how MPs would develop their constituencies.
11. The Prime Minister and Member for Port Vila, Hon. Edward NATAPEI explained that the amendment was made to avoid misuse of funds. He then assured the House that the Government shall consider the issue. He felt that Vt 117 million in the budget was allocated for freight, duty and transport. He then suggested that the privileges committee should come up with some suggestions considering the issue.
12. The Hon. Danstan HILTON, Member for Banks/Torres, asked if the Ministry of Finance could find a way to facilitate the access of money allocated for freight and exemption.
13. The Hon. David TOSUL, Member for Pentecost, asked what would happen to the rest of the allocation if there was left over funds.
14. Prime Minister NATAPEI responded to Hon. HILTON's question that the Vt 117 million in the budget covered for the cost of duty. He added that he was unsure of

where the money went if it has not been used but would consult with the Parliament Secretariat and the Department of Finance about the issue.

15. The Hon. CARCASSES raised a point of order and sought clarification on the law of exemption.
16. The Hon. Prime Minister NATAPEI explained that when a Member applied for a project, automatically exemption was included.

COMMITTEE STAGE

Section 1 “**Amendments**”

17. Amendment 1, “**After section 6B**”, was approved on division.
18. Section 1 was approved on division.
19. The Hon. CARCASSES raised a point of order and asked if no.8 “Regulations” were part of amendment 1.
20. The Hon. Peter VUTA, First Deputy Speaker and Member for Ambae confirmed that no.8 “Regulations” were part of amendment 1.
21. The Hon. PIPITE stated that the same article was missing in the French version of the Bill. He then suggested that a motion be moved to make Parliamentary amendment.
22. The Hon. Prime Minister NATAPEI explained that changes have already been made on the French version of the Bill that section 9 becomes section 10.
23. Section 2 “**Commencement**”, was approved on division.

SECOND READING

24. The Hon. Minister MOLISA thanked the House for their valuable support then moved that the Bill be read the second time and do pass.
25. The motion that the Bill be read the second time and do pass was carried by 37 votes in favor and 6 abstentions.
26. The sitting was suspended at 10.10a.m and resumed at 10.45a.m.

BILL FOR THE COMPANIES (AMENDMENT) ACT NO. OF 2009

FIRST READING

27. The Hon. Sela MOLISA, Minister of Finance and Economic Management and Member for Santo, introduced the Bill, stated the purpose for the amendment then moved that the Bill be read a first time.
28. Deputy Leader of Opposition and Member for Port Vila, The Hon. Moana CARCASSES said that the Bill was straightforward thus the Opposition shall support it.
29. The Hon. Marcellino PIPITE, Member for Santo, pointed out the various problems with registration fees of properties. He wondered whether the fee would increase or decrease with the new amendment made. He went on that the personal property security fee was paid to the Vanuatu Financial Service Commission (VFSC) however he was uncertain with the amendment that to whom the companies' fee would be paid to.
30. The Hon. Minister MOLISA explained that under the Companies Act [CAP19], fees were no longer charged however as according to the law, properties must be registered under the VFSC for the purpose of security loans. The amendment was only a blanket amendment of the Personal Property Security (PPS) Act and not under the Companies Act.
31. The motion that the Bill be read a first time was carried unanimously.

COMMITTEE STAGE

Section 1, "**Amendment**"

Amendment 1, "**Under "PART 4-REGISTRATION OF CHARGES, Registration of charges with Registrar of Companies"**"

32. The Hon. PIPITE asked if the Government had already found the amount paid towards the registration of properties.
33. The Hon. Minister MOLISA replied that fees were under section 164 of the PPS Act.
34. Amendment 1 was carried unanimously.
35. Section 1 was carried unanimously.
36. Section 2, "**Commencement**", was carried unanimously.

SECOND READING

37. The Hon. Sela MOLISA, Minister of Finance and Economic Management, thanked the House for its support then moved that the Bill be read the second time and do pass.
38. The motion that the Bill be read the second time and do pass was carried unanimously.

**BILL FOR THE BILLS OF SALE (AMENDMENT) REGULATION ACT
NO. OF 2009**

FIRST READING

39. The Hon. Sela MOLISA, Minister of Finance and Economic Management, introduced the Bill, stated the purpose for the amendment then moved that the Bill be read a first time.
40. The Hon. CARCASSES commented that the Bill was a consequence of the PPS Act and also to avoid double registration. He declared the Opposition's support for the Bill.
41. Opposition Whip and Member for Malekula, the Hon. Paul TELUKLUK complained about the use of the Queen's Regulations that the French Laws often refer to. He went on that after 28 years of independence the Laws still remained the same.
42. The Hon. PIPITE, despite giving his support for the Bill, also raised concern regarding the confusion in the French version of the Bill.
43. The Hon. Minister MOLISA agreed with the confusion with the French Laws however he informed the House that a Law Committee would be established to oversee the works of producing new Laws in French. He explained that Bills of Sales Law was in fact an old Law since 1966.
44. The motion that the Bill be read a first time was carried unanimously.

COMMITTEE STAGE

Section 1, "**Amendment**"

45. Amendment 1, "**Section 2**", was approved unanimously.
46. Amendment 2, "**After section 2**", was approved unanimously.
47. Section 1 was approved unanimously.
48. Section 2, "**Commencement**", was approved unanimously.

SECOND READING

49. Minister of Finance and Economic Management, The Hon. Sela MOLISA thanked the House for its support then moved that the Bill be read the second time and do pass.
50. The motion that the Bill be read the second time and do pass was carried unanimously.
51. The sitting was suspended at 11.30a.m and resumed at 2.30p.m.

BILL FOR THE CURRENCY DECLARATION ACT NO. OF 2009

FIRST READING

52. The Hon. Sela MOLISA, Minister of Finance and Economic Management, introduced the Bill stated its purpose and then moved that the Bill be read a first time.
53. The Hon. Moana CARCASSES Deputy Leader of Opposition and Member for Port Vila, said tax haven was introduced in Vanuatu by the English well before independence but it was still practised today. He explained that tourism was a main source of income however the Government should not make it difficult for them to enter the country. He then demanded explanations on trans-national crime and why the Bill has been introduced.
54. The Hon. PIPITE supported the Bill but said that currency declaration has been a practise. He added that it shall be better if the Government found ways to make it easier for tourist and other visitors to enter the country and not ruin the economy. He also wanted clarification about the French text on “clause 13” because he understood it meant that the money was returned with a 1.5% interest to the person who claimed ownership.
55. The Hon. Jean Ravou A KOLOMULE, Member for Santo, queried about certain agreements that were made between the Vanuatu Government and international partners.
56. The Hon. Minister MOLISA clarified that the purpose of the Bill was to stop trans-national crime. He stated that the Finance Intelligence Unit (FIU), Customs and Quarantine were all involved in this Bill. He said that it was not the Government’s intension to scare off tourists but to make sure that declarations were made on currency and other valuable objects. He also mentioned that there shall be fingerprint machines and other detectors in our ports of entry. Concerning Hon. CARCASSES’ question, he said it was difficult to stop a criminal from entering a country. He also responded to Hon. PIPITE that any amount of money

- that is detained by the FIU goes through to the Reserve Bank of Vanuatu (RBV) and the Government has to decide if there should be a fixed interest or not as people always asked for high interest or compensation in court. He concluded by responding to Hon. KOLOMULE's question that it was an international obligation as member of the United Nations (UN) to provide security at our ports of entry to avoid being blamed for harbouring money laundering.
57. The Hon. KALSAKAU was of the opinion that the Bill was unconstitutional and then questioned people's intimacy or privacy.
 58. The Hon. Minister MOLISA explained that the Bill was introduced for national interest and to reduce the high crime rate in a small country such as Vanuatu.
 59. The Hon. Alfred CARLOT, Member for Efate, was pleased to see Airports Vanuatu Limited (AVL) rise to an international standard. He then stated that he would vote in support of the Bill because it was an international requirement.
 60. The Hon. Iauko H IARIS, Member for Tanna, suggested that if there were difficulties with the current Bill, the next Minister of Finance shall make new amendments where necessary. He added that he supported the Bill because it was not the Minister's interest but an international requirement.
 61. The Hon. Ture KAILO, Government Whip and Member for Southern Outer Islands, said that whilst the Bill is being upgraded, we should consider looking at new infrastructures in remote islands such as Mystery Island where cruise ships and yachts make regular visits.
 62. The Hon. Joe NATUMAN, Minister of Health and Member for Tanna, confirmed that Vanuatu was an international law abiding country however crime could happen at any time and would only be declarable if person owned money that was not stolen.
 63. The Hon. Ralph REGEVANU, Member for Port Vila, asked if the questions would remain the same regarding Customs and Quarantine declaration forms. He said that having had the chance to travel he could not recall a country where authorities asked about precious stones and other valuable items and then questioned why Vanuatu needed to introduce such a law.
 64. The Hon. Minister MOLISA responded to the Hon. KAILO'S question that when yachts and cruise ships entered Vanuatu waters they were checked and declared by the enforcement authorities. He added that there were certain flags flown on the ship that indicated that the vessel has been checked. Concerning the Hon. REGENVANU'S question he said that there were several incidents that happened in the past concerning undeclared precious stones. Therefore it was an obligation for the Government to introduce this Bill.

65. The motion that the Bill be read a first time was approved by 37 votes in favour and 7 abstentions.
66. The sitting was suspended at 3.40p.m and resumed at 4.35p.m.

COMMITTEE STAGE

Section 1, “**Interpretation**”

67. The Hon. REGENVANU was confused with the declaration of currency as it was not an international requirement to do so. He questioned why Vanuatu must be strict.
68. The Hon. Minister MOLISA clarified that it was a country’s decision to apply standard procedures. He noted several cases involving Vanuatu citizens in relation to currency.
69. The Hon. Joe NATUMAN, Minister of Health and Member for Tanna, supplemented that such provisions were established to protect Vanuatu in future against criminal conduct.
70. Section 1 was approved on division.
71. Section 2, “**Obligation to declare**”, was approved on division.
72. Section 3, “**Powers of an authorized officer to question**”, was approved on division.
73. Section 4, “**Power of an authorized offer to search**”, was approved on division.
74. Section 5, “**Seizure of currency**”, was approved on division.
75. Section 6, “**Orders of seized currencies**”, was approved on division.

Section 7, “**Interest**”

76. Seconded by the Hon. Esmon SAIMON, Minister of Ni-Vanuatu Business and Member for Malekula, the Hon. Minister MOLISA moved a parliamentary amendment. (Text as Appendix I)
77. Section 7 with correction taken, was approved on division.
78. Section 8, “**Release of detained currency**”, was approved on division.

Section 9, “**Forfeiture**”

79. Deputy Leader of the Opposition, The Hon. CARCASSES questioned the Government concerning the AUD\$8 million which the Government of Australia was required to pay to it after losing a certain case.
80. The Hon. Minister MOLISA said further information shall be provided later.
81. Section 9 was approved on division.
82. Section 10, “**Appeal against forfeiture**”, was approved on division.
83. Section 11, “**Application of forfeited currency**”, was approved on division.
84. Section 12, “**Victims and other owners**”, was approved on division.
85. Section 13, “**Compensation**”, was approved on division.
86. Section 14, “**Determination of unlawful conduct**”, was approved on division.
87. Section 15, “**Matters relating to recoverable currency**”, was approved on division.

Section 16, “**Protection against liability**”

88. The Hon. PIPITE requested the Minister concerned to follow up and ensure the enforcement of this section. He strongly spoke against the irresponsible attitude shown by senior public officers therefore such officers should be held liable to improper decisions made.
89. The Hon. Minister MOLISA agreed with the comment made and reiterated that public officers who do show irresponsible attitudes shall be held liable.
90. Section 16 was approved on division.
91. The Hon. TELUKLUK, Opposition Whip, raised a point of order that it was already 5.00 p.m.
92. As it was 5.00p.m, The Hon. Speaker VUTA sought the consensus of the House to proceed with the SECOND READING to complete the Bill before the House.

SECOND READING

93. The Hon. Sela MOLISA, Minister of Finance and Economic Management, moved that the Bill be read the second time and do pass.
94. The motion that the Bill be read the second time and do pass was carried by 28 votes in favor and 8 abstentions.

95. **The sitting was adjourned at 5.05p.m.**

**PARLIAMENT OF THE
REPUBLIC OF VANUATU**

NINTH LEGISLATURE OF PARLIAMENT

FIRST EXTRA ORDINARY SESSION OF 2009
FIRST MEETING

TUESDAY 3 MARCH 2009

SPEAKER : The Hon. George A WELLS, Member for Luganville
PRESENT : 49 Members
ABSENT : Hon. Judah ISAAC, Member for Tanna
Hon. Bakoa KALTONGGA, Member for Efate
LATE :

1. The sitting commenced at 9.15 a.m.
2. The Hon. Eta RORY, Member for Malekula, said the prayer.
3. The Hon. Speaker WELLS read the agenda.

ANNOUNCEMENT BY THE SPEAKER

4. The Hon. Speaker WELLS announced that there would be a briefing on the budget on Wednesday 4 March 2009 in the morning and requested all Members of Parliament to attend. He also asked Prime Minister NATAPEI to forward the names of the Members in various Standing Committees.

**BILL FOR THE GOVERNMENT CONTRACTS AND TENDERS ACT
NO. OF 2009**

FIRST READING

5. The Hon. Sela MOLISA, Minister of Finance and Economic Management and Member for Santo, introduced the Bill, stated its purpose then moved that the Bill be read a first time.

6. The Hon. Ralph REGENVANU, Member for Port Vila, remarked that the amendment was adequate as it ensured transparency as the current law was not clear nonetheless the Opposition would support it.
7. The Hon. Toara D KALO, Member for Shepherds, made reference to past contracts that were not followed. He wanted to see that the Government strengthen the procedures on Government Contracts and Tenders. He was nevertheless pleased with the current amendment.
8. The Hon. Marcellino PIPITE, Member for Santo, firstly spoke against the way the Government Bills were tabled and not as according to Standing Orders section 14(2). He continued with the Bill that it was appropriate especially concerning tender process. He then pointed out the discrepancies in the tender procedures particularly with G-vehicles and that of the Millennium Challenge Account (MCA).
9. The Hon. Harry I IARIS, Member for Tanna, stated that the Act was clear regarding tender process however foul practices in the past by the Government and public officers jeopardized its proper implementation. He stressed that offenders should be prosecuted as no one was above the Law thus it was also important that the Government abide with the laws.
10. The Hon. Minister MOLISA responded to the remarks and queries made. He said that it was true that the law was not clear thus this particular amendment would resolve loopholes. He continued that a contract with the Government that was over Vt 5 million must be tendered.
11. The Hon. Ps. Ton KEN, Member for Malekula, stated that it was the major companies that were awarded contracts and small businesses were often left out or neglected. He requested that the Government should consider prioritizing contracts to Ni-Vanuatu businesses.
12. The Hon. Joshua KALSAKAU, Member for Efate, questioned the amendment that it omitted the power of the Council of Ministers (COM).
13. The Hon. Moana CARCASSES, Member for Port Vila, pointed out several Government contracts and tenders that did not comply with the procedure in the Act such as the purchasing of the new Ministry of Health Complex and the leasing of an aircraft to Air Vanuatu by a former Chief Executive Officer (CEO) of Air Vanuatu to name a few. He stressed that as it was public money, the Government should be transparent with its dealings.
14. The Hon. Maxime CARLOT Korman, Leader of the Opposition and Member for Port Vila, before commenting on the Bill, complained about the continuous addition of new Bills to the list that was sent to the Members of Parliament (MPs).

- He hoped that the Government shall not repeat such practice in future extraordinary session. Regarding the Bill, he gave his support for it and admitted that it was true that often the Government failed to comply with contracts and tenders procedures. Nevertheless it must be ensured that investment must be made within a time frame by the company awarded a contract.
15. The Hon. Minister MOLISA replied to the comments raised that tender processes have specifications that Ni-Vanuatu businesses unfortunately did not meet but it was only a matter of time before Ni-Vanuatu companies would be eligible to win contracts. Concerning the accusations made by the Deputy Leader of Opposition, he had not been briefed about the MOH complex but believed that the tender process had been followed. Regarding Air Vanuatu renting an aircraft owned by a former CEO, he said that the Law did not cover Government owned companies however it would be adequate to have corporate governance especially for companies including Government companies.
 16. The Hon. James NWANGO, Member for Ambae, supported the Bill but said that it was not true that Ni-Vanuatu were incapable and unequipped. He saw that the Government was only making excuses and promoting nepotism and friendship when it came to awarding contracts and tenders.
 17. The Hon. Thomas I SAWON, Leader of Government Business and Member for Banks/Torres, asked whether or not the tender process a project that cost more than Vt 5 million must be tendered because it was still regarded as a public fund.
 18. The Hon. Minister MOLISA reiterated that tender notices have specifications that have to be met and Ni- Vanuatu companies failed to meet the criteria. As for projects that cost more than Vt % million, he pointed out that usually tender notices were for those that cost Vt 2 million or less. However projects that were below that value did not require tendering.
 19. The sitting was suspended at 10.25a.m and resumed at 10.55am.
 20. The motion that the Bill be read a first time was approved unanimously.

COMMITTEE STAGE

Section 1 “**Amendments**”

Amendment 1 “**After Section 3**”

21. The Hon. TELUKLUK asked what would happen if a person with a contract of tender died. He then suggested that it would be better for the Ministry to have control over all the tenders.

22. The Hon. Minister MOLISA responded that the company or person who had a tender and then died, it should be handed over to his son or a member of his immediate family. He also explained that the amendment stated that “a Minister” meaning that any Minister could approve the award of a tender.
23. The Hon. TELUKLUK wanted to know if the funds allocated for tenders and projects were also controlled by the Ministry.
24. The Hon. Minister MOLISA responded that work procedures should be done as written in the contract.
25. Amendment 1 was approved unanimously.
26. Section 1 was approved on division.
27. Section 2, “**Commencement**”, was approved unanimously.

SECOND READING

28. The Hon. Sela MOLISA, Minister of Finance and Economic Management, thanked the House for its support and then moved that the Bill be read the second time and do pass.
29. The motion that the Bill be read the second time and do pass was carried unanimously.
30. The sitting was suspended at 11.30a.m and resumed at 2.25p.m.

BILL FOR THE RESERVE BANK (AMENDMENT) ACT NO. OF 2009

FIRST READING

31. The Hon. Sela MOLISA, Minister of Finance and Economic Management, introduced the Bill, stated the purpose for the amendment then moved that the Bill be read a first time.
32. The Hon. KILMAN, Leader of Opposition, remarked that the Bill was adequate as it showed the Government’s responsibility of Government finances. He pointed out that he was pleased to note that areas that had been previously raised concerning certain amendments made to the Act by the Opposition in the past were finally amended in the current Bill.
33. Deputy Leader of the Opposition, The Hon. CARLOT Korman commented that the Bill was interesting and adequate. He advised that the Government should be careful in increasing the number of board members and the Law should not facilitate such practice. He asked for clarification on the provision concerning

- allowances seeing that the Director General of Finance who being a public officer was also a member of the Board, and the Law did not allow civil servants to receive payment in kind. He concluded by commending the first Minister of Finance after independence, Mr Kalpokor KALSAKAU and the current Minister of Finance, Hon. MOLISA for ensuring that RBV continued to perform its functions to ensure that the objectives of the Bank were adhered to.
34. The Hon. IARIS feared that the qualification criteria for a person to become a member of the Board were too high because the RBV was in fact an institution for the people of Vanuatu. Nevertheless he preferred that a foreign accountant should be contracted to review and audit financial statements. He questioned if there would not be any conflict in decisions made since both the Governor and the Deputy Governor were both members of the Board. HE spoke strongly about political influence that one could not runaway from thus there should be a member representing politics inside the Board to oversee that political policy is implemented at the end of the day.
 35. The Hon. Jean Ravou A KOLOMULE, Member for Santo, noticed that the amendment removed the Government's responsibility but replaced it through the Minister of Finance and other experts instead which to him was risky as seen with the International Monetary Fund (IMF) controlling the US Government resulting in the current global recession.
 36. The Hon. Minister MOLISA responded to the queries raised that a public officer in the Board did not receive any allowance and the reason why the amendment included a nominee was simply due to the fact that should the DG be unable to attend a meeting then he could nominate another public officer to attend in his place instead. He stated that since the RBV was a vital institution, it required highly skilled personnel thus its Board must reflect it as well. He clarified that RBV was not a lending institution but regulated the issue, supply, availability and international exchange of vatu. He further pointed out that it was the Auditor General who was a board member and not the Deputy Governor, also, the Deputy Governor and Governor did not receive an allowance. He concluded by stating that there was indeed political abuse in Vanuatu therefore it was necessary to teach leaders not to abuse such power through such Laws.
 37. The Hon. KALSAKAU supported the Bill particularly the qualification provision. He questioned the competency of RBV seeing how the biggest cheque fraud of 2007 had by passed the system in the RBV. He wondered if the RBV was also investigated regarding the case.
 38. The Hon. PIPITE gave his support for the Bill but stressed the importance of confidentiality and secrecy which the Board must always uphold.
 39. The Hon. RORY supported the Bill and asked if the value of old vatu notes would drop.

40. The Hon. CARCASSES stated that a person with political ties should be a member of the Board to report back to the Government of the decisions made concerning the affairs and operations of the RBV however should political abuse arise, then the politician must be punished. He urged the Minister concerned to proceed with the political appointment to the Board.
41. The Hon. Minister MOLISA explained that the cheque fraud was not tied to the RBV as the cheque was cashed at a commercial bank instead.
42. The sitting was suspended at 4.00p.m and resumed at 4.35p.m.
43. The motion that the Bill be read a first time was approved unanimously.

COMMITTEE STAGE

Section 1, "**Amendment**"

44. Amendment 1, "**Subsection 5(4)**", was approved unanimously.
45. Amendment 2, "**Sections 6 and 6A**", was approved unanimously.
46. Amendment 3, "**Subsection 7(2)**", was approved unanimously.
Amendment 4, "**Subsection 8(3)**"
47. The Hon. PIPITE raised a point of order and referred to subsection 8(3) and asked why "Four" was deleted and substituted by "Five".
48. The Hon. Minister MOLISA stated the reason why "Four" was substituted by "Five" which was the number of Board Members.
49. Amendment 4 was approved unanimously.
50. Amendment 5, "**Paragraph 8(3) (b)**", was approved unanimously.
51. Amendment 6, "**Paragraph 8(3) (c)**", was approved unanimously.
Amendment 7, "**Subsection 8(4)**"
52. The Hon. Minister MOLISA moved a parliamentary amendment on amendment 7.
53. Amendment 7 with correction taken was approved unanimously.
Amendment 8 "**Subsection 8(4)**"

54. The Hon. TELUKLUK was of the opinion that the Government should appoint a Chairman of the Board to control the work of the Governor of the RBV.
55. The Hon. Iauko H IARIS, Member for Tanna, sought clarification on amendment 7.
56. The Hon. Minister MOLISA explained that if a person met only one of the three criteria it meant he was qualified to take up the position.
57. The Hon. IARIS referred to subsection 8(4A) and said he understood that the Minister had the authority to sack any Board member who did not fit the criteria but how about misconduct.
58. The Hon. Minister MOLISA clarified that there were other criteria stated under subsection 10 of the Act apart from those stated under the new subsection 8(4A).
59. The Hon. KORMAN said that he understood that a person should be recruited because he met the criteria, yet, he asked why should the Minister have the authority to sack the person and according to what specific reasons.
60. The Hon. Minister MOLISA referred to subsection 9 and explained that the person shall cease to hold his office if the Minister on the recommendation of the Board finds that the person was incapable of carrying out his duties, or is guilty of serious misconduct in the performance of his duties.
61. The Hon. KILMAN asked if there were possibilities that the section was tabled because some members were incompetent in the Board.
62. The Hon. Minister MOLISA responded that he was not aware of it.
63. Amendment 8 was approved on division.
64. The Hon. Willie R A TITONGOVA, Member for Tongoa, said he was not able to understand subsection 8(5) and asked if the Governor was guilty of a serious misconduct, who had the authority to discipline him.
65. The Hon. Minister MOLISA replied that the Governor and other Board members were appointed by the Minister and can be removed by the Minister.
66. **The sitting was adjourned at 5.00pm.**

**PARLIAMENT OF THE
REPUBLIC OF VANUATU**

NINTH LEGISLATURE OF PARLIAMENT

**FIRST EXTRAORDINARY SESSION OF 2009
FIRST MEETING**

WEDNESDAY 4 MARCH 2009

SPEAKER : The Hon George A. WELLS, Member for Luganville

PRESENT : 49 Members

ABSENT : Hon. Judah ISAAC, Member for Tanna
Hon. Moses KAHU, Member for Tanna
Hon. Bakoa KALTONGGA, Member for Efate

LATE :

1. The sitting commenced at 2.35p.m.
2. The Hon. Roro SAMBO, Member for Efate, said the prayer.
3. The Hon. Speaker WELLS read the agenda and referring to Standing Order (SO) 6(2) he announced that the Deputy Speakers shall perform duties and exercise the authority of the Speaker during session when called upon by the Speaker.

**BILL FOR THE RESERVE BANK OF VANUATU (AMENDMENT) ACT
NO. OF 2009**

COMMITTEE STAGE (Continue)

4. The Hon. Iauko H IARIS, Member for Tanna, said he noticed that when a chairman is appointed it was difficult to remove him regardless of the misconducts. He also said he wanted to know if any member apart from the Governor could be appointed as Chairman of the Board.

5. The Hon. Sela MOLISA, Minister of Finance and Member for Santo, explained that since 1982 the Governor has been Chairman of the Board until the Act was amended. He also mentioned the reason why the Act was amended was to allow the Governor alone to become Chairman of the Board. He went on that in the past, when a person apart from the Governor was appointed Chairman; he poorly performed his duties and then left a total chaos which was difficult and costly to clean.
6. Amendment 9 was approved unanimously.
7. Amendment 10, "**Subsection 9(2)**", was approved unanimously.
8. Amendment 11, "**After Section 11**", was approved unanimously.
9. Amendment 12, "**Section 25**", was approved unanimously.
10. Amendment 13, "**Paragraph 35(1) (h)**", was approved unanimously.
11. Amendment 14, "**After Section 35**", was approved unanimously.
12. Amendment 15, "**PART 9-ACCOUNTS, AUDIT AND REPORTS**", was approved unanimously.

Amendment 16, "**Section 39**"
13. The Hon. KILMAN wanted to know the rate of multiply effect and how many currencies were in the currency basket at the RBV.
14. The Hon. Minister MOLISA explained that the multiply effect was the value added on to what was lent and there was no rate to it. Furthermore he said that after the incident of devaluation of vatu in the 1980's the method of currency basket was invented and confirmed that there were several currencies in it.
15. Amendment 16 was approved unanimously.
16. Amendment 17, "**After subsection 40(1)**", was approved unanimously.
17. Amendment 18, "**After section 40**", was approved unanimously.
18. Section 1 was approved unanimously.
19. Section 2, "**Commencement**", was approved unanimously.

SECOND READING

20. The Hon. Minister MOLISA thanked the House for its support and then moved that the Bill be read the second time and do pass.
21. The motion that the Bill be read the second time and do pass was approved unanimously.

BILL FOR THE FRAMEWORK AGREEMENT ON THE PROVISION OF CONCESSIONAL LOAN BETWEEN THE GOVERNMENT OF THE REPUBLIC OF VANUATU AND THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA (RATIFICATION) ACT NO. OF 2009

FIRST READING

22. The Hon. Sela MOLISA, Minister of Finance and Economic Management and Member for Santo, introduced the Bill, stated its purpose and moved that the Bill be read a first time.
23. The Hon. KILMAN commented that the China has lent so much money to Vanuatu and that he understood that in the previous loan not all the money was spent therefore; he wanted to know how much was left. He went on to ask how many years was the grace period and how could it be assured that the Vt2 billion loan would be paid back. He concluded by asking if there was money allocated to guarantee the security of the system and who had the authority to examine and supervise its utilization.
24. The Hon. Maxime CARLOT Korman, Deputy Leader of the Opposition and Member for Port Vila, supported the Bill however complained that the agreement signed was written in English and Chinese languages but not in French.
25. The Hon. Minister MOLISA began by stating that the grace period was 5 years commencing on the day the Act will be published in the gazette. He added that there would be technical people and other Chinese officials who will assure that the system is secured. He then said that he was unable to inform the House about how much was left from the previous loan. He concluded by apologizing about the language in which the agreement was written and then promised that he would ensure that the next agreement would be written in both French and English.
26. The Hon. Marcellino PIPITE, Member for Santo, supported the Bill then asked if there was an amount allocated in the Vt 2 billion to cover for briefing of usage of the system.
27. The Hon. Paul TELUKLUK, Member for Malekula, asked how it could be assured that the loan would be paid back and will it be paid if the rate of the Renminbi Yuan (¥) increased.

28. The Hon. Minister MOLISA responded that the Bill specifically stated the process of the loan. He further explained that he was unable to give details of how the project would be carried out however he said he could only explain ways in which the Government would benefit from it.
29. The Hon. Alfred CARLOT, Member for Efate, commented that the E-Government Act has become a law in 2000 therefore; the project must be based on the principles of the Act.
30. The Hon. Jean Ravou A KOLOMULE, Member for Santo, was of the opinion that it would be better that the State-Law Office drafted a clause that specified which court, Vanuatu or Chinese, would handle the case if an issue arose.
31. The Hon. Minister MOLISA said that the agreement was subjected to the laws and courts of Vanuatu.
32. The motion that the Bill be read a first time was carried by 34 votes in favour, 1 vote against and 8 abstentions.

COMMITTEE STAGE

Section 1, “**Ratification**”

33. The Hon. KILMAN asked if the ‘forgiveness’ of the loan could be discussed in the House.
34. The Hon. Edward NATAPEI, Prime Minister and Member for Port Vila explained that in the actual agreement there was no ‘forgiveness’.
35. Section 1 was approved unanimously.
36. Section 2, “**Commencement**”, was approved unanimously.

SECOND READING

37. The Hon. Minister MOLISA thanked the House for its valuable contributions and moved that the Bill be read the second time and do pass.
38. The motion that the Bill be read the second time was approved by 34 votes in favor and 10 abstentions.
39. The sitting was suspended at 4.00pm and resumed at 4.45p.m.

BILL FOR THE E-GOVERNMENT PROJECT CONCESSIONAL LOAN AGREEMENT (RATIFICATION) ACT NO. OF 2009

FIRST READING

40. The Hon. Sela MOLISA, Minister of Finance and Economic Management, introduced the Bill, stated its purpose and then moved that the Bill be read a first time.
41. Leader of Opposition, the Hon. KILMAN questioned whether or not the E-Government project would now be a Government priority. He wondered if in future there would be access to obtain a breakdown of the spending particularly of the loan as immense as this one. He said that the Opposition was not comfortable with the agreement thus shall abstain from voting.
42. The Hon. PIPITE supported the Bill but wanted explanation regarding certain tax fess. He also wanted to know if a company was already contracted to implement the project.
43. The Hon. Speaker WELLS announced that all Members of Parliament were invited to attend the ceremony to mark the national Chiefs' Day (Public Holiday) at the Chiefs' Nakamal on Thursday 5 March.
44. **The sitting was adjourned at 5.00p.m.**

**PARLIAMENT OF THE
REPUBLIC OF VANUATU**

NINTH LEGISLATURE OF PARLIAMENT

**FIRST EXTRA ORDINARY SESSION OF 2009
FIRST MEETING**

FRIDAY 6 MARCH 2009

SPEAKER : The Hon. Peter VUTA, First Deputy Speaker and Member for Ambae

PRESENT : 48 Members

ABSENT : Hon. Louis ETAP, Member for Tanna
Hon. Judah ISAAC, Member for Tanna
Hon. Bakoa KALTONGGA, Member for Efate

LATE :

1. The sitting commenced at 8.50a.m.
2. The Hon. Moses KAHU, Minister of Youth and Training Development and Member for Tanna, said the prayer.
3. The Hon. Speaker VUTA read the agenda.

**BILL FOR THE E-GOVERNMENT PROJECT GOVERNMENT
CONCESSIONAL LOAN AGREEMENT (RATIFICATION) ACT NO. OF
2009**

FIRST READING (Continue)

4. The Hon. David TOSUL, Member for Pentecost, wanted to know how much savings and revenue the Government would make after the implementation and completion of the E-Government Project (EGP).

5. The Hon. Harry I IARIS, Member for Tanna, before speaking on the principle of the Bill, raised his concern regarding the commencing of the sitting each day that it did not follow the time stated in the Standing Orders of Parliament. He asked that the Speaker should ensure that the sitting commence at the time stated under the Standing Orders. On the principle of the Bill, he commented that the loan to be taken by the Government was indeed immense but it was for the purpose of providing service delivery thus he saw that through the EGP, the livelihood of the rural population shall improve. He was also rational about such huge amount of funds being loaned whereby fraudulent and misappropriation could easily arise as seen with the Ni-Vanuatu Business loan scheme.
6. The Hon. Jean Ravou A KOLOMULE, Member for Santo, saw that despite the loan would be used towards service delivery; it would be the rural population that would repay the loan and in his opinion, it was such a mammoth loan. He then announced that he would vote against the principle of the Bill.
7. The Hon. Ralph REGENVANU, Member for Port Vila, also declared that he would vote against the Bill. He then went on to state that the Bill was inappropriate as it would be the population of Vanuatu who would be required to repay the loan and there were other priority needs such as education that should be considered by the Government instead. He continued that no revenue would be made under the loan and was of the opinion that there was a hidden agenda why the Government had agreed to accept the loan.
8. The Hon. Sela MOLISA, Minister of Finance and Economic Management and Member for Santo, referring to MP REGENVANU's use of strong words, that the use of language inside the Chamber must not be abusive. He went on that response to the remarks made would be clarified during the budget session however the project was about to commence with the arrival of materials/equipment. He said that the EGP shall ensure the Government saves more funds that shall be used towards service delivery in rural areas and the Government saw that it was a priority to improve telecommunication throughout the country as it was the most important factor to attract investment to boost the economy. He concluded that it was correct that with the current global recession, the Government must be cautious.
9. The Hon. REGENVANU apologized for and withdrew his abusive use of language.
10. The Hon. Thomas I SAWON, Leader of Government Business and Member for Banks/Torres, supported the principle of the Bill as it would be a great step towards improving the currently poor telecommunication system faced in the TORBA Province. He disagreed that it would be the responsibility of the rural population to repay the loan because no telecommunication service was free anyway and also despite the mammoth loan, it was the Government responsibility

to provide for the people whatever it considered would be of benefit after all the Government was established by the people for the people.

11. The Hon. Morking STEVEN, Member for Tanna, supported the principle of the Bill and explained how the telecommunication system had improved immensely with the breakdown of monopoly. He continued that the EGP was all about service delivery thus it was the Government's priority to make sure that this was meant to improve rural livelihood.
12. The Hon. Toara D KALO, Member for Shepherds, was concerned with the amount of loan because he preferred to see it used towards the productive sector instead. He questioned if schools could have free access of the internet, if a guarantee was also included with the loan and also who would be responsible to employ workers.
13. The Hon. Joe NATUMAN, Minister of Health and Member for Tanna, gave his support for the Bill and explained that although the Government concentrated on telecommunications it was its priority to improve service delivery. He added that the ECT would also assist both health and education sectors and its benefit shall be seen in the years to come.
14. The Hon. David AREISUV, Member for Paama, was unsure of how EGP would be of benefit to his constituency seeing that currently his men folk had to walk a distance to the Provincial Centre to use telecommunication system there. He spoke strongly that the Government should consider the benefits of all islands of Vanuatu and not just some.
15. The Hon. Paul TELUKLUK, Opposition Whip and Member for Malekula, remarked that EGP was not a priority and the Government should serve the people by using proceeds from the ban towards infrastructure in rural areas instead. He viewed that with such huge loan, it would bring about inflation and it did not assist the rural population thus he shall vote against the Bill.
16. The Hon. Serge VOHOR, Minister of Infrastructure and Public Utilities and Member for Santo, thought otherwise and saw the EGP shall benefit the rural population as it would improve the current telecommunication system. He commented that it was the latest world trend to modern technology. He went on that Vanuatu was so fortunate to have such sophisticated system in place compared to other Pacific countries. He ended his comment by giving his support for the Bill.
17. The Hon. Charlot SALWAI, Minister of Education and Member for Pentecost, supported the Bill especially as it would greatly assist the education sector towards free access to better management of schools around Vanuatu. He said the system would be cheaper and children would have access to expanding their knowledge through the use of the system. He agreed that the Government must be

- cautious with obtaining huge loan amounts however an audit was yet to be finalized to find out exactly the Government's position.
18. The Hon. Edward NATAPEI, Prime Minister and Member for Port Vila, responding to the queries raised the EGP shall assist the requirement of free education policy and improve telecommunication in areas that were often disadvantaged and would be established in schools in villages that were far from the Provincial centers. He also clarified that the telecommunication system was still a monopoly but only the analogue mobile phone service was opened up. He also agreed that the Government must be careful on borrowings and must ensure that there was no overspending towards the public service and overlook the productive sector.
 19. Leader of Opposition and Member for Malekula, the Hon. Sato KILMAN requested that the Minister of Finance should justify the benefit of the EGP and the Government had failed to state whether or not it was apriority. In his opinion, EGP was a want and not a need and hoped that it would not be misused by the public sector. Lastly he wanted to know how many islands of the TORBA Province would benefit from the system.
 20. The Hon. Danstan HILTON, Member for Banks/Torres, was also concerned on how the Government would ensure that the system would be installed in the various scattered islands of the TORBA Province. He wondered of it could benefit the private sector in rural areas.
 21. The Hon. Minister MOLISA thanked the House for their comments raised and then went on to respond to the queries raised. He announced that locals would be employed to build receiver towers whereas Chinese technicians employed shall have their salaries paid out of the loan. He clarified that outer islands around Vanuatu shall receive the system through landline whereas both Tanna and TORBA province would be linked via satellite. He further explained that the Government had to put in place a budget to cover costs of repayment of the loan.
 22. The motion that the Bill be read a first time was carried by 25 votes in favor, 7 against and 8 abstentions.
 23. The sitting was suspended at 10.55a.m and resumed at 11.35a.m.
 24. The sitting was suspended again at 11.36a.m and resumed at 2.25 p.m.

COMMITTEE STAGE

Section 1, "**Ratification**"

25. Opposition Whip, The Hon. TELUKLUK asked why the former Minister of Finance (Hon. Willie JIMMY Tapangararua) had signed the agreement prior to its

- ratification. He complained that there was no supporting document and that should foreign exchange rate fluctuate (referring to Article 2), it could affect Vanuatu with its repayment. Just out of interest, he wanted to know the thickness of the underwater cables to be used.
26. The Hon. Minister MOLISA explained that there was no breach in the Public Finance Management Act and all necessary provisions were followed. He added that there were no other supporting documents other than that attached with the Bill. He went on that Article 2 enabled repayment to be paid in foreign currencies accepted by the lender and it was not true that Vanuatu would be required to excesses due to the 2% interest rate per annum. As for the underwater cables, he said the cables used would provide faster and efficient telecommunication system compared to the ones currently installed by Telecom Vanuatu Ltd (TVL).
27. Section 1 was approved on division.
28. Section 2, “**Commencement**”, was approved on division.

SECOND READING

29. The Hon. Sela MOLISA, Minister of Finance and Economic Management, moved that the Bill be read the second time and do pass.
30. The motion that the Bill be read the second time and do pass was carried by 24 votes in favor, 7 votes against and 3 abstentions.

BILL FOR THE PUBLIC FINANCE AND ECONOMIC MANAGEMENT (AMENDMENT) ACT NO. OF 2009

FIRST READING

31. The Hon. Sela MOLISA, Minister of Finance and Economic Management, introduced the Bill, stated the purpose for the amendment then moved that the Bill be read a first time.
32. Leader of Opposition, Hon. Sato KILMAN stated that the Bill differed from the previous Bills passed. He questioned why Parliament must appropriate funds that were already spent in 2008. He wondered whether or not it was legal for Parliament to proceed with the Bill and reiterated that as it was public money the Government could not make decisions that would adversely have its impact.
33. The Hon. CARLOT Korman, Deputy Leader of Opposition, was of the opinion that the Government was not serious about public funds and allowed the public sector to abuse the system resulting with the Government’s attempt to sort out the problems imposed. He pointed out that the Constitution provided for the approval of the annual budget and it was always a balanced budget. He asked that the

- Ministry of Finance and Economic Management (MFEM) to provide a vision of the budget.
34. The Hon. Minister MOLISA responded that Article 25 (1), (2), and (3) of the Constitution authorized the Government to use funds apart from the annual budget for unexpected circumstances. He said that the Bill aimed at legalizing the funds brought forward from the 2008 budget, before the Parliament approved the 2009 annual budget.
 35. The Hon. KILMAN accepted the response of the Minister on the surplus used nevertheless; he wanted the Government to be aware that the tabling of this Bill should be legal. He disagreed with the 4.2% of the 2009 budget which was worth Vt 2 million.
 36. The Hon. Minister MOLISA explained that the Vt 2 million represented 1.5% and not 4.2% of the budget. Yet the 4.2% represented Vt 548,368,952 however the Government had decided to maintain the current percentage of 1.5% and the said amendment would be anticipated in the next Bill.
 37. The Hon. KILMAN asked if the 4.2% did not only cover this situation.
 38. The Hon. Minister MOLISA confirmed in the affirmative.
 39. The Hon. CARLOT Korman explained that he had never agreed on the decision which allowed the increase of expenses while he was part of the coalition Government in 2008.
 40. The Hon. Moana CARCASSES, Member for Port Vila, highlighted that it was important to declare the public interest which was, usually, made up of supplementary expenses which brings more revenue however, with the current global recession, the Government should seriously consider its impact. He concluded that it was important that the Parliament respected the law.
 41. Prime Minister and Member for Port Vila the Hon. Edward NATAPEI stated that the Bill also covered public interests and should have been tabled in Parliament in 2008, unfortunately it was withdrawn. He insisted that the Bill must be approved to legalize the 2008 expenditures.
 42. The motion that the Bill be read a first time was carried by 32 votes in favor and 10 against.

COMMITTEE STAGE

Section 1, "**Amendment**"

43. Amendment 1, "**Paragraph 39(5) (b)**", was approved on division.

44. Section 1 was approved on division.
45. Section 2, “**Commencement**”, was approved on division.

SECOND READING

46. The Hon. Sela MOLISA, Minister of Finance and Economic Management, moved that the Bill be read the second time and do pass.
47. The motion that the Bill be read the second time and do pass was carried by 30 votes in favor and 10 against.

BILL FOR THE SUPPLEMENTARY APPROPRIATION (2008) ACT NO. OF 2009

FIRST READING

48. The Hon. Sela MOLISA, Minister of Finance and Economic Management and Member for Santo, introduced the Bill, stated its purpose and then moved that the Bill be read a first time.
49. The Hon. Sato KILMAN, Leader of the Opposition, stated that supplementary totals in schedule 2 were not necessary but just wants. He wanted to know what the Vt 88 million allocated to the Ministry of Health would be spent on.
50. The Hon. Maxime CARLOT Korman, Deputy Leader of Opposition, referred to Section 50 (1) of the Standing Order (SO) then asked why the Government tabled the Bill for the Supplementary Appropriation during this Extraordinary Session. He asked the Hon. Speaker to explain why the SO was abuse by the Parliament.
51. The Hon. Speaker VUTA explained that the First Extra Ordinary Session of this year (2009) was requested because the Budget had to be approved before the month of March.
52. The Hon. CARLOT Korman said it was not stated in the Standing Orders of Parliament that a Supplementary Appropriation should to be tabled before the Appropriation Bill.
53. The Hon. Minister MOLISA referred to SO 50(2) and explained that the Supplementary Appropriation was supposed to be tabled during the Second Ordinary Session of 2008 but was withdrawn. He continued that since it needed Parliamentary approval it had to be table this year.
54. The Hon. PIPITE said there were proper procedures as to suspend the SO. He felt that it was not being preserved and respected.

55. The Hon. Prime Minister NATAPEI explained that the Supplementary Appropriation urgently needed parliamentary approval.
56. The Hon. KILMAN referred to SO 50(1) then asked if the Appropriation Bill should be passed during an Extra Ordinary Session or an Ordinary Session.
57. The Hon. Minister MOLISA said it should have been passed during the Second Ordinary Session of last year however added that the Chair has ruled that it shall be passed during this First Extra Ordinary Session.
58. The sitting was suspended at 4.00p.m and resumed at 4.45p.m.
59. The Hon. Joshua KALSAKAU, Member for Efate, spoke in support of the Bill purposely to legalize the Government's expenditure. He then questioned the Minister of Justice and Social Welfare concerning the purchase of land that cost the Government Vt 20 million for the Correctional Service project.
60. The Hon. Ham LINI, Deputy Prime Minister and Member for Pentecost, explained that there were a lot of disputes over the land assigned for the Correctional Centre and that the Ministry of Justice was working at its best to find a new location for the project.
61. The Hon. CARLOT Korman was of the opinion that the police should stop the disputes because the land belonged to the Government.
62. The Hon. Ralph REGENVANU, Member for Port Vila, referred to schedule 2 and asked if it was legal and necessary for the Government to purchase new vehicles while the Appropriation Bill was yet to be tabled and approved in Parliament. He also queried about the Vt66 million allocated as a grant for the Port Vila Municipal and also why the current Minister approved the appointment of the current Board members.
63. The Hon. Minister MOLISA confirmed that the new vehicles were bought simply because the vehicles donated to the Government of Vanuatu by the Government of the People's Republic of China had no spare parts and could not be repaired thus they could not be tendered.
64. The Hon. Iauko H IARIS, Member for Tanna, spoke strongly against the Bill because Members do not reflect what they do and talk about in Parliament. He said the Government made it an urgent issue to purchase new cars but what about increasing MP's allocation.
65. The Hon. CARLOT commented that Port Vila was not a good place to accommodate facilities such as the Correctional Service.

66. **The sitting was adjourned at 5.00pm.**

**PARLIAMENT OF THE
REPUBLIC OF VANUATU**

NINTH LEGISLATURE OF PARLIAMENT

**FIRST EXTRAORDINARY SESSION OF 2009
FIRST MEETING**

MONDAY 9 MARCH 2009

SPEAKER : The Hon Peter VUTA, First Deputy Speaker and Member for Ambae

PRESENT : 47 Members

ABSENT : Hon. Judah ISAAC, Member for Tanna
Hon. Bakoa KALTONGGA, Member for Efate
Hon. Ioane SIMON Omawa, Member for Epi
Hon. George WELLS, Member for Luganville

LATE :

1. The sitting commenced at 9.20a.m.
2. The Hon. Dona BROWNY, Member for Malekula, said the prayer.
3. The Hon. Speaker WELLS read the agenda

**BILL FOR THE SUPPLEMENTARY APPROPRIATION (2008) ACT NO.
OF 2009**

FIRST READING (Continue)

4. The Hon. Patrick CROWBY, Minister for Internal Affairs and Member for Port Vila clarified that the Vt 66 million allocated to the Port Vila Municipal Council (PVMC) was not a grant. He said that the Government had never granted the PVMC since it was established. He also confirmed that there were no misuses of money whilst he was Lord Mayor and that he had provided a report to prove the spending.

5. The Hon. Ralph REGENVANU, Member for Port Vila officially requested the reports that the Minister claimed to have provided.
6. The Hon. Paul TELUKLUK, Member for Malekula, was of the opinion that if the money used to purchase new Government vehicles would have been allocated to the MPs there would have been more development and improvement of service delivery in the islands. Moreover he said that MPs needed to know how and on what the money would be spent on to get their vote of approval.
7. The Hon. Ps Ton KEN, Member for Malekula, said it was disappointing to see that the Vt 4 million allocated through the Ministry of Health for the building of a new clinic in Malekula was misappropriated. He strongly asked where the money had gone and what it had been spent on. He then complained about the Vt 88 million allocated for the upgrading of Norsup Hospital and that the Hospital was still in its poor state. He concluded that the mortuary that was requested was still awaited by the people of Malekula.
8. The Hon. Minister MOLISA responded to the Hon. KALSAKAU's question that land disputes were the only reason of that slowed down the process of building the new Correctional Centre. He added that Vt 20 million has already been spent on the lease of the land.
9. The Hon. Joe NATUMAN, Minister for Health and Member for Tanna, responded to the Hon. Ps KEN's queries that the Vt 88 million was allocated to cater for the agreement signed between the Government of Vanuatu and the Government of Cuba to allow Cuban doctors to come to Vanuatu and help our Ni-Vanuatu doctors. Moreover he said that he would follow up with the department to make sure the clinic is completed and then apologized that he was unaware of the request for a mortuary.
10. The motion that the Bill be read the first time was carried by 24 votes in favor and 9 votes against.

COMMITTEE STAGE

11. The Hon. Marcellino PIPITE, Member for Santo, was of the opinion that every Ministry with left over budget should carry it forward with a clear report of the spending so that it could be used the following year.
12. Section 1, "**Amounts carried forward from 2008 to 2009 under section 37 of the Public Finance Act [CAP 244]**", was approved on division.

Section 2, "**Appropriation of Additional Amounts In 2008 Under Section 39 of the Public Finance and Economic Management Act [CAP 244]**"

13. The Hon. Moana CARCASSES, Member for Port Vila, asked the Hon. Minister to clarify the actual figures of the cost of the clinic on Malekula.
14. The Hon. Minister MOLISA referred the Members to the sections instead of the schedule and then went on to say that the Minister of Health would give a breakdown on the cost of new health facilities.
15. The Hon. Sato KILMAN, Leader of Opposition and Member for Malekula, sought clarification on the Vt66 million given to the PVMC as a grant or a loan.
16. The Hon. Minister MOLISA responded that the amount will be explained during the approval of the Appropriation Bill.
17. The Hon. TELUKLUK wanted to know the cost of the health facility on Malekula and where the building equipments had gone to.
18. The Hon. Minister NATUMAN said he would provide details during the approval of the Appropriation Bill.
19. The Hon. Moking STEVEN informed the House that nearly all the amount was spent on new X-rays and ultra sound machines which were distributed to all six provinces.
20. Section 2 was approved on division.

Section 3, “**Appropriation of Additional Programs In 2008**”

21. The Hon. CARLOT Korman asked if the Vt 2,545,956 carried forward from last year’s budget was included in the total amount of the Supplementary Budget.
22. Section 3 was approved on division.
23. The Hon. Minister MOLISA pointed out the commencement date was 01 January 2009 instead of 01 January 2008.
24. The Hon. CARCASSES questioned why it needed correction when the money had already been spent.
25. The Hon. Minister MOLISA said the corrections were necessary for approval.
26. The Hon. KILMAN said he wanted clarification on the amount carried forward for 2009 and asked if it was appropriate to approve before the Appropriation Bill.
27. Section 4, “**Commencement**”, was approved on division.

SECOND READING

28. The Hon. MOLISA thanked the Members for their continuous support and then moved that the Bill be read the second time and do pass.
29. The motion that the Bill be read the second time and do pass was approved by 34 votes in favor and 10 votes against.
30. The sitting was suspended at 10.35a.m and resumed at 11.05a.m.
31. The Hon. Speaker VUTA announced that since there was not enough time for the Minister of Finance and Economic Management to present the 2009 Budget Speech, thus he deferred it to the afternoon sitting instead.
32. The sitting was suspended at 11.06a.m and resumed at 2.20pm.

STATEMENT BY MINISTERS

33. The Hon. Sela MOLISA, Minister for Finance and Economic Management, presented the 2009 Budget Speech. **(Text as Appendix I)**
34. The Leader of the Opposition and Member for Malekula, The Hon. Sato KILMAN, gave his response to the Budget speech. **(Text not available)**
35. The Hon. CARLOT Korman, Deputy Leader of Opposition, congratulated the Government through the Ministry of Education about the right to free education. He commented that it was not a good practice to pay the right for education and then asked the Government to stop the policy of paying for it (education). He then referred to the Budget and asked when the nation would have its own development fund included its Budget. He concluded by suggesting that for a better future the Government should consider; free education, strengthen the Municipalities, revise the Constitution, Government Act, minimum wage, Correctional Service Act, Police Act, and the Decentralization Act.
36. The Hon. CARCASSES said that although the Budget was considered public money, during the preparation process there were no public consultations. He went on to say that if consultations were made with communities, there would have been a better understanding of the different issues in the islands to budget for. He concluded that the Government needed to focus on what should be done economically and make it a long term alternative.
37. The Hon. Minister NATUMAN raised a point of order and suggested that the Members commented briefly and in accordance to the Bill.
38. The Hon. CARLOT Korman raised a point of order and said that the SO had been violated by the Government as the Budget should have been approved during the

- Second Ordinary Session of last year (2008) instead it was approved during the First Extra Ordinary Session.
39. The Hon. Speaker WELLS reminded the House that he had decided through request from the Prime Minister that the Budget was to be approved during the First Extra Ordinary Session.
 40. The Hon. KILMAN said that the Members commented generally and their comments were exceptional in every area.
 41. The Hon. CARCASSES raised his concerns about the economy and said the Opposition would be willing to help the Government to consider issues like education and health.
 42. The Hon. PIPITE was of the opinion that the Budget should reflect the population. He then suggested that some money should be allocated for rural area developments.
 43. The Hon. Jean Ravou. A. KOLOMULE, Member for Santo, suggested that the Government should have a dialog sector to have a stronger development fund.
 44. The Hon. CARLOT commented that the situation in which Fiji was facing helped our tourism industry grew stronger. He added that everyone was aware that there was a world economic crisis but he assured the House that Vanuatu would be the least affected because it did not have USA and Europe as its trading partners. He concluded that economic crisis should not be used as an excuse because the country's economy ran as it should.
 45. The Hon. Minister MOLISA responded to the queries and comments raised. He agreed that the economic global recession should not be taken lightly because should it affect Vanuatu, it would be in the tourism sector whereby there number of tourists would drop. He went on that the appointment of the Auditor General was yet to be made and that the Public Accounts committee had Vt 8 million to be used to carry out its works however should the funds be depleted, On the new education accounts system for all schools, he pointed out that all bursars of schools have to be trained in the new system first before it could become operational.
 46. The Hon. KILMAN, Leader of the Opposition, strongly emphasized the need for the House to have time for a break as it was of health importance. He strongly expressed that the Speaker should keep track of the time and control discussions in the Chamber to allow sufficient time for breaks.
 47. **The sitting was adjourned at 4.45p.m.**

**PARLIAMENT OF THE
REPUBLIC OF VANUATU**

NINTH LEGISLATURE OF PARLIAMENT

FIRST EXTRA ORDINARY SESSION OF 2009
FIRST MEETING

TUESDAY 10 MARCH 2009

SPEAKER : The Hon. George A WELLS, Member for Luganville

PRESENT : 48 Members

ABSENT : Hon. Judah ISAAC, Member for Tanna
Hon. Bakoa KALTONGGA, Member for Efate
Hon. Ioane SIMON Omawa, Member for Epi

LATE :

1. The sitting commenced at 9.15a.m.
2. The Hon. Ps. Ton KEN, Member for Malekula, said the prayer.
3. The Hon. Speaker WELLS read the agenda.

ANNOUNCEMENT BY THE SPEAKER

4. The Hon. Speaker WELLS announced that he was still awaiting the list of names from the Prime Minister for the Members of Parliament from the Government side to be in various Parliamentary Committees. He also reminded Members of the dress code inside the Chamber and also about the workshop to be held on Monday 16 March to Tuesday 17 March 2009.

BILL FOR THE APPROPRIATION (2009) ACT NO. OF 2009

FIRST READING

5. The Hon. Sela MOLISA, Minister of Finance and Economic Management and Member for Santo, introduced the Bill than moved that the Bill be read a first time.
6. Leader of the Opposition and Member for Malekula, the Hon. Sato KILMAN stated that the Opposition was of the Opinion that so long as there were sufficient funds to provide service delivery to the people of Vanuatu, the budget must reflect Vanuatu's growing population. Also the Government must ensure transparency on how the funds were to be spent. He concluded that only should the Government provide evidence of transparency in expenditure spending, the Opposition shall support the Bill.
7. The Hon. Ralph REGENVANU, Member for Port Vila, was worried about Vanuatu's direction as 90% of the budget would come from the grassroots. He questioned if the grassroots would benefit from it. He also pointed out that Ni-Vanuatu did not enter into business because of lack of financial backup thus succumbing to the increase in Chinese dominance in the retail business. He wanted to know where Ni-Vanuatu could invest in. He accused the Government for not safeguarding land belonging to the indigenous with the increase of land being sold for development without following the proper procedures in place resulting in landowners becoming strangers to their own land. On the public sector, he was aware that the Comprehensive Reform Program (CRP) policy was to reduce the workforce however the current budget reflected more recruitment then redundancy. He was of the opinion that the budget was to fill up the pockets of Members of Parliament (MPs) and overlooked the chiefs, women, youth and the private sector.
8. The Hon. Minister MOLISA responded to the comments made that it was untrue that the budget was mainly for the public sector. He said that 54.5% of the budget went towards salaries of the public officers and the budget in a way encouraged private led growth and also that it did reflect service delivery.
9. The Hon. James BULE, Minister of Trades and Commerce and Member for Ambae, remarked that a lot of developments have been made throughout Vanuatu. Also Vanuatu depended largely on tourism in terms of the potential for earning foreign exchange. He agreed that there was trade imbalance due to raise in importation of certain products particularly provisions such as rice and chicken.
10. The Hon. Iauko H IARIS, Member for Tanna, viewed that the purpose of the budget was for transparency and accountability thus it should be reflected.
11. The Hon. Samson SAMSEN, Member for Santo, remarked that grassroots did not benefit from the budget nevertheless he approved of the budget with the hope to see that 2010 budget would increase compared to the 2009.

12. The Hon. Charlot SALWAI, Minister of Education and Member for Pentecost, commended the Government on the work done to provide free education in 2009 and pointed out to the House of the increase of the education budget especially towards scholarships as the scholar policy had changed to allow more university graduates to serve the public sector.
13. The sitting was suspended at 10.45a.m and resumed at 11.20a.m.
14. The Hon. Joshua KALSAKAU, Member for Efate, urged the Government to seriously consider the Hon. REGENVANU's comments. He said that land was not the issue; the issue was what investment was done on the land. Nevertheless he said he supported the Bill.
15. The Hon. Isaac HAMARLIU, Member for Epi, said the Government should not consider politics as a stumbling block. He also urged the Government to take note of grass root people because they were the main source of economic development in the country. He then asked who was responsible to raise the standard of agricultural development in the country.
16. The sitting was suspended at 11.30a.m and resumed at 2.10p.m.

BILL FOR THE APPROPRIATION (2009) ACT NO. OF 2009

FIRST READING (Continue)

17. The Hon. Moana CARCASSES, Member for Port Vila, asked what the Government had in place to fight the current global recession should it affect Vanuatu. He went on that it was time to change the mentality of the past and the Government's recurrent budget must reflect the society's livelihood.
18. The Hon. Speaker WELLS noted that Vanuatu Republican Party (VRP) members who had previously moved away from the Opposition and had sat in the center of the Chamber; had moved back to the Opposition thus he sought explanation from its leader to state the reason for the move.
19. The Hon. Maxime CARLOT Korman, Member for Port Vila and President of VRP, explained that VRP had decided to reunite with the Opposition Bloc and solidify the Bloc.
20. The Hon. Minister MOLISA stated that it was costly to make changes to reflect the budget however Ministries and Departments had considered operational costs which were reflected in the budget. He continued that the economy must grow in rural areas that go towards Government revenue.
21. The motion that the Bill be read a first time was carried unanimously.

COMMITTEE STAGE

Section 1, "**Appropriation**"

GOVERNMENT RECEIPTS

Code CE, "**NATIONAL AUDIT OFFICE**"

22. Leader of the Opposition, The Hon. KILMAN asked if there was a Government policy in place that allowed the Auditor General (AG) to also audit statutory bodies.
23. The Hon. Minister MOLISA noted the point raised but pointed out that at present the Government must first appoint an AG as the position was still vacant also the office of the AG lack resources causing difficulty to carry out the responsibilities and duties required by the office.

Code CL, "**PUBLIC SERVICE COMMISSION**"

24. Opposition Whip and Member for Malekula, Hon. Paul TELUKLUK wanted to know why there was a decrease by Vt 26 million in the budget.
25. The Hon. Minister MOLISA explained that previously Government houses were rented out but the tenants had moved out thus the revenue made previously had now ceased to be collected.

Code CF, "**STATE LAW OFFICE**"

26. The Hon. CARCASSES asked if the account established for the State Law Office staff still existed.
27. The Hon. Minister MOLISA replied that the account still existed as there was a need to amend the law in order to close the said account.

Code CK, "**CITIZENSHIP COMMISSION**"

28. Leader of the Opposition, the Hon. KILMAN questioned why the revenue forecast for approval of citizenship had dropped by 50% as he was of the opinion that more foreigners were awarded citizenship each month.
29. The Hon. Minister MOLISA said he would need to investigate the reason for the decrease in the revenue forecast.

Code MA, "**MINISTRY OF AGRICULTURE, QUARANTINE, FORESTRY AND FISHERIES**"

30. The Hon. CARCASSES asked if the kava monopoly in New Caledonia would not jeopardize or affect revenue collection made from the importation of kava seeing there was a decrease in the levies. He also wanted to know the current number of fishing licenses and registrations made and awarded.
31. The Hon. Minister MOLISA responded that with the decrease in the levies for export, it would indeed affect the revenue. As for the fishing licenses, there were over 200 licenses to date and with the establishment of the fisheries plant at Blacksands (Efate); high revenue for 2009 was anticipated.
32. The Hon. Havo MOLISALE, Minister of Agriculture, Quarantine, Forestry and Fisheries and Member for Malo, supplemented that revenue from the fisheries sector would increase as there would be different fees applied for offloading of fish.
33. The Hon. James BULE, Minister of Commerce, Industry and Tourism and Member for Ambae, also supplemented concerning the kava monopoly that due to the poor quality of kava; export of kava had reduced.
34. The Hon. CARCASSES asked if it was the duty of the Quarantine Department to check the quality of kava to be exported.
35. The Hon. REGENVANU noted that there was no levy imposed for the export of beef and wanted to also know which programs the reforestation tax and fisheries management tax were under.
36. The Hon. Minister MOLISA said a response would be made later once information was obtained concerning the question raised.
37. The Hon. Minister MOLISALE said the same as the Hon. Minister MOLISA.
38. The Hon. Danstan HILTON, Member for Banks/Torres, on mentioning the timber license, sought confirmation that the revenue mentioned was all that would be expected.
39. The Hon. Minister MOLISA confirmed that the Vt 2 million was the forecast revenue to derive from timber license.
40. Opposition Whip, the Hon. TELUKLUK, on Program MADA, Biosecurity Administration, asked why there was a Vt 3 million increase.
41. The Hon. Minister MOLISA explained that if there was a change in the revenue then it meant that the Government saw that these programs had seen increase in previous revenue collections.

42. The Hon. Alfred CARLOT, Member for Efate, asked whether or not kava was a prescribed commodity.
43. Leader of the Opposition, the Hon. KILMAN firstly declared his interest in the timber and logging industry then asked how many licenses would be awarded if the forecast was only Vt 2 million.
44. The Hon. Minister MOLISALE answered that only two timber licenses would be awarded.
45. The Hon. Minister MOLISA clarified that there was a decline in awarding timber license in comparison with previous years as a lot more people were involved with mobile sawmill operations instead.

Code MV, **“MINISTRY OF COOPERATIVES AND NI-VANUATU BUSINESS DEVELOPMENT”**

46. The Hon. Joshua KALSAKAU, Member for Efate, enquired about the Vt 330,000 revenue forecast as well as bonds and funds.
47. Opposition Whip, the Hon. TELUKLUK commented on the estimate revenue forecast for Activity 3801 7NFT, “Training Fees” that there should be more funds generated and then went on to ask about the number of registered cooperatives in Vanuatu.
48. The Hon. Esmon SAIMON, Minister of Cooperatives and Ni-Vanuatu Business Development and Member for Malekula, answered that there were less than 100 registered cooperatives and as the Department of Cooperatives would be reducing the number of trainings to be conducted in 2009 so shall the revenue collection. He was unaware of the bonds the Hon. KALSAKAU had enquired about.
49. The Hon. Willie R A TITONGOA, Member for Tongoa, wondered if there were fees towards the auditing of cooperatives.
50. The Hon. Minister SAIMON replied that there was indeed an account however it was not reflected in the budget.
51. Leader of the Opposition, the Hon. KILMAN, on activity 3801, “Cooperatives and Ni-Vanuatu Business Development”, wanted to know the cost of the registration fee and on the estimated revenue forecast for activity 3801 7NOH, “Government Houses Recoveries”, why the activity was placed in code MNVB, “Ministry of Cooperatives and Ni-Vanuatu Business Development Services” instead of in Code CJ, “Public Service Commission”.

52. The Hon. Minister SAIMON answered that the registration fee for minor cooperatives was Vt 400 whereas for major ones it was Vt 2000. He did not answer the second query raised.

Code MF, “**MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT**”

53. The Hon. CARCASSES, on the estimate revenue forecast for Activity 3502 7VCN, “National Bank Dividends”, enquired why it would only be Vt 21 million when he was aware that the Bank actually made a profit in 2008. He also questioned how the Government would address the issue that there were some business that were avoiding paying VAT under Program MFFB, “VAT Collections”, Activity 3603 7TVA, “Value Added Tax”.
54. The Hon. Minister MOLISA confirmed that in 2008, National Bank Vanuatu (NBV) did make a profit of about Vt 150 million of which Vt 21 million dividend was paid to the Government and the rest remained in the Bank because of the ‘squeeze’ in the Vatu value. He agreed that there were certain businesses that were not paying VAT however the Customs Department eventually did locate them and thus were required to pay the VAT.
55. The sitting was suspended at 3.40p.m and resumed at 4.20pm.
56. The Hon. KOLOMULE wanted to know the cost of the offshore company registration fee.
57. The Hon. Toara D KALO asked if it was possible for the Government to ensure that ships flew the Vanuatu flag to show that they have settled their shipping registry fees.
58. The Hon. Minister MOLISA responded that, the fee for the offshore company registration was Vt 100 million. In response to the Hon. KALO’s question he said ships needed a certificate to certify that they have settled their shipping registry fees.
59. The Hon. TELUKLUK wanted to know how much offshore companies existed in Vanuatu. He also queried about the increase of beer duties.
60. The Hon. Minister MOLISA responded that beer duty depended on the number of tourists who entered the country. He added that the number of offshore companies have increased to 5000 however dropped to just over 2000.

Code MH, “**MINISTRY HEALTH**”

61. The Hon. CARCASSES sought clarification on Hospital fees.

62. The Hon. Joe NATUMAN, Minister of Health and Member for Tanna, clarified that the outpatient fee was Vt 200 per person in Hospitals and Health Centers. He added that the in-patient fee cost Vt 300 per person per day for the first 10 days and from the 11th day it was free. He added that the estimated cost of in-patient fees should range from VT 3000 to VT 5000 to cover for bed, medicine, food and consultations.

Code MU, “**MINISTRY OF INFRASTRUCTURE AND PUBLIC UTILITIES**”

63. The Hon. KILMAN asked if Air Vanuatu and the tow (2) shipping vessels; Northern and Southern Star contributed to the Government cash box.
64. The Hon. Serge VOHOR, Minister of Infrastructure and Public Utilities and Member for Santo responded that revenue was made from the National Airline unfortunately, no revenue was made from the two shipping vessels thus the Government decided to sell them.
65. The Hon. CARLOT Korman wanted to know if the Air Vanuatu building was sold or not.
66. The Hon. Dunstan HILTON, Member for Banks/ Torres questioned the airspace fees.
67. The Hon. Minister VOHOR responded that the sale of the building was not approved because some issues arose during the process. He then confirmed that the airspace fees were paid to Airports Vanuatu Limited (AVL).
68. The Hon. CARCASSES questioned the cost of telecommunication licence.
69. The Hon. Minister VOHOR responded that the cost of telecommunication licence depended on the regulator.

Code MI, “**MINISTRY OF INTERNAL AFFAIRS**”

70. The Hon. KILMAN questioned the money collected from national housing and where does the money go.
71. The Hon. Minister MOLISA notified the House that there was no revenue from national housing.
72. The Hon. PIPITE wanted to know if election fees would increase in the years ahead.

73. The Hon. KALO asked if the election fees were paid during Municipal Election contest and if the Government could make a Law to control elections to prevent election disputes.
74. The Hon. HILTON enquired about residency permit.
75. The Hon. Patrick CROWBY, Minister of Internal Affairs and Member for Port Vila, responded that the General Election fee was Vt 100,000 per contestant and Vt 50,000 for a person contesting the Municipal election. Furthermore he said that if election fees were increased it shall become a demanding issue for the contestants. He concluded that the Government would change the election system because by-elections were very costly; however it was not a priority for the Government to do so now.
76. The Hon. Minister MOLISA explained that the residency permit amount collected from residency permit were straight forward.

Code ML, **“MINISTRY OF LANDS, GEOLOGY AND MINES”**

77. The Hon. KALSAKAU said there was a weak compliance within the Ministry and then asked if the Government could ensure that the Ministry was run by professional and technical personnel.
78. The Hon. PIPITE commented that using resources would be the best way the Government could raise funds to help the economic growth. He then said he was disappointed to see that the balance of revenue did not comply with the balance of expenditures.
79. The Hon. TELUKLUK wanted to know how much premiums the Government has had for licenses and registration. He also asked why the land rent has increased and if the Government ensured that the land rents were paid by the people.
80. The Hon. Raphael WORWOR, Minister for Lands, Geology and Mines and Member for Ambrym confirmed that the Government would make sure that land rents were paid.
81. The Hon. Minister MOLISA clarified that land rent had an outstanding of Vt 453 million most of which were from the locals. He assured the House that the Government would deal with the issue to ensure that land rents were settled.
82. The Hon. TELUKLUK raised a point of order and queried about the Parliament restaurant.
83. The Hon. Minister MOLISA responded that so far no payments were done by Air Vanuatu.

84. The total Government Receipts of 15,501,115,261 was approved unanimously.
85. **The sitting was adjourned at 5.30pm.**

**PARLIAMENT OF THE
REPUBLIC OF VANUATU**

NINTH LEGISLATURE OF PARLIAMENT

FIRST EXTRAORDINARY SESSION OF 2009
FIRST MEETING

WEDNESDAY 11 MARCH 2009

SPEAKER : The Hon George A. WELLS, Member for Luganville
PRESENT : 49 Members
ABSENT : Hon. Judah ISAAC, Member for Tanna
Hon. Bakoa KALTONGGA, Member for Efate
LATE :

1. The sitting commenced at 2.35pm.
2. The Hon. Philip BOEDORO, Second Deputy Speaker and Member for Maewo, said the prayer.
3. The Hon. Speaker WELLS read the agenda.

BILL FOR THE APPROPRIATION (2009) ACT NO. OF 2009

COMMITTEE STAGE (Continue)

Section 1 “**Appropriation**”

APPROPRIATIONS BY ECONOMIC CLASIFFICATION

Code CA, “**PRESIDENT OF THE REPUBLIC**”

4. The Hon. Marcellino PIPITE, Member for Santo, sought clarification on the high increase of the budget. He also asked why the Program Budget Narrative did not state the reason for the increase.

5. The Hon. Sela MOLISA, Minister for Finance and Economic Management and Member for Santo, explained that the total amount increased by Vt 4 million in which Vt 3 million covered for the Presidents final overseas trip and Vt 1 million for security allowances.
6. The Hon. Paul TELUKLUK, Member for Malekula questioned the high increase apart from the Vt 4 million.
7. The Hon. Minister MOLISA clarified that the increase was to covered gratuity, housing allowances, service allowances, staffs wages, vehicles, advertising and stationary.
8. The Hon. Ralph REGENVANU, Member for Port Vila, commented that a large amount of money was allocated to cater for staffs and other allowances which he thought were unnecessary.
9. The Hon. Minister MOLISA explained that staffs could not work without getting paid.
10. Code CA was approved on division.
Code CB, "PARLIAMENT"
11. The Hon. Moana CARCASSES, Opposition Whip and Member for Port Vila, asked if the Budget could cater for four (4) new Hansard Officers.
12. The Hon. Minister MOLISA replied that the Budget covered for only two (2) Deputy Clerks.
13. The Hon. David TOSUL, Member for Pentecost, asked if it was necessary to include and budget for activity CBB "Standing Committees Office".
14. The Hon. Minister MOLISA clarified that it was important to Budget for the Standing Committees.
15. The Hon. Iauko H IARIS, Member for Tanna, questioned the major Parliament House maintenance.
16. The Hon. Minister MOLISA clarified that Vt 11 million was allocated for maintenance of the Parliament building.
17. The Hon. Sato KILMAN, Leader of Opposition and Member for Malekula, commented that MP's sitting allowances should be given only to Members who were present during a sitting.

18. The Hon. Minister MOLISA responded that the Privilege Committee and Standing Order Committee would consider the issue.
19. The Hon. David ABEL, Member for Port Vila, enquired about the Vt 15 million difference from the previous budget.
20. The Hon. MOLISA clarified that the total amount in this year's budget was Value Added Tax (VAT) included.
21. The Hon. Maxime CARLOT Korman, Member for Port Vila, asked if the Budget covered for the recruitment of a Parliamentary Legal Adviser.
22. The Hon. Minister MOLISA explained that the Budget covered for two (2) political appointees to the Speaker's Office. He then informed the House that there was no Parliamentary Legal Council.
23. Code CB was approved unanimously.

Code CI, "**JUDICIARY**"

24. The Hon. PIPITE asked if the recruitment of the four (4) Supreme Court judges was budgeted for.
25. The Hon. Minister MOLISA clarified that the recruitment of the four (4) judges was budgeted for. He pointed out that there was an extra Vt 48 million allocated especially for the Court of Appeal. Moreover he said that included in the Vt 48 million was the allocation for the new Court House project and the rest to be shared among the six provinces.
26. The Hon. KILMAN question the cost of the new court house building.
27. The Hon. Minister MOLISA confirmed that Vt 30 million was allocated to prepare the site of the new Court building.
28. The Hon. REGENVANU expressed concern about the big back log on court cases and then asked how the service target would be achieved.
29. The Hon. Ham LINI, Deputy Prime Minister and Minister for Justice and Social Welfare, explained that the recruitment of the new judges were now open to anyone who met the criteria.
30. Code CI was approved unanimously.

Code CD, "**MALVATUMAURI**"

31. The Hon. TOSUL asked if the program total included the Chiefs training.

32. The Hon. Minister LINI clarified that training has begun through funding from the Australian Government.
33. The Hon. KILMAN was of the opinion that more money was needed for transport. He also expressed that land was the main development problem.
34. The Hon. Minister LINI agreed that the land was the main development problem.
35. The Hon. Serge VOHOR, Minister of Infrastructure and Public Utilities and Member for Santo, wanted to know if Chiefs who dealt with land cases received an allowance.
36. The Hon. Toara KALO, Member for Shepherds, referred to activity CDA 2 and then asked the actual figures for each Island Council.
37. The Hon. Dona BROWNY, Member for Malekula, wanted to know if New Caledonia was included in the Island Council.
38. The Hon. Joshua KALSAKAU, Member for Efate, commented that the Act stipulated the allowances.
39. The Hon. REGENVANU commented that Vanuatu needed qualified Chiefs and that the Vanuatu Council of Chiefs (VCC) should process the identification of a person to serve under the law as a real and qualified Chief should a person violet chiefly titles.
40. The Hon. LINI explained that Vt 3 million was allocated for transport means and sitting allowances. He added that disputes over Chiefly titles have become a serious issue yet very demanding, thus the Government must consider.
41. The Hon. Kisito TEIMLEB, Member for Malekula, asked if there were recommendations for the increase of the total amount.
42. The Hon. Minister MOLISA explained that the Budget was for and to be used by the Government of Vanuatu.
43. The Hon. Alfred CARLOT, Member for Efate, wanted to know if the promotion for the custom economy was included in the budget.
44. The Hon. Minister LINI clarified that the Budget was unaccounted for shell money.
45. Code CD was approved on division.

Code CE, "**NATIONAL AUDIT OFFICE**"

46. The Hon. PIPITE asked why the amount allocated for the National Audit office was similar the one of the 2008 budget.
47. The Hon. Minister MOLISA explained that the figure remained the same because there were some vacant positions in the office.
48. Code CE was approved unanimously.
- Code CC, "**OFFICE OF THE OMBUDSMAN**"
49. Code CC was approved on division.
- Code CG, "**PUBLIC PROSECUTOR**"
50. Code CG was approved on division.
51. The Hon. KILMAN referred to SO 39 (1, 2, and 4) and SO 50 (4, 6, 7 and 8) then urged the Government to deliberately study and debate the Appropriation Bill.
52. The Hon. Speaker WELLS said he took note of the Member's comments.
53. The Hon. PIPITE referred to SO 12 (2) and said that the First Ordinary Session of Parliament should commence in the middle of the month of March.
54. The Hon. Speaker WELLS referred to SO 35 stating that if any one wished to move a written motion, he/she shall do so.
- Code CH, "**PUBLIC SOLICITOR**"
55. The Hon. IARIS commented that the total amount was insignificant compared to the Ombudsman Office's budget. He said that the Public Solicitor's office needed more funds because it was the only place where locals had free access to the law and legal procedures.
56. The Hon. TELUKLUK requested the Government to promote the office and increase its budget. He also asked the Government to establish the office in the other five provinces. In addition he asked how many staffs worked in the Port Vila office.
57. The Hon. Minister MOLISA responded that the budget had increased by Vt 7 million and there would be recruitment of several new staffs.
58. The Hon. Minister LINI clarified that if there were sufficient funds, the service provided by the Public Solicitor could be instituted in the other provinces.

59. The Hon. CARLOT Korman was of the opinion that the budget should have been doubled to cover for salaries since the Hon. Minister MOLISA mentioned that there would be recruitment of new staffs, some of whom will be posted to the other provinces.
60. The Hon. Minister MOLISA explained that the budget was allocated for the salary of one (1) lawyer and the rest allocated for other expenses.
61. The sitting was suspended at 4.00p.m and resumed at 4.30p.m.

COMMITTEE STAGE (Continue)

Code CH, "**PUBLIC SOLICITOR**"

62. The Hon. Willie R.A. TITONGO, Member for Tongoa, was of the opinion that the budget should increase.
63. The Hon. Samson SAMSEN, Member for Santo, also shared a similar view as the Hon. TITONGO.
64. The Hon. Minister MOLISA insisted that there was no need for a change in the figure as it was sufficient.
65. Code CH was approved unanimously.

Code CJ, "**PUBLIC SERVICE COMMISSION**"

66. Leader of the Opposition, The Hon. KILMAN noted the high increase in the budget and expressed concern that under the Comprehensive Reform Program (CRP) in the public sector targeted the reduction in the size of the public sector but this failed to be implemented and instead saw a rapid increase and also it was clearly seen that nepotism was on the rise in the public sector.
67. The Hon. Thomas I. SAWON, Leader of Government Business and Member for BANKS/Torres, wanted to know whether or not the Government was still going for compensate faithful public officers who had served during the 1993 Public Servant strike.
68. Prime Minister and Member for Port-Vila, The Hon. Edward NATAPEI responded that as it was the Public Service Commission (PSC) that was responsible for recruitment; it was also responsible to make payments however there was no budget allocation towards the compensation mentioned.
69. The Hon. REGENVANU wanted to know how the Government would control the constant misuse of G- vehicles.

70. Prime Minister NATAPEI answered that each Ministry and Department was responsible to control the use of G-vehicles under it.
71. The Hon. LOUGHMAN Bob, Member for Tanna, enquired as to who was responsible to draw up the budget for termination of public officer
72. The Hon. Alfred CARLOT, Member for Efate, requested the Government ensure PSC control the numerous misuses of fuel costs by G-vehicles.
73. The Hon. Minister MOLISA, responded the VT 6 million was allocated towards the termination of public officers and for misuse of G-vehicles, public officers found to be in breach were either terminated or had their salaries deducted towards the repair of the damage vehicle if it was involved in an accident.
74. The Hon. Speaker WELLS, before adjourning the sitting, raised his concern regarding the dressing of Members of Parliament inside the Chamber and spoke sternly that he wanted to see MPs dress properly as a matter of respect not only in Parliament but also in the face of the public.
75. **The sitting was adjourned at 5.00pm.**

**PARLIAMENT OF THE
REPUBLIC OF VANUATU**

NINTH LEGISLATURE OF PARLIAMENT
FIRST EXTRAORDINARY SESSION OF 2009
FIRST MEETING

THURSDAY 12 MARCH 2009

SPEAKER : The Hon. Peter VUTA, First Deputy Speaker and Member for Ambae

PRESENT : 49 Members

ABSENT : Hon. Judah ISAAC, Member for Tanna
Hon. Bakoa KALTONGGA, Member for Efate

LATE :

1. The sitting commenced at 9.10a.m.
2. The Hon. David TOSUL, Member for Pentecost, said the prayer.
3. The Hon. Speaker VUTA read the agenda.
4. Deputy Leader of the Opposition (DLO) and Member for Port-Vila, The Hon. Maxime CARLOT KORMAN expressed his concern about the time each sitting commenced 8.30a.m which was the official time stated in the Standing Orders (SO). He reasoned out that Parliament should make up the extra minutes it had delayed in.
5. The Hon. Speaker VUTA agreed with the comment raised by the Deputy Leader of the Opposition, Hon. CARLOT KORMAN.
6. Prime Minister and Member for Port-Vila, The Hon. Edward NATAPEI clarified that Parliament could sit extra minutes after the official times stated for suspension and adjournment through the Chair's ruling and the suspension of the SO.

7. The Hon. Speaker VUTA responded that he shall make the ruling when the time approached.

BILL FOR THE APPROPRIATION (2009) ACT NO. OF 2009

COMMITTEE STAGE (Continue)

Section 1 “**Appropriation**”

Code CJ, “**PUBLIC SERVICE COMMISSION**”

8. The Hon. Ralph REGENVANU, Member for Port-Vila, complained about the continuous misuse of G-vehicles and asked the Government to take stricter control measures. He also wanted to know if the budget included termination payout and if the two months’ severance pay would also be implemented.
9. The Hon. Jean Ravou A. KOLOMULE, Member for Santo, enquired about the number of staff in the Public Service Commission (PSC) and the Public Service Legal Unit (PSLU).
10. Leader of the Opposition and Member for Malekula, The Hon. Sato KILMAN, pondered if other departments would also want to have their own Legal Units. He was of the opinion that the Government should strengthen the State Law Office (SLO) to prevent duplication of responsibility and duty.
11. The Hon. Sela MOLISA, Minister of Finance and Economic Management and Member for Santo, responded that the budget for termination payments was VT 6 million for the PSC and VT 11 million for the Government. He clarified that the severance payment of two months was yet for the court to decide. On the misuse of G-vehicles, he agreed that stricter control measures should be in place. As for the PSLU, he explained that the reason behind its establishment was because matters referred to SLO were often delayed thus it was necessary to have one of its own but still received legal opinion from SLO to prevent wrong decisions.
12. Prime Minister NATAPEI confirmed that other departments had requested to have their own legal units however they were refused. Concerning the G-vehicles, he said it was considered that both each Ministry and Department is responsible for purchasing its vehicle and controlling its use or the PSC set up a unit to monitor the vehicles.
13. The Hon. Harry I. IARIS, Member for Tanna, remarked that the Government must make the necessary arrangements regarding G-vehicles as it was costly exercise and also the budget did not reflect that there was sufficient funds should the court declare that the two months’ severance payment was legal.

14. The Hon. Paul TELUKLUK, Opposition Whip and Member for Malekula, wanted to know the names of the five (5) members of the PSC. He questioned why there was unfair recruitment between Anglophone and Francophone in the public sector and also why senior public officers were still in the office despite being involved in wrong decision making that was seriously costing the Government.
15. The Hon. Danstan HILTON, Member for Banks/Torres, alleged that the Chairman of PSC was politically motivated and thus recruitment was unfair and did not follow the criteria set out. He wanted to know if renovation would be carried out on government residences particularly the police quarters.
16. The Hon. Minister MOLISA agreed that the submission of the budget did not cater for the two months' severance payment which would be around Vt 652 million however it would be at the Parliament's discretion to appropriate the necessary funds and also the severance payment must be legalized.
17. The Hon. Partick CROWBY Manarewo, Minister of Internal Affairs and Member for Port-Vila, supplement that despite that the Law was yet to be effective already some business houses were already applying it and were dismissing their long time serving employees.
18. Prime Minister NATAPEI provided the names of three of the members of the PSC namely Mr. Charles Maon, (Chairman), Mr. Edward Nial (Private Lawyer), and M. Lucien Peres. He did not know the other two members. He agreed that the Chairman should be neutral in making decisions and appointment should be based on merit and qualification.
19. The Hon. Moana CARCASSES, Member for Port-Vila, on the issue regarding the politically motivated PSC, raised his concern regarding the appointment of the Director General for Internal Affairs which he saw was politically motivated since the successful applicant was in fact serving as a political adviser in a certain Government Ministry.
20. The Hon. Speaker VUTA directed the House to make him aware if any Member wanted to contribute to the discussion.
21. Prime Minister NATAPEI was not aware of how the PSC had finalized the appointment of the DG of Internal Affairs.
22. Code CJ was approved unanimously.

Code CL, "**JUDICIAL SERVICE COMMISSION**"
23. The Hon. Joshua KALSAKAU, Member for Efate, claimed that the figure stated under '*means of service delivery*' was unbelievable and then went on to mention

- that the five (5) board members in the Judicial Service Commission (JSC) were yet to be paid their outstanding allowances.
24. Leader of the Opposition, The Hon. KILMAN question how lawyers' fees were established since at present the fees were expensive. He suggested that a fair rate should be applied. He also wanted to see if a Duty Solicitor be available to provide advice to those seeking it at the court.
 25. The Hon. Minister MOLISA was unaware of the outstanding payments but considered that it might be included in '*Others*'.
 26. Deputy Prime Minister (DPM), Minister of Justice and Social Welfare and Member for Pentecost, The Hon. Ham LINI Vanuaroroa agreed that the budget was insufficient and may see the Ministry run into problem. As for legal fees, it was indeed expensive and needed further consideration as to its reduction to enable more Ni-Vanuatu to use private legal services.
 27. The Hon. IARIS commented on how lawyers took on cases knowing very well that they were fighting losing battles in the court but continue to charge fees to their clients. He also wanted to know why there were no Ni-Vanuatu lawyers in the senior posts.
 28. The Hon. Minister MOLISA explained that the Supreme Court placed minimum fees towards legal cost however in the case of private law firms, the clients should tax fees in court and the court would in turn tax the private lawyers.
 29. DPM LINI Vanuaroroa supplemented that the Ni-Vanuatu lawyers were not really competent to fight cases in court and also there were fewer Ni-Vanuatu lawyers in the Supreme Court as well.
 30. Code CI was approved unanimously.
- Code CF, "**STATE LAW OFFICE**"
31. DLO CARLOT KORMAN requested that the Government terminate the Legal adviser of the PSC since it already had the Attorney General (AG) in the State Law Office (SLO). He questioned the source of funding towards the AG's salary and said that such practice should not be allowed.
 32. The Hon. Macellino PIPITE, Member for Santo, firstly pointed out the different figures outlined in the Narrative (75,258,609) and the Budget (71,758,609) and then went on to list out the various lost cases as a result of wrong decisions made that the Government was required to pay costs.
 33. The Hon. Minister MOLISA pointed out that most cases mentioned by the Hon. PIPITE did not involve the Government. He went on to list the various costs towards SLO from renovation (Vt 2050 thousand), purchasing of new vehicles

(Vt 3 million), electricity bill clearance (Vt 3 million), traveling by the court (Vt 8 million) and allowances (Vt 1 million) for the SLO staff which was subject to amendment to remove the Trust Fund in the SLO Act. He also directed the house to correct figure in the Narrative to be the same as in the Appropriation.

34. Prime Minister NATAPEI explained about the Legal Adviser in the PSC that since it was an employer it could not seek advice from its employee which was the SLO thus it was necessary to have its own legal unit. He announces that it was the Government of Australia that funded the AG's salary in order to make the salary attractive since the local salary was not.
35. The Hon. KALSAKAU melancholy commented why the Government should allow another source to fund a local top position.
36. The sitting was suspended at 10.45a.m and resumed at 11.20a.m.

Code CF, "**STATE LAW OFFICE**" (Continue)

37. The Hon. Minister MOLISA clarified that PSC was an independent body and according to the Article 60 (4) of the Constitution, it could not be under the control of a person or another body.
38. Code CF was approved unanimously.

Code CK, "**CITIZENSHIP OFFICE**"

39. The Hon. CARCASSES asked if citizenship was awarded to anybody under any circumstances.
40. The Hon. TELUKLUK expressed concerns about awarding citizenship through authorities such as MPs and Ministers to a person who has not lived in Vanuatu for the 10 required years.
41. The Hon. Ps Ton KEN, Member for Malekula, wanted to know if there was a law that provided for statutory power over the citizenship office.
42. The sitting was suspended at 11.30a.m and resumed at 2.10p.m.

Code CK, "**CITIZENSHIP OFFICE**" (Continue)

43. Leader of the Opposition, The Hon KILMAN alleged that passports were disturbed to persons who were not citizens of Vanuatu.
44. Prime Minister NATAPEI responded that under the section (s) 14 of the Citizenship Act, provided that Vanuatu passport would be removed from the possession of the offender if found guilty however if it was a serious offence then

- s 16 provided that the offender would be charged and then imprisoned if failed to pay the fine.
45. Leader of the Opposition, The Hon KILMAN supplemented that passports were in fact issued to foreigners who resided in Vanuatu for less than years.
 46. Prime Minister NATAPEI said that an amendment was required to rectify the issue however a foreign national married to a Ni-Vanuatu woman must reside in Vanuatu for 10 years before obtaining a Vanuatu passport.
 47. Code CK was approved on division.
- Code MP, “**PRIME MINISTER’S MINISTRY**”
48. Leader of the Opposition, The Hon. KILMAN asked if the Community Development Fund (CDF) still existed.
 49. Prime Minister NATAPEI answered that the CDF was under the Ministry of Finance and Economic Management (MFEM) and was used only by the Prime Minister and President of the Republic of Vanuatu.
 50. The Hon. Minister MOLISA corrected that the CDF was in fact under the Ombudsman’s office.
 51. The Hon. CARCASSES enquired about the number of political staff employed at the office of the Prime Minister (OPM) in Program MPA.
 52. The Hon. Paul TELUKLUK, Opposition Whip and Member for Malekula, raised concern on Activity MPCA, Language Services, that the work carried out by the office was mainly in English and Parliament continued to approve funding towards language awareness to communities but rural areas never saw the implementation of the said awareness or activity.
 53. The Hon. CARCASSES, on Activity MPDE, Government Remuneration Tribunal (GRT), asked if the Government considered amending the GRT Act.
 54. Prime Minister NATAPEI responded to the queries raised that there were 15 political staff in the OPM and as for the GRT, it was a legal entity that could not be mandated by the Government.
 55. The Hon. Bob LOUGHMAN, Member for Tanna, sought clarification on Activity MPAA, Administration and Coordination of Government Programs, that the Vt 2 million towards Entertainment Fund was for all the Ministries as well. He was uncertain that the amount stated was sufficient.
 56. Prime Minister NATAPEI agreed that the amount stated was insufficient.

57. Code MP was approved unanimously.

Code MA, “**MINISTRY OF AGRICULTURE, QUARANTINE, FORESTRY AND FISHERIES**”

58. The Hon. TOSUL wanted to know about the service particularly advice and training to be delivered to farmers in rural areas under Program MAC, *Agricultural and Rural Development*, Activity MACA, *Resource Production*.

59. The Hon. Havo MOLISALE, Minister of Agriculture, Quarantine, Forestry and Fisheries and Member for Malo/Aore, explained that it would not be possible in 2009 to implement Activity MACA however his Ministry would ensure there was sufficient towards the Activity in 2010.

60. The Hon. Joshua KALSAKAU, Member for Efate, on Activity MADB, *Veterinary Contract*, questioned why only one contract would receive such a large amount of funding (Vt25million).

61. The Hon. Alfred CARLOT, Member for Efate, asked if Vanuatu Government continued to send student to University of South Pacific (USP) Alafua Campus, Western Samoa. He also wanted to know the Government’s agricultural policy.

62. The Hon. Minister MOLISALE clarified that Vt 25million was in fact funding for three veterinary officers, one (1) bases in Santo and two (2) in Port-Vila and also students were still sent to USP Campus. As for the agriculture policy, it was yet to be finalized.

63. The Hon. KILMAN, leader of the Opposition, on Program MAC, questioned how the Agriculture College and Agriculture Bank would assist agriculture development in the country. He also questioned Activity MACB, *Agro-processing and value adding*, regarding which 2 Provinces the Agro-processing facilities would be established in and also if the credit facilities would be similar to that of the Agriculture Bank. On Activity MADE, *Livestock Production*, he questioned whether or not the fund towards livestock and property of livestock still existed.

64. The Hon. Minister MOLISALE explained that the Agriculture Bank still required formalizing certain aspects before it could commence its full operation and training in the Agriculture College had not yet started fully. He was however unaware that there was a fund towards livestock and property of livestock and said that he would provide further information later.

65. The Hon. Samson SAMSEN, Member for Santo, noted there were no statistical information on root crops and thus he wanted to know the link between the Agriculture bank and the Ministry of Agriculture.

66. The Hon. Eta RORY, Member for Malekula, asked if the Government could divide the subsidies to rural farmers in order to sell their crops to the 2 main towns of Port-Vila and Luganville, Santo.
67. The Hon. Minister MOLISALE pointed out that the statistical was obtainable from the National Statistics Office (NSO). He directed the Minister of Finance to respond to the subsidy query.
68. The Hon. Josie MASMAS, Member for Ambrym, asked if funds for ice machines were also included under Program MAE, *Fisheries*, Activity MAEA, *Research and Production*.
69. The Hon. Minister MOLISALE explained that funds for ice machines were not included though one requested for ice machines through project funding instead.
70. The Hon. KOLOMULE emphasized the need to put more consideration to rice growing in the 2010 Appropriation Budget.
71. The Hon. HILTON noted increase in the budgets for Activities MACA and MADE but questioned why agriculture officers did not visit farmers. On Program MAE, he wanted to know whether or not the Government also considered allocating funds towards fisheries projects in TORBA Province as well.
72. The Hon. Minister MOLISA clarified to the House that there was no budget submission from the Ministry of Agriculture and the Vt 34 million subsidy towards fisheries was in fact from Ministry of finance and economic Management as well as foreign aid donors.
73. The Hon. Minister MOLISALE responded to the rice growing remark that the Government could facilitate the process to plant rice. He went on to confirm that agriculture officers did fail to visit rural farmers but it was due to financial problems. On the fisheries issues, he explained that the Ministry only facilitated the programs but relied upon aid assistance to areas such as TORBA.
74. The Hon. Ioane SIMON Omawa, Member for Epi, commented on the REDI Program that had now ceased especially its implementation and success towards service delivery to the rural population.
75. The Hon. Roro SAMBO, Member for Efate, on Program MAF, Forestry, Activity MAFA, Forestry, firstly complained about walkabaout sawmill activities occurring on Efate and then asked whether or not such logging activities on Efate were monitored. He was also curious to know the latest development of the Blacksands Fishery Project.

76. The Hon. Minister MOLISALE firstly replied that logging activities on Efate were monitored then went on to explain in detail the procedure to be applied at the Fisheries Plant at Blacksands.
77. The Hon. Solomon LORIN, Member for Santo, questioned land issues that were affecting agriculture development.
78. The Hon. Minister MOLISALE responded that there were some funds allocated to assist and clear land issues.
79. The Hon. Willie R.A. TITONGOVA, Member for Tongoa, requested further explanation on Activity MACB.
80. The Hon. Minister MOLISALE said that it would be the aid donors to provide assistance and support.
81. The Hon. TELULUK, Opposition Whip, noted that funds for Activity MADC, Bio-security Operations South, were more than that of Activity MADD, Bio-security Operations North, thus asked why Malekula was not included as a port of entry. He also wanted to know if it was legal for a Chinese citizen to export logs. Furthermore he wanted to know about the Technical Adviser (TA) under Activity MACB.
82. The Hon. Minister MOLISALE answered that Malekula was not included simply because ships such as MV Havannah called first at port-Vila port before departing to Malekula. On the query regarding the Chinese log exporter, he was unaware of it and on the TA; he said there was only one.
83. The Hon. TELUKLUK, Opposition Whip, supplemented that he had raised the question regarding the TA because of a news item that had appeared in the Daily Post newspaper.
84. The Hon. IARIS was concerned that there was no funding for coffee project on Tanna and also questioned if the Government could assist to improve orange cultivation of it.
85. The Hon. Minister MOLISALE explained that the coffee project on Tanna was in fact a private business thus it was not included in the Budget. On the orange cultivation, he stated that there was no policy in place however there was room for consideration for it.
86. The Hon. KILMAN, Leader of the Opposition, questioned how the Government would guarantee that Agriculture Officers would carry out the duties stated in the Narrative. He expressed concern that the Ministry should terminate officers that failed to be proactive.

87. The Hon. Ture KAILO, Government Whip and Member for Outer Southern Islands, on Program MAE, enquired about the performance measurement service, the number of staff to be deployed to carry out the duties mentioned and the provinces that work shall be carried out in.
88. The Hon. Minister MOLISALE replied that work shall be carried out in the Provinces of TAFEA, MALAMPA particularly on Malekula and TORBA.
89. The Hon. Minister MOLISA agreed with comments raised about the poor performance of the Agriculture Department as there should have been better coordination towards agriculture programs.
90. Code MA was approved on division.
91. The sitting was suspended at 3.25p.m and resumed at 4.20p.m.

Code MT, “**MINISTRY OF COMMERCE, INDUSTRY AND TOURISM**”

92. The Hon. KALSAKAU commented that tourism was a prime investment, and then asked why the Government could not invest more money into the sector.
93. The Hon. PIPITE questioned the increase in the budget and then commented that the Government had made necessary spending on copra in 2008 but asked if the money would be spent the same way in 2009.
94. The Hon. Minister BULE responded that the program had just begun however; there were insufficient funds to keep it going. He added that the Government through funding from the World Trade Organization (WTO) would help improve the farming industry however; he said it was everyone’s responsibility to help our farmers grow and sell their products. Furthermore he said that in order to open a good market the Government needed to promote Vanuatu to neighboring countries and the world. He then gave a breakdown of the budget of the Ministry in which Vt 12 million was allocated to strengthen the offices in the six provinces, Vt 3 million allocated to help the six councils, Vt 3 million for corporate services and Vt 6 million for trade investigations.
95. The Hon. IARIS commented that money was indirectly involved in the economy. He went on that there were misappropriations of public funds although the budget continued to increase each year.
96. The Hon. CARLOT asked if the Government could zone the tourism industry instead of scattering it.
97. The Hon. Minister MOLISA explained that in order to stabilize our economy we needed to stabilize the political situation. He added that Vt 5.9 million was allocated for political stands, no more, no less.

98. The Hon. Minister BULE clarified that town planners would solve the issue of zoning the tourism industry.
99. The Hon. Ps KEN commented that it was a good practise to promote tourism but dangerous to have tourist in areas where trade disputes was an issue and then set example on Whala and Ranon. He then complained that the tourism officers in the islands were not doing their jobs.
100. The Hon. Minister BULE clarified that the number of cruise ships has doubled and their goal was to allow more cruise ships to the islands. He concluded that now that he was aware of the situation in Malekula he would make sure the situation was carefully analyzed and resolved.
101. The Hon. Speaker WELLS announced that the election of Standing Committees would take place tomorrow 13th of March.
102. **The sitting was adjourned at 5.00pm.**

**PARLIAMENT OF THE
REPUBLIC OF VANUATU**

NINTH LEGISLATURE OF PARLIAMENT

FIRST EXTRAORDINARY SESSION OF 2009
FIRST MEETING

FRIDAY 13 MARCH 2009

SPEAKER : The Hon George A. WELLS, Member for Luganville
PRESENT : 49 Members
ABSENT : Hon. Judah ISAAC, Member for Tanna
Hon. Bakoa KALTONGGA, Member for Efate
LATE :

1. The sitting commenced at 9.55am.
2. The Hon. Paul TELUKLUK, Member for Malekula, said the prayer.
3. The Hon. Speaker WELLS, read the agenda.

BILL FOR THE APPROPRIATION (2009) ACT NO. 0F 2009

COMMITTEE STAGE (Continue)

Section 1 “**Appropriation**”

Code MT, “**MINISTRY OF COMMERCE, INDUSTRY AND TOURISM**”

4. The Hon. Moana CARCASSES, Opposition Whip and Member for Port Vila, asked if there was a laboratory to analyse products before export. He added that he hoped that the copra subsidy would be wisely spent this year.
5. The Minister for Commerce, Industry and Tourism and Member for Ambae, Hon. James BULE, responded that there was a food tech laboratory at Tagabe that worked in partnership with the Quarantine. He also explained that Vanuatu did

- not have a lot of markets however the problem was that it could not sustain these markets.
6. The Hon. Joshua KALSAKAU, Member for Efate, questioned the different figures in the Bill and in the Budget Program Narrative under the same heading.
 7. The Hon. Jean Ravou A KOLOMULE suggested that Vanuatu should be part of the World Trade Organization (WTO) as it was in the Less Developed Countries (LDC) category. He then explained that the Government needed more money should it decide to negotiate.
 8. The Hon. Ralph REGENVANU, Member for Port Vila, asked if there was a subsidy for the Chamber of Commerce.
 9. The Hon. Minister BULE responded that Vanuatu should not graduate from its LDC status because our rural areas were not fully developed yet. He also said that the Chamber of Commerce had other sources of funding from donor partners.
 10. The Hon. KALSAKAU raised a point of order and said he wanted clarification on the contradicting figures in the Budget Program Narrative and the Bill.
 11. The Hon. Minister MOLISA informed the House to concentrate on the Bill and not the Budget Program Narrative.
 12. The Hon. Iauko H IARIS, Member for Tanna, suggested that the Minister of Finance and the Minister of Trade made corrections to the figures to avoid confusion.
 13. The Hon. Minister MOLISA explained that if the economy improved and grew then Vanuatu would be recommended to graduate from the LDC status. He went on to explain that the disadvantages of graduating would be that, the fees would be relatively high and the country would not be able to benefit from WTO as it benefited as an LDC.
 14. The Hon. Alfred CARLOT, Member for Efate, questioned the work of the ambassador. He went on to say that if the budget allocated for Government offices was compared with the international travelling allowances of a Minister, the country was making great expenses for goodwill tours than developing its Government offices.
 15. The Hon. Minister MOLISA responded he agreed that the Government was making great expenses on international travelling but there were issues that the ambassador could not be able to deal with and required the presence of a Minister.
 16. Code MT was approved on division.

17. The sitting was suspended at 10.40a.m and resumed at 11.10a.m.

Code MV, **“MINISTRY OF COOPERATIVES AND NI VANUATU BUSINESS DEVELOPMENT”**

18. Leader of Opposition, The Hon. KILMAN firstly expressed concern that the Chairman (Speaker) was overlooking hands raised. He then pointed out the differences in the figures stated in the Narrative (117, 189, 735) and the Budget Bill (Vt 123, 146, 717).
19. The Hon. Minister MOLISA said that the correct figure was Vt 123, 146, 717.
20. Leader of Opposition, The Hon. KILMAN saw the budget had increased immensely but then asked how the Government funds were used. He sought clarification on the visits conducted or reports made as well as the target in terms of capacity of the level Ni-Vanuatu business from the Vt 30 million which the Ministry used to provide micro-loans to Ni-Vanuatu to establish small businesses.
21. The Hon. Marcellino PIPITE, Member for Santo, enquired about the fund to be used towards micro loans. He noted an increase of Vt 68 million in the budget and Vt 37 million in Activity MVBB, *Ni-Vanuatu Business Development*.
22. The Hon. Esmon SAIMON, Minister of Cooperatives and Ni-Vanuatu Business Development and Member for Malekula, responded that the increase in the budget was mainly towards maintenance costs and severance payment for retiring staff. He further said that officers of the department should conduct visits to clients however he was pessimistic that the number of visits stated (477) would be reached and as for the reports on the Cooperative Development Fund (CDF) and other loans, it was yet to be released.
23. The Hon. Iauko H IARIS, Member for Tanna, questioned if the current Members of Parliament (MPs) who had borrowed from Ni-Vanuatu micro-scheme had repaid their loans.
24. The Hon. Minister SAIMON replied that the scheme had actually been abused and an audit report was yet to be finalized nevertheless MPs who had repaid their loans thus were able to contest the National elections of 2008.
25. The Hon. Paul TELUKLUK, Opposition Whip and Member for Malekula, viewed that the cooperatives’ budget was insufficient and the Government should put more emphasis on cooperative development in rural areas.
26. The Hon. Minister MOLISA corrected the figure in the Narrative from Vt 21,089,188 to Vt 31, 164, 185.

27. The Hon. Minister SAIMON commented that he was pleased with the increase in the budget for 2009. He added that the 18 staff of the Department of Cooperatives would ensure to look after the 300 or so cooperatives in Vanuatu.

28. The sitting was suspended at 11.30a.m and resumed at 2.30p.m.

Code MV, “**MINISTRY OF COOPERATIVES AND NI-VANUATU BUSINESS DEVELOPMENT SERVICES**” (Continue)

29. The Hon. Willie R A TITONGOA, Member for Tongoa, wanted to know the actual figures allocated to each sectors under the Ministry.

30. The Hon. Minister SAIMON explained that there was no money allocated for Credit League and Vanwods, but for private businesses.

31. The Hon. CARCASSES questioned the procedures of consulting with the Minister before starting a business and how much should be given to the person to start off with. He also asked why different Ministries had different amounts allocated for salaries.

32. The Hon. Minister SAIMON said a loan of Vt 5 Million shall be given to a person to start off a business with.

33. The Hon. Minister MOLISA explained that different Ministries had different number of staffs.

34. The Hon. KOLOMULE said that the Hon. CARCASSES asked a very critical question that the Minister responsible did not answer.

35. The Hon. Minister MOLISA said he had already answered the question.

36. The Hon. Isaac HAMARLIU, Member for Epi, asked if there were any Laws or legal procedures to follow to deal with people who did not complete paying their loans in time.

37. The Hon. Minister SAIMON explained that there should be an application form filled up for those who wished to make a loan however there were correct procedures to follow to deal with people who did not pay their loans; that is to deduct directly from their salaries.

38. Code MV was approved on division.

39. The Hon. Speaker WELLS announced that according the Prime Minister’s request and according to SO 14 the First Extra Ordinary Session of the year 2009 should end on the 13th day of March however, the tabling of the Appropriation Bill was uncompleted thus the second part of the meeting would commence on the 19th day

of March and end on the 30th March to allow sufficient time to complete the approval of the Appropriation Bill.

40. The Hon. CARLOT Korman raised a point of order and sought clarification on the First Ordinary Session.
41. The Hon. Speaker WELLS confirmed that the second part of the First Extra Ordinary session would commence on the 19th March.
42. **The sitting was adjourned at 2.55pm.**

**PARLIAMENT OF THE
REPUBLIC OF VANUATU**

NINTH LEGISLATURE OF PARLIAMENT
FIRST EXTRAORDINARY SESSION OF 2009
SECOND MEETING

THURSDAY 19 MARCH 2009

- SPEAKER** : The Hon. Peter VUTA, First Deputy Speaker and Member for Ambae
- PRESENT** : 48 Members
- ABSENT** : Hon. Moana CARCASSES, Member for Port Vila
Hon. Judah ISAAC, Member for Tanna
Hon. Bakoa KALTONGGA, Member for Efate
- LATE** :

1. The sitting commenced at 9.15 a.m.
2. The Hon. Danstan HILTON, Member for Banks/Torres, said the prayer.
3. The Hon. Speaker VUTA read the agenda.

BILL FOR THE APPROPRIATION (2009) ACT NO. OF 2009

COMMITTEE STAGE (Continue)

Section 1 “**Appropriation**”

Code ME, “**MINISTRY OF EDUCATION**”

4. The Hon. Ralph REGENVANU, Member for Port-Vila, asked if vernacular teachers in the rural areas were paid and if so whether or not their salaries were included in the budget. He wanted to know the starting salary of teachers who graduated from Vanuatu Institute of Teachers Education (VITE). He was also concern about students of Years 12-13 who were unfortunate to continue tertiary

level and asked if the Government considered the implementation of foundation courses in Years 12-13 instead.

5. The Hon. Alfred CARLOT, member for Efate, made comparison of school fees in secondary schools around Vanuatu to that of Malapoa College which was the cheapest of them all and went on to ask how scholarship to New- Caledonia was awarded. He also questioned the Government's position regarding the accommodation of teachers in the islands which was a stumbling block when it came to transfers of teachers from one island to another.
6. The Hon. Jean Ravou A. KOLOMULE, Member for Santo, was concern that there were certain public schools that questioned students' religious affiliation before accepting them to the school. He was also concerned on the procedure to select students to elite secondary schools seemed to be a mixture of elite, average or poorly rated students.
7. The Hon. Maxime CARLOT KORMAN, Deputy Leader of the opposition and Member for port-Vila, congratulated the Government for the free education policy to be implemented in 2010 and then sought confirmation that tuition fees would thus be removed. He further wanted to know if the education budget would still increase should education be free.
8. The Hon. Joshua KALSAKAU, Member for Efate, raised a point of order and asked that the Chairman direct the House to talk on the budget and not on the principle of the Bill.
9. The Hon. CARLOT KORMAN, Deputy Leader for Opposition, wanted to know how much fund would be requires to train secondary school teachers.
10. The Hon. Charlot SALWAI, Minister of Education and Member for Pentecost, responded to comments and queries raised that the disadvantage of vernacular education was that children were unable to read when they reached classes 5-6 nevertheless the Government did see that vernacular teachers were also included in the payroll. He added that most vernacular teachers were in fact volunteers and who used to work with the Cultural Centre of Vanuatu. He went on that newly graduate teachers were placed in the salary range of Vt 1.2-1.9 million per annum and the Government did consider to alter the Yr 13 curriculum to cater the issue currently faced with Yrs 12-13 drop out. He also explained that the reason where there were different rates of school fees compared to Malapoa College was that the latter was a day school whereas rural schools had higher operation costs for tuition and boarding fees. As for teachers' accommodations, teachers paid rent to the school councils and non Government school teachers would be funded by aid donors and at the moment there was a drop in the level of training in the VITE which saw a decrease in the number of secondary teachers.

11. The Hon. Sela MOLISA, Minister of Finance and Economic Management and Member for Santo, supplemented that since the number of children receiving basic education increased so must the number of schools. He informed the house that Vt 14 million was aid assistance towards school accounts, Vt 18 million was extra funds towards primary schools and Vt 43 million went towards 85 newly graduated teachers that were left out during the posting of teachers but were picked up again. He was pleased that the Ministry of education (Med) had taken the lead to implement its policies.
12. The Hon. Solomon LORIN, Member for Santo, enquired on the selection of scholarship awards to the various institutions around the Pacific.
13. The Hon. Don KEN, Member for Malekula, wondered if the education budget included schools in rural areas as well.
14. The KALSAKAU raised concern regarding the Pango French School issue that still unresolved. He wanted to know how many schools were required to be registered in order to have access to the education account.
15. The Hon. David ABEL, Member for Port-Vila, asked if the Government provided assistance to mission school as well.
16. The Hon. Marcellino PIPITE, Member for Santo, noted that increase in the budget but preferred to see a much higher increase and questioned how the Ministerial budget Committee (MBC) had considered the Vt 24million towards the education budget. He asked about the use of funds that were collected from certain schools when there were still outstanding schools fees to be retrieved. He wanted to know the 2009 students-teacher ratio.
17. The Hon Sato KILMAN, Leader of the Opposition, questioned the method of discipline applied by various schools. He was expressing his concern regarding a disciplinary issue concerning senior students of Matevulu College, Santo that saw unfair treatment and wrongful dismissal of the students involved without a fair hearing.
18. The Hon. Minister SALWAI explained that the selection depended on the marks of the individual and not by name. He then confirmed that basic education was from year 1 to year 8. He went on to say that most schools had no land lease but the Government needed to ensure that all schools had a secured lease because no schools should be built on disputed land. Concerning expenses, he explained that all were included in the budget and VITE had out-standings because of unpaid school fees. He further explained that teachers took teaching as a job opportunity and not a service which affiliated to poor education thus it should be the School Councils' and the Principals' duty to consider such issues. He concluded by saying that the Government would introduce a system of selection in which

students that come from a province will remain in that particular province for education simply to ease high travelling costs.

19. The sitting was suspended at 11.00a.m and resumed at 11.25a.m.
20. The Hon. Minister MOLISA clarified that the Budget increased by Vt 100 million. He said that vacant posts have also been budgeted for which meant that recruitment would be done this year.
21. Code ME was approved on division.
22. The sitting was suspended at 11.30a.m and resumed at 2.10 p.m.

Code MF, “**MINISTRY OF FINANCE AND ECONOMIC MANAGEMENT**”

23. The Hon. Toara D. KALO, Member for Shepherds, enquired whether or not the entitlements for spouses of national leaders that had passed away were also included under Activity MFED, *former Leaders Payment*. On Activity MFEE, *Provision for By Election*, he complained that Vt 42 million was a waste of fund that could have used for another Activity as he saw that a by-election should only take place after of a death of a Member of Parliament or a Councilor (Municipal council/Provincial Council).
24. The Hon. Alfred CARLOT, Member for Efate, sought clarification on Activity MFIG, *Vanuatu Administration (VMA)*, whether or not former staffs of the VMA were compensated.
25. The Hon. Minister MOLISA confirmed that Activity MFED did include entitlements to be paid to the widows of the Late Fred Kalomoana TIMAKATA (former President of the Republic of Vanuatu (Rep. of Vanuatu) and Late Fr Walter LINI (Father of the Independence, First Prime Minister of the Rep. of Vanuatu). As for Activity MFEE, the Government had provided the by-election. He further stressed and corrected that the amount stated in Activity MFIG was to be used towards the administration of the VMA and not Vanuatu Maritime Authority.
26. The Hon. KALSAKAU wanted justification of Activity MFEC, *Central Payments*.
27. Leader of the Opposition, The Hon. KILMAN asked if there was a certain criteria established by the Vanuatu Agriculture Development Bank (VADB), Activity MFIK, and how soon it would commence its operation. He questioned Activity MFIE, *Chamber of Commerce and Industry (CCI)*, on the Activities; CCI would carry out to boost investment. He asked about the one-sided trade exchange programs Vanuatu was carried out in New-Caledonia.

28. The Hon. Minister MOLISA informed the House that the new Chief Executive Officer (CEO) was appointed in February 2009 however its operation was yet to be announced. He went on that Vt 100 million would be injected by the Government until 2011.
29. The Hon. James BULE, Minister of Commerce, Industry and Tourism and Member for Ambae, informed that indeed the trade exchange programs proved useful and was becoming popular however the 2008 investment statistical data that would show clearly the changes that had taken place in the year mentioned was yet to be finalized.
30. The Hon. Ture KAILO, Government Whip and Member of Outer Southern Island, on Activity MFIH, *Vanuatu Maritime College* (VMC), questioned if Ni-Vanuatu who had trained at VMC were already working onboard international vessels.
31. The Hon. KALSAKAU, on Activity MFEC, *Central Payment*, asked if Vanuatu Financial Service Commission (VFSC) would be renting a building.
32. The Hon. KOLOMULE, on Activity MFIJ, *Vanuatu Agriculture College*, asked if students attending the College can further their education internationally.
33. The Hon. Minister MOLISA explained that funds stated in Activity MFEC, were to be used to upgrade the computer system of the Department of Finance only and had nothing to do with VFSC.
34. The Hon. Havo MOLISALE, Minister of Agriculture, Quarantine, Forestry and Fisheries and Member for Malo/Aore, clarified that there was no agriculture scholarship established for the College as yet.
35. The Hon. Serge VOHOR, Minister of Infrastructure and Public Utilities and Member for Santo, also clarified that currently no Ni-Vanuatu students from the VMC had employed on any international vessel.
36. The Hon. Thomas I. SAWON, Leader of Government Business and Member for Banks/Torres, on Activity MCIC, *Vanuatu Broadcasting and Television Corporation*, raised concern regarding the poor transmission in TORBA Province. He requested that the budget appropriated should be used to improve the radio transmitters around Vanuatu particularly in TORBA.
37. The Hon. Minister MOLISA explained that the figure stated under Activity MCIC was in fact for salaries only however fund to improve the transmission system was received from aid assistance.
38. The Hon. Willie R.A. TITONGOVA, Member for Tongoa, on Activity MFIK, asked about the actual total capital payment for the Agriculture Bank's operations.

39. The Hon. REGENVANU wanted information on the repayment of loan under Activity MFEA, Public Debt Provision and why there was no fund towards the payment of faithful public offices that continued to work during the 1993 Civil Servants strike.

40. Code MF was approved unanimously.

Code MO, “**MINISTRY OF FOREIGN AFFAIRS AND EXTERNAL TRADE**”

41. Leader of the Opposition, The Hon. KILMAN noted an increase in the budget and then raised several questions ranging from the diplomatic relationship with Morocco, foreign policy on the independence of certain Pacific states, the appointment of the Vanuatu Ambassador to the Republic of China (China) and the illegal issue of Vanuatu passports.

42. The Hon. Minister MOLISA responded to the query concerning the appointment of the Vanuatu Ambassador to China that it followed the provision of appointment outlined in the Foreign Service Act (FSA).

43. The Hon. Minister VOHOR confirmed that the appointment was decided by a panel as required by the provision in the FSA. On the passport issue, he said a bill would be tabled later to resolve the problem seen with the illegal issue of passports. As for the Morocco diplomatic ties, he explained that Morocco had its international problems but this did not stop Vanuatu from establishing diplomatic ties with it.

44. The Hon. Harry I. IARIS, Member for Tanna, wanted to know which group of people was allowed to travel with red colored diplomatic passports.

45. The Hon. Paul TELUKLUK, Opposition Whip and Member for Malekula, firstly pointed out the differences in the figures in the Narrative and that of the Bill then went on ask the number of Honorary Consuls and Ambassadors in foreign mission, the number of trade agreements Vanuatu had signed whether or not international flights from China would assist to boost investment in Vanuatu.

46. The Hon. Minister MOLISA reiterated that the House should follow the figures stated in the Bill and not the Narrative. He then responded to the queries raised that the red passport was used by the President of the Republic, the Prime Minister, Speaker of Parliament, Chief Justice, Ministers of State, Head of Missions, Diplomatic and consular staff of the Ministry of Foreign Affairs and spouses and children of those holding diplomatic passports. Regarding the Ambassadors and Honorary Consul, he informed that there were two (2) Ambassadors (New York and Brussels) and the third being the newly appointed Ambassador to China and only one (1) Honorary Consul in Noumea, New

Caledonia. He then went on to list the various trade agreements in place. He also explained that it was not possible to operate direct flights to China as Vanuatu's airport was not capable of holding larger aircrafts.

47. The Hon. James BULE, Minister of Commerce, Industry and Tourism and Member for Ambae, supplemented that there were talks with New Caledonia to arrange flights from France via New Caledonia to Vanuatu and the same plan with Japan via Australia or Fiji. He clarified that a lot of trade agreements had been signed by Vanuatu however Vanuatu did not have much products to export to other countries.
48. The Hon. David TOSUL, Member for Pentecost, on Program MOB, Department of Foreign Affairs, asked if the funds also covered the building housing the Brussels Office.
49. The Hon. Minister MOLISA confirmed that the budget did include the new Brussels Office.
50. The Hon. CARLOT asked about the Government's foreign policy regarding decolonization of East Timor, Iran Jaya and New Caledonia to name a few.
51. The Hon. Minister MOLISA informed that the Government did consider the issue thus a former staff of the Dept. of Foreign Affairs would be attached to assist and improve the New York Office so that such issues could be taken up at the United Nations as a lot of preparatory work was required.
52. Code MO was approved on division.

Code MH, "**MINISTRY OF HEALTH**"

53. The Hon. Danstan HILTON, Member for Banks/Torres, on Activity MHCD, Medical Supplies Stock, asked why the figure remained the same as in 2008 budget. He wanted the Government to seriously consider the health difficulties faced in TORBA Province.
54. The Hon. Joe NATUMAN, Minister of Health and Member for Tanna, confirmed that the budget remained the same but assistance to purchase medicaments would come from the Government of China. He pointed out that the problem with medical supplies in TORBA was mainly due to transportation difficulties faced.
55. The Hon. IARIS remarked that the budget for the Ministry of Health was a joke and was totally insufficient. He complained of the poorly and run down conditions of the hospitals and stressed that the budget should have doubled to reflect the importance for a healthy nation.

56. The Hon. KALSAKAU wanted to know the steps taken to consider increasing local Doctors' salaries.
57. The Hon. David AREIASUV, Member for Paama, asked if the Government consider establishing its own pharmacy to supply medications at a cheaper price that Ni-Vanuatu could afford compare to the private pharmacies in Port-Vila and Luganville.
58. The Hon. Minister NATUMAN confirmed that MOH did require a boost in the budget however it was at the Government's discretion to decide otherwise. Regarding Doctors' salaries, he explained that the Government Remuneration Tribunal (GRT) had failed to consider the salaries of all health personnel however a review had been made and shall be submitted to the GRT to consider. He agreed that the cost of medications in private pharmacies were indeed costly but the MOH had not considered the idea raised by the Hon. AREIASUV.
59. The Hon. James NGWANGO, Member for Ambae, wanted to see MOH assist with the renovation of Nduindui Hospital, Ambae and he also wanted further clarification of the different medicines supplied to the various hospitals.
60. The Hon. Minister NATUMAN clarified that the mentioned hospital had been downgraded to a Health Center instead nevertheless talks shall be held with the Director of the Northern Health Care Group (NHCG) to look into it. He did not answer the second query concerning the medicines supplied.
61. The Hon. KILMAN, Leader of the Opposition, wanted to know the number of Doctors in Vanuatu. He also raised concern on the possibility of an increase in the number of sexual transmitted disease (STD) because of the rise of prostitution activities in town. He wondered how the Government would address this issue which was related to health and life of the nation.
62. The Hon. Eta RORY, Member for Malekula, commented on Activity MHCA, Hospital Services that more Doctors should be recruited to the various hospital of Vanuatu and that health centers should be improved to provide better service to the rural population. She also wanted to see that there was a facility for artificial limbs established to enable persons to have lost a limb to obtain an artificial one to assist them.
63. The Hon. Minister NATUMAN responded that a lot of awareness programs to educate the public on the risks of STD and its prevention were carried out by MOH. Concerning artificial limbs facility, he said that artificial limbs could be obtained through aid assistance however to repair them was a problem as Vanuatu lacked bio-technicians. As for local Doctors, there were about ten (10) of them of which included six (6) who were currently on study leave.

64. The Hon. Minister MOLISA informed the House that should MOH require more funds then it could request a supplementary. He clarified that in 2008, over Vt 100 million had been removed from the budget due to the failure to make recruitment to vacant positions in the MOH.
65. Code MH was approved unanimously.
66. The sitting was suspended at 4.10p.m and resumed at 4.40p.m.

Code MU, “**MINISTRY OF INFRASTRUCTURE AND PUBLIC UTILITIES**”

67. The Hon. TELUKLUK referred to activity MUCA then questioned the agreement signed for the upgrading of the Norsup Airport. He also commented that Vt 40 million was insufficient for road maintenance.
68. The Hon. Serge VOHOR, Minister of Infrastructure and Public Utilities, stated that the total amount allocated for activity MUCA did not cover the costs for upgrading Norsup Airport. Concerning the roads, he explained that the work was divided between sectors like Public Works, Millennium Challenge Account (MCA), Australian Aid (AUSAID), local communities and Private Companies.
69. The Hon. KILMAN commented that it was a good practice that local communities helped out in the maintenance of roads however it would not solve the problems faced during rainy seasons. He then asked if the total amount covered for projects this year (2009) or to pay for the out standings of the previous year.
70. The Hon. MOLISA explained that the Budget covered all costs for this year. He also confirmed that the only outstanding that this year’s budget would cover for was under the Ministry of Lands.
71. **The sitting was adjourned at 5.00pm.**

**PARLIAMENT OF THE
REPUBLIC OF VANUATU**

NINTH LEGISLATURE OF PARLIAMENT

**FIRST EXTRAORDINARY SESSION OF 2009
SECOND MEETING**

FRIDAY 20 MARCH 2009

SPEAKER : The Hon George A. WELLS, Member for Luganville

PRESENT : 48 Members

ABSENT : Hon. Moana CARCASSES, Member for Port Vila
Hon. Judah ISAAC, Member for Tanna
Hon. Bakoa KALTONGGA, Member for Efate

LATE :

1. The sitting commenced at 8.55am.
2. The Hon. Jossie MASMAS, Member for Ambrym, said the prayer.
3. The Hon. Speaker WELLS read the agenda.

BILL FOR THE APPROPRIATION (2009) ACT NO. OF 2009

COMMITTEE STAGE (Continue)

Section 1 “**Appropriation**”

Code MU, “**MINISTRY OF INFRASTRUCTURE AND PUBLIC
UTILITIES**”

4. The Hon. Ture H KAILO, Member for Southern Outer Islands, wanted to know the actual figures that would be used to cover for road maintenance.
5. The Hon. Serge VOHOR, Minister for Infrastructure and Public Utilities, clarified that roughly Vt 500 billion would be used for road maintenances. He then gave a breakdown of the amount; Australian Aid (AUSAID) donated Vt 1 billion, New Zealand Aid (NZ Aid) donated a total of Vt 1 billion and the Government of the United States of America (USA) donated Vt 6 billion which was distributed among the six Provinces with Torba Province having a total of Vt 47 million, Penama Province Vt 81.3 million, Sanma Province Vt 98 million, Malampa Province Vt 97.5 million, Shefa Province, Vt 98.5 million and Tafea Province a total of Vt 75.5 million.
6. The Hon. PS Ton KEN, Member for Malekula, referred to activity MUFB then asked if Norsup Airport would still be upgraded and if the money allocated for was included in the Vt 70 million. He then confirmed that there were no more disputes but confusion that the Government should be able to sort out with custom owners.
7. Prime Minister and Member for Port Vila The Hon. Edward N NATAPEI explained that the former Minister of Lands and the former Minister for Infrastructure and Public Utilities signed the agreement but no work could be done unless the issue has been sorted between the two disputed families. He then asked assistance from MPs from Malekula to help the Government sort the issue so that the work could proceed.
8. The Hon. Thomas I SAWON, Leader of Government Business and Member for Banks/Torres, questioned the upgrading of Sola Airport and its Wharf.
9. The Hon. Kisito TEILEMB, Member for Malekula, stated that land owners of the Norsup Airport wrote a letter asking the Government to relocate the Airport.
10. The Hon. Solomon LORIN, Member for Santo, questioned the heavy duty machines the Public Works Department (PWD) were using for road maintenance and how much has been allocated for the repairs. He also asked if the Government would get new machines or continue using the old ones.
11. The Hon. Minister VOHOR responded that the PWD analyzed the conditions of the Sola Wharf and Airport but found that the Airport did not meet the Aviation requirements. Concerning the relocation of Norsup Airport he said it would be the last resort. He concluded that the Government had decided to rent heavy duty machines from a private company.
12. The Hon. Dona BROWNY, Member for Malekula, asked if the Vt 70 million budgeted for activity MUFB included the upgrading of Norsup Airport.

13. The Hon. Issac HAMARLIU, Member for Epi, said that it was promised that a 50 km road would be upgraded in Epi however he wanted to know if the road in the southern part of the island was included.
14. The Hon. Minister VOHOR clarified that the Vt 70 million covered for the upgrading of Lonoro Airport and Longana terminal. He added that the maintenances of Norsup Airport were not included however Airports Vanuatu Limited (AVL) would consider it.
15. The Hon. Jean Ravou A KOLOMULE, Member for Santo, complained that the Northern Provinces did not receive their share of dividend and then asked what the Government would do about the situation.
16. The Hon. Willie R A TITONGOA, Member for Tongoa, asked if it was possible for the Ministry to draw up a budget plan to ensure that the total amount was equally shared so that all the airports could benefit from it.
17. The Hon. Minister VOHOR confirmed that the work has not started nevertheless he has taken note of the MP's comment.
18. Code MU, was approved on division.

Code MI, "**MINISTRY OF INTERNAL AFFAIRS**"

19. The Hon. Sato KILMAN, Deputy Leader of Opposition and Member for Malekula, questioned the issue of the Port Vila Municipal Council (PVMC) and the situation of the vessel; MV Tukoro. He also asked when the Government would recruit a Secretary General (SG) for Malampa Province. He then referred to activity MIDA and asked if the new Commissioner would be recruited along political lines or based on merit.
20. The Hon. Danstan HILTON, Member for Banks/Torres, was of the opinion that the grant to provinces should have been higher to ensure better developments in the provinces. He also said that while coffins could be transported to the cemetery by a hearse in Port Vila, Santo was still using public or private transport and then asked if the Government was aware of it. He then asked if employees of the '*Internal Security and Border Control*' were employed by the Government.
21. The Hon. Paul TELUKLUK, Member for Malekula, wanted to know if the grant to provinces would be shared equally or proportionally among the six provinces.
22. The Hon. Patrick CROWBY, Minister for Internal Affairs and Member for Port Vila responded that MV Tukoro was in slip way in Fiji. Concerning the issue of the PVMC he explained that a letter was forwarded to them by the Ministry asking the council to solve their problem and should nothing be done he (the

- Minister) would be forced to dissolve the council and plan for Municipal election which he admits would be costly. He added that the Public Service Commission (PSC) was considering the issue of the vacant position of the SG for Malampa Province and as for the Police Commissioner, he must be appointed on merit. He concluded that decentralization was an important issue that needed to be completed and reviewed by the decentralization committee and then said that it depended on the Luganville Municipal Council (LMC) to decide and budget for a new hearse.
23. The Hon. Philip BOEDORO, Second Deputy Speaker and Member for Maewo, suggested that the amount allocated for “Grants to Provinces” should have a 10% increase for the years ahead.
 24. The Hon. Roro SAMBO, Member for Efate, commented that each year the grant increased but there were no improvements in development in the provinces. He added that the Government needed to review the issues of the Regional Seasonal Employment (RSE) scheme.
 25. The Hon. Joshua KALSAKAU, Member for Efate, enquired about the conduct of election within the force and if the Government had a different system in place.
 26. The sitting was suspended at 10.35a.m and resumed at 11.10a.m.
 27. The Hon. Minister CROWBY responded to the queries raised. He talked about how successful the RSC Program to New Zealand was and that a similar program to Australia was yet to be finalized. Regarding the manner to discipline the Acting Commissioner of the Vanuatu Mobile Force (VMF), he agreed that regardless of one’s rank or position, all should be discipline in the same manner that excluded favoritism.
 28. The Hon. IARIS asked if a helicopter could be purchased to assist the MOH, the National Disaster Management Office (NDMO) and the VMF during a disaster. He also was curious to find out how Police clearance on all RSC workers had their Police Clearance Forms cleared despite there were certain individuals that had criminal records. He also sought clarification as to the legality of the Municipal grant of Vt 3million plus to back dated and paid to the Municipal Councilors. Regarding Provincial grants of Vt 33million, he considered that it was insufficient and unfair in comparison to the two (2) Municipal Councils and the six (6) Provincial Councils.
 29. The Hon. Ture KAILO, Government Whip and Member for Outer Southern Islands, did not see any mention of operations or overseas missions whereby the VMF were expected to be engaged in. He also wanted to know if the Police training program funds was also included in the budget.

30. The Hon. Alfred CARLOT, Member for Efate, commented that the Government should reconsider its decentralization policy particularly on its implementation and effectiveness. He believed that there was another 'force' behind the current decentralized system.

31. The sitting was suspended at 11.30a.m and resumed at 2.30p.m.

Code MI, "**MINISTRY OF INTERNAL AFFAIRS**" (Continue)

32. The Hon. TEILEMB complained that the budget allocated to provinces was insufficient. He also asked why the members of the council had no allocation included in the budget.

33. The Hon. TITONGOA said there was a great misuse of Government funds used for back dated payments in both Municipal Councils (PVMC and LMC). He also wanted to know who was responsible for these payments. He added that he noticed that the budget allocation for Cooperate Services was dissimilar in different Ministries and then asked why.

34. The Hon. TELUKLUK wanted to know if there was an allocation included in the Budget for roads in the islands.

35. The Hon. SAWON said he noticed that the money was used mainly to conduct workshops about natural disasters and then asked if there was some money allocated for targeting emergencies during a disaster.

36. The Hon. CROWBY explained that the money was allocated for the salaries of the staffs working at the Disaster Department in which their main job was to make awareness on disaster management. He added that if disaster stroke, aid would come from Australia, New Zealand and New Caledonia. Concerning back dated payments at the Municipal, he said he signed an order stating that payments could no longer be back dated and also clarified that an inspector has been ordered to investigate the issue. He then admitted that the Province Councillors had relatively low salaries and assured that it was not fair however; it was their duties to ensure that the Province made enough revenue to cover for their salaries. He concluded that whilst decentralization needed to be considered, a Law must be passed to ensure good service delivery and better management of funds in the Provinces.

37. The Hon. BOEDORO asked the Hon. MOLISA to confirm the figures under activity MIDC and MIDF.

38. The sitting was suspended at 3.15p.m and resumed at 4.00p.m.

39. The Hon. Minister MOLISA raised several amendments made to the titles in the Narrative and the Bill regarding Code MIA, Ministry of Internal Affairs. On

pages 125 of the Narrative, Activity MIDC, he directed the House to insert 'Police Central' and in the Bill, delete "*Police District Central*" and insert "*Mobile Operation/Police Central*" instead. He went on to make changes to page 126 of the Narrative and in the Bill, in Activity MIDE by deleting "*Vanuatu Mobile Force*" and inserting "Police Maritime Wing". In Activity MIDF of both the Bill and the Narrative, "*Police Maritime Wing*" was deleted and inserted with "Immigration". He pointed out that the budget figures for these Activities remained the same.

40. The Hon. IARIS expressed dissatisfaction on how the Budget was presented particularly the inconsistency of the figures in the Narrative and that of the Bill. He continued that it was disgraceful and requested the Minister of FEM to recheck the figures between the two.
41. The Hon. Marcellino PIPITE, Member for Santo, on Activity MICB, *Grants to Municipalities*, wanted to know the revenue collection by the Port-Vila and Luganville Municipality and how much was owed to the Luganville Municipality by the Vanuatu Broadcasting and Television Corporation (VBTC).
42. The Hon. Don KEN, Member for Malekula, on Activity MICA, *Grants to Provinces*, questioned the missing assets belonging to the MALAMPA Province that the outgoing Secretary General (SG) was allegedly accused to have taken. He requested an audit to be conducted before the Minister approved the retirement of the SG.
43. The Hon. Minister CROWBY Manarewo clarified that the Port-Vila Municipality did not receive a grant but a soft loan. He went on that VBTC had paid Vt 500 000 and Vt 1.5million was still outstanding. He was not aware of the alleged accusation concerning the outgoing SG of MALAMPA Province.
44. The Hon. Minister MOLISA explained that if every Provincial Councils had its own departments it would be very costly as it was from the decentralization report that recommended smaller local government councils instead.
45. The Hon. PIPITE raised a point of order and requested clarification on the amendment made by the Ministers of IA and FEM concerning the Activity MIDC, Police Central ('District' was deleted).
46. The Hon. CROWBY confirmed that the change made was correct.
47. Code MI was approved on division.
Code ML, "**MINISTRY OF LANDS, GEOLOGY AND MINES**"
48. The Hon. Joshua KALSAKAU, Member for Efate, asked why there was so environmental assessment made to the Blacksands Fisheries Project and also if

- the Government was aware of a dispute concerning the land where the project was constructed on.
49. The Hon. James NWANGO, Member for Ambae, asked if the budget included the recruitment of new land officers since department was actually short staffed. He believed that the budget should be increased to improve the work to be carried out. In Activity MLEA, *Land Survey*, he asked if the budget included a new land office in Santo.
 50. The Hon. Raphael WORWOR, Minister of Lands, Geology and Mines and Member for Ambrym, responded that no proper assessment was carried out on the Fisheries Plant. He went on that the budget included that for recruitment as there were vacant posts that needed to be filled and also for six (6) officers to work in the Land Tribunals in the 6 Provinces. He said that in the 2009 budget, it was not possible to provide funds towards activities towards biodiversity however it would be catered for in 2010.
 51. The Hon. Ralph REGENVANU, Member for Port-Vila, on Program MLD, *Environment*, was concerned that the budget was not enough. He wanted to know how many staff it had and if an Environment Board had been established as required by the Environment Management and Conservation Act. He remarked that for the last decade the laws on environment continued to be broken thus strongly emphasized that the Government should not pass legislation that would not be followed.
 52. The Hon. KILMAN, Leader of the Opposition, firstly asked about the number of rural water supply projects then admitted that he was confused with the answer on the Fisheries Plant given by the Minister of Lands and the Minister of Agriculture which contradicted each other.
 53. The Hon. Minister WORWOR confusingly, responded that the environment issue was in fact sensitive. He said that the Environment Unit had only 2 officers working in it.
 54. The Hon. Alfred CARLOT, Member for Efate, raised a point of order and strongly advised that the Minister of Lands should refrain from answering further queries till he has sought further information from the Ministry's Technical Advisor (TA) instead of responding irrationally.
 55. The Hon. Minister WORWOR answered the query concerning the rural water supply projects that it depended heavily upon aid assistance.
 56. The Hon. KILMAN, Leader of the Opposition, pointed out that the Minister had failed to respond to his query concerning the Fisheries Plant.

57. The Hon. Minister WORWOR replied that he was not in the right position to answer the query.
58. The Hon. Havo MOLISALE, Minister of Agriculture, Quarantine, Forestry and Fisheries and Member for Malo/Aore, supplemented that an environment assessment had already taken place by an independent assessor and the body RAPT was responsible to fund the assessor however since it could not do so, the Government was obliged to pay the assessor.
59. The Hon. REGENVANU raised a point of order and strongly stated that no environment assessment had been done and it was RAPT that sued the Government and the Court rules that an environment assessment must be done and it was the Government that was responsible to fund the work. Thus it was through the European Union that assisted the Government to fund it. He continued that the work of the assessor was only to review the Plant and not the environment.
60. The Hon. Speaker BOEDORO, before adjourning the sitting, announced the launching of the new Parliament sound system at 8.30 on Monday 23 March 2009.
61. **The sitting was adjourned at 5.00 p.m.**

**PARLIAMENT OF THE
REPUBLIC OF VANUATU**

NINTH LEGISLATURE OF PARLIAMENT

FIRST EXTRAORDINARY SESSION OF 2009
SECOND MEETING

MONDAY 23 MARCH 2009

SPEAKER : The Hon George A. WELLS, Member for Luganville

PRESENT : 48 Members

ABSENT : Hon. Moana CARCASSES, Member for Port Vila
Hon. Judah ISAAC, Member for Tanna
Hon. Bakoa KALTONGGA, Member for Efate

LATE :

1. The sitting commenced at 9.20a.m.
2. The Hon. Morking STEVEN, Member for Tanna, said the prayer.
3. The Hon. Speaker WELLS read the agenda.
4. The sitting was suspended at 9.22a.m and resumed at 10.15a.m.
5. The Hon. Speaker WELLS acknowledged the presence of the President of Congress of New Caledonia on the official launching of the new sound system donated by the French Government and installed in the Parliament chamber.
6. The Hon. Prime Minister Edward N NATAPEI seconded by the Deputy Leader of Opposition Hon. Sato KILMAN moved that the House express their acknowledgement.
7. **The sitting was adjourned at 10.20a.m.**

**PARLIAMENT OF THE
REPUBLIC OF VANUATU**

NINTH LEGISLATURE OF PARLIAMENT

**FIRST EXTRAORDINARY SESSION OF 2009
SECOND MEETING**

TUESDAY 24 MARCH 2009

SPEAKER: The Hon. George A. WELLS, Member for Luganville.

PRESENT: 48 Members

ABSENT: Hon. Moana CARCASSES, Member for Port Vila
Hon. Judah ISAAC, Member for Tanna
Hon. Bakoa KALTONGGA, Member for Efate

LATE:

1. The sitting commenced at 8.55 a.m.
2. The Hon. Donna BROWNY, Member for Malekula, said the prayer.
3. The Hon. Speaker WELLS read the agenda.

BILL FOR THE APPROPRIATION (2009) ACT NO. OF 2009

COMMITTEE STAGE (Continue)

Section 1 “**Appropriation**”

Code ML, “**MINISTRY OF LANDS, GEOLOGY AND MINES**”

4. The Hon. Marcellino PIPITE, Member for Santo, sought information on the mineral exploration on the islands of Ambrym, Santo and Efate.

5. The Hon. Raphael WORWOR, Minister of Lands, Geology and Mines and Member for Ambrym, explained that it was an expensive exercise to carry out mineral exploration.
6. The Hon. Sela MOLISA, Minister of Finance and Economic Management and Member for Santo, corrected the figures stated in the Narrative regarding Activity MLGA, *rural Water Supply* from Vt 19,012,482 to Vt 22, 018, 591 and Activity MLGB, *Water Ressource Management* from Vt 7,985, 534 to Vt 32, 444, 620. He further pointed out that Vt 10 million was budgeted for water supply projects.
7. The Hon. TELUKLUK Paul, Opposition Whip and Member for Malekula, asked why there was an increase of Vt 30 million. On Activity MLC, *Energy*, he had several questions concerning the electrification program on Malekula, including the Provinces of MALAMPA, TORBA and PENAMA. He also wanted to know if there were small hydropower stations established in the rural areas. On Program MLD, *Environment*, he asked if Vanuatu had qualified to receive carbon credit and if it did, then that there was no proper land management.
8. The Hon. Minister MOLISA, regarding the increase and decrease in figures in comparison to the 2008 Budget, explained that it was due to certain aspects within certain Ministries that saw either an increase or a decrease in the budget figure.
9. The Hon. Minister WORWOR responded to the queries raised and informed the House that there was an electrification project in progress particularly on Malekula. He added that there was a Rural Electrification Master Plan in place. On carbon credit, he said there was no legislation in place thus the Government was considering drawing up one.
10. The Hon. Sato KILMAN, Leader of the Opposition and Member for Malekula, wanted to know Vanuatu's exact territorial boundary and the Government's position on Mathew and Hunter islands as the issue had resurfaced.
11. The Hon. Minister WORWOR said he was not in the position to answer the query.
12. The Hon. Ham LINI Vanuaroroa, Deputy Prime Minister, Minister of Justice and Social Welfare and member for Pentecost, supplemented that France still claimed Mathew and Hunter however Vanuatu was still in the better position to win the case. He clarified that an international ties with New Caledonia remained placid whereas it was with France that was a little rough.
13. The Hon. Serge VOHOR, Minister of Infrastructure and Public Utilities and Member for Santo, also supplemented that the issue of Mathew and Hunter would also be dealt with by the Melanesian Spearhead Group (MSG).

14. The Hon. KILMAN Sato, Leader of the Opposition, was confused with the responses given by the various Ministers and further elaborated on the question and asked whether or not France removed the claim on Mathew and Hunter islands.
15. The Hon. Willie R. A. TITONGOA, Member for TONGOA, on Program MLE, *Land Management*, asked if the budget also covered the compensation payments to custom owners whose land were developed by the Government.
16. The Hon. Morking STEVEN, Member for Tanna, on Activity MLCB, asked whether it was the Government or the company contracted to construct roads that were responsible to purchase the rocks used to build roads with. He also enquires as to how a license was awarded.
17. The Hon. Minister WORWOR informed the House that the Government continued to make revenue from land fees as for the compensation to land owners, he explained that only after the court declared who was the rightful owner of a piece of land would the Government make the necessary compensation payment. He went on that it was the Commission of Lands that was responsible to award a license to quarry.
18. The Hon. Minister VOHOR supplemented that only one (1) person could be awarded a license to quarry and the Public works made payments to the land owners only.
19. The Hon. Don. KEN, Member for Malekula, on Activity MLGA, *Rural Water Supply*, asked if the budget included rural water supply projects since the request by the Walla Rano community in 2002 had not yet eventuated.
20. The Hon. Jean ravou A. KOLOMULE, Member for Santo, on Program MLC, *Energy*, enquired if the Vt 18 million also included the commencement of the electrification process. On Activity MLFA, *Mines and Mineral*, enquired if there were any discoveries of minerals in the ocean.
21. The Hon. Minister WORWOR explained that there was an assessment carried out on Walla Rano in between March to April however it was not included in the budget. He reiterated that rural water supply projects depended largely on donor assistance and the Vt 18million allocated for Project MLC, energy was mainly towards salaries only. As for minerals in the sea, he remarked that no assessment had yet been carried out.
22. The Hon. James NGWANGO, Member for Ambae, on Activity MLED, *Customary land Registration*, was of the opinion that the budget was insufficient. He wanted to know if there was any consideration to recruit a qualified person to hasten work of registration of land by the Department of Lands.

23. The Hon. STEVEN requested the ministry to carefully check the process of land registration as he concerned that there were illegal activities taking place regarding registration of lands. He cautioned the Ministry to seriously look into the procedure of awarding quarry license before the problems currently faced with this issue would blow out of proportion.
24. The Hon. Minister WORWOR responded that he would investigate the claim and concern raised by the hon. STEVEN. He added that the concern raised by Hon. NGWANGO would also be taken into consideration.
25. The Hon. Minister MOLISA explained that a lot of aid funded projects were not included in the budget as it was a recurrent one.
26. Code ML was approved on division.

Code MJ, “**MINISTRY OF JUSTICE AND SOCIAL WELFARE**”

27. The Hon. KILMAN, Leader of the Opposition, on Program MJB, *Women's Affairs*, wanted to know why there was an increase in its budget.
28. The Hon. Peter VUTA, First Deputy Speaker and Member for Ambae, on the same program, also wanted to know why the Government continued to fund the Department of Women's Affairs when it should consider funding Churches instead.
29. The Hon. DPM and Minister LINI replied that there was an increase in the budget simply to secure a place to build a new Correctional Centre that would hold and prevent prison breaks also funding towards a meeting of Disabled Society and Children's Day activities. He stated that the Government would continue to fund the Women's Affairs Department and he did agree that churches were neglected but he would ensure that the Government takes into consideration churches.
30. The Hon. Minister VOHOR, on the VCMB Saga, supplemented by confirming that here was indeed malpractice involved in the receipt of the license to purchase kava.
31. The Hon. KILMAN, Leader of the Opposition, pointed out that the Minister VOHOR should not answered the question on VCMB. He said that the issue raised concerned fair and equal treatment across the board thus it was necessary that the Government should resolve the issue.
32. The Hon. Speaker WELLS directed the house to raise questions concerning the budget and not VCMB issue.

33. The Hon. Eta RORY, Member for Malekula, sought clarification on Women's Affairs and the Vanuatu National Council of Women (VNCW) if they were two different institutions because the budget was insufficient.
 34. The Hon. DPM and Minister LINI clarified that the budget was only for the Department of Women's Affairs and it was for staff salaries.
 35. The Hon. Solomon LORIN, Member for Santo, was of the opinion that the budget for Activity MJB, Women's Affairs was sufficient but was concerned that laws concerning women's issues should be amended.
 36. The Hon. Iauko H. IARIS, Member for Tanna, expressed concern that the budget for Activity MJB was more directed towards the activities for women in the urban areas and not the rural.
 37. The Hon. DPM and Minister LINI explained that the budget for Activity MJB was to be used by both women in the urban and rural areas.
 38. The Hon. Minister MOLISA supplemented that Women's Affairs mainly received funds from aid donors.
 39. The Hon. CROWBY commented that the amount allocated for the Correctional Services was insufficient and as a result people complained that this sector was not doing its work properly.
 40. The Hon. CARLOT raised concerns on the lives of expatriates when inmates escaped from the prison camp. He added that the Government needed to review the Correctional Services Act.
 41. The Hon. LINI clarified that the Ministry will do its best to improve justice in Vanuatu.
 42. Code MJ was approved on division.
 43. The sitting was suspended at 10.55a.m and resumed at 11.20a.m.
- Code MY, "**MINISTRY OF YOUTH DEVELOPMENT AND TRAINING**"
44. The Hon. TELUKLUK suggested the Government to provide funds for VASANOC and then went on to ask if the budget included maintenance of sports facilities. Furthermore he asked why there were no provisions for the Provincial Games (PG) and South Pacific Mini Games (SPMG).
 45. The Hon. Moses KAHU, Minister for Youth Development and Training and Member for Tanna explained that the budget should support and facilitate sporting activities for the young generation. He added that the Government would

- look for funds to support the PG and the SPMG. He concluded that the Korman Stadium needed Vt 400 to Vt 500 million worth of renovation and maintenance for which the Government had not budgeted for.
46. The Hon. TITONGOA asked if there was a provision for maintenance of sports facilities in the Provinces. He also wanted to know if the Government had a master plan to extend sports programme throughout Vanuatu.
47. The Hon. KAHU explained that it was the National Sports Council's (NSC) duty to organize sports activities throughout Vanuatu. He further mentioned that the Government would create a procedure of legislation to up-bring sporting activities in Vanuatu.
48. The sitting was suspended at 11.35a.m and resumed at 2.15p.m.

Code MY, "**MINISTRY OF YOUTH DEVELOPMENT AND TRAINING**"
(Continue)

49. The Hon. PIPITE noted an increase of Vt 28 million in the budget and said he wanted to see that the Ministry could provide employment opportunities for the large number of unemployed youths. He was also concerned that there were certain sport organizations who received funds from other sources of which the Government was not aware of.
50. The Hon. KOLOMULE wanted to see an increase in the budget for Activity MYCA, *Vocational and Continuing Education* and also requested that Ministry find ways to provide employment opportunities.
51. The Hon. MOLISA explained that the increase was for the National Sports Council to use towards renovations of stadiums in each of the Provinces. He also pointed out that funds for the Provincial Games to be held in Port-Vila were not included. He acknowledged that there should be stricter laws to govern Sporting Bodies to avoid misappropriation.
52. The Minister of Youth Development and Training and Member for Tanna, the Hon. Moses KAHU, reiterated that the increase in figure would go towards the stadiums in the Provinces. He agreed that the budget towards the Sports Councils in the Provinces should be increased but due to their failure to function properly, the budget remained constant.
53. The Hon. KAILO, Government whip, remarked in the insufficiency of the budget and then questioned when the Government would consider promoting Technical Vocational Education and Training (TVET) to become a separate department under the Ministry of Youth Development and Training (MYDT) instead of keeping it under the Ministry of Education.

54. The Hon. Minister KAHU responded that in order for TVET to be under the MYDT, it required amending the law that established it.
55. The Hon. Philip BOEDORO, Second Deputy Speaker and Member for Maewo, on Activity MYBB, *contribution to Training and Development Bodies*, commented that the budget was insufficient compared to the population of youth of Vanuatu. He stressed that the Government should place more emphasis on youth development in the rural areas to control urban drift.
56. The Hon. IARIS, on Activity MYAA, *Ministry Cabinet*, remarked that the budget was high whereas the budget for activities was less. He enquired whether or not a Director General (DG) for MYDT had already been appointed. He asked when would the Government address the employment of youth into certain positions and also if it had a Youth policy in place. He concluded by stating that the Vt 103million towards Youth development was a joke.
57. Leader of the Opposition, The Hon. KILMAN stated that the budget for Program MYC, Vocational and Continuing Education did not reflect in any way that it would provide a better life for young people and rural people especially if youth issues were not solved. He insisted that the Minister must ensure that 2010 Budget increase in order to reflect the Government's policy on Youth.
58. The Hon. Minister KAHU agreed that the MYDT had the same number of political staff as other Ministries despite it being a junior ministry. He supported the comment raised by the Leader of the Opposition and hoped that in future there shall be progress made with regards to youth development. He clarified that MYDT did not have a DG as the DG of Education also looked after the affairs of the MYDT. He agreed that MYDT should have its own DG and ensured the House that the 2010 Budget should see an increase.
59. The Hon. Minister MOLISA also supported the minister in his comment about increasing the 2010 Budget.
60. Code MY was approved unanimously.
61. Total Government Expenditure of Vt 14,095,192,457 was approved unanimously.
62. Section 1 was approved unanimously.
63. Section 2 "**Commencement**" was approved unanimously.

SECOND READING

64. The Hon. Sela MOLISA, Minister of Finances and Economic Management, thanked the House for its support then moved that the Bill be read the second time and do pass.

65. The motion that the Bill be read the second time and do pass was carried unanimously.
66. The sitting was suspended at 3.10p.m and resumed at 4.00p.m.
67. The Hon. Thomas I SAWON, Leader of Government Business and Member for Banks/Torres, withdrew the Bill for the Passport and indicated that the Bill for The Public Finance and Economic Management shall be tabled.

**BILL FOR THE PUBLIC FINANCE AND ECONOMIC MANAGEMENT
(AMENDMENT) ACT NO. OF 2009**

FIRST READING

68. The Hon. Sela MOLISA, Minister of Finance and Economic Management, introduced the Bill, stated the reasons for the amendment and then moved that the Bill be read a first time.
69. The Hon. Sato KILMAN commented that “Item 5” was too broad and demanded further explanations. He went on to say that when money allocated to a Ministry should be used according to what it has been budgeted for to avoid unnecessary spending.
70. The Hon. Marcellino PIPITE, Member for Santo, said he noticed that there were no amounts carried forward from the Ministries in the Supplementary Appropriation Bill.
71. The Hon. Minister MOLISA responded that if “Item 5” was properly read it should be understandable. He then assured the House that the issue of unnecessary spending would be considered.
72. Prime Minister, The Hon. Edward N NATAPEI was of the opinion that the section was simple enough to understand and went on to explain that it stated that any institutions should and must clarify the use of their budget.
73. The Hon. Joe NATUMAN, Minister of Health and Member for Tanna, explained that the supplementary budget for the Ministry of Health was mainly used for the purchase of medical and dental equipment and new vehicles.
74. The Hon. TITONGOA confirmed that there were no difficulties in understanding “Item 5” of the Bill.
75. **The sitting was adjourned at 5.00p.m.**

**PARLIAMENT OF THE
REPUBLIC OF VANUATU**

NINTH LEGISLATURE OF PARLIAMENT

FIRST EXTRAORDINARY SESSION OF 2009
SECOND MEETING

WEDNESDAY 25 MARCH 2009

- SPEAKER** : The Hon Peter VUTA, First Deputy Speaker and Member for Ambae
- PRESENT** : 48 Members
- ABSENT** : Hon. Moana CARCASSES, Member for Port Vila
Hon. Judah ISAAC, Member for Tanna
Hon. Bakoa KALTONGGA, Member for Efate
- LATE** :

1. The sitting commenced at 2.20pm.
2. The Hon. Toara D KALO, Member for Shepherds, said the prayer.
3. The Hon. Speaker VUTA read the agenda.

BILL FOR THE PUBLIC FINANCE AND ECONOMIC MANAGEMENT

FIRST READING (Continue)

4. The Hon. Iauko H IARIS, Member for Tanna, said the Government must safeguard its funds because there were so much unnecessary spending on overseas missions and goodwill tours. He added that he hoped that if the Bill was passed it would cut out the basic practical of unnecessary spending.
5. The Hon. Paul TELUKLUK, Member for Malekula, raised concerns about custom economy and pointed out that the Bill contained no item that stated the importance of protecting the traditional currency.

6. The Hon. Sela MOLISA, Minister of Finance and Economic Management, explained that custom had its own area and that custom currency could not be converted. He further explained that Ministries should have better plans for better management of Government funds.
7. The Hon. Ham LINI, Deputy Prime Minister and Minister for Justice and Social Welfare clarified that when he declared the year 2008 year of custom economy, it was not included in the Government Budget.
8. The motion that the Bill be read a first time was approved unanimously.

COMMITTEE STAGE

Section 1, "**Amendments**"

Amendment 1, "**Section 1**"

9. The Hon. Marcellino PIPITE, Member for Santo, questioned the numbering of sections in the Principle Act should section 1 be repealed.
10. The Hon. Sato KILMAN, Deputy Leader of Opposition and Member for Malekula wanted clarification on the numbering of sections.
11. The Hon. Minister MOLISA clarified that all other sections in the Principle Act would remain the same should section 1 be removed.
12. The Hon. Maxime CARLOT Korman, Leader of Opposition and Member for Port Vila asked if the Government had considered making amendments in the Standing Order (SO).
13. The Hon. Minister MOLISA responded that it was the duty of the Standing Order Committee to consider changes in the SO.
14. Amendment 1 was approved unanimously.
15. Amendment 2, "**Subsection 2(1) (definitions of capital transactions current transactions, Director-General, expenditure, First Appropriation Bill, generally accepted accounting, principles and practice, Government agency, head of ministry, MFEM, Minister, Ministry, Outcome and provision, public interest, public money, public resources, state and trading revenue)**", was approved unanimously.

Amendment 3, "**Subsection 2(1)**"

16. The Hon. PIPITE asked if the headings in amendment 2 differed in the English and French Bill.

17. The Hon. Minister MOLISA explained that the headings in amendment 2 would remain the same in the French text but the definitions would be repealed.
18. The Hon. PIPITE wanted to know if all the definitions would be repealed.
19. The Hon. Minister MOLISA responded that amendment 3 inserts the new definitions repealed in amendment 2.
20. The Hon. KILMAN sought clarification on section 2 (1).
21. The Hon. Ture KAILO, Member for Southern Outer Islands, queried about the money allocated as a grant to bodies that were not established under the Constitution or Act of Parliament such as youth groups.
22. The Hon. PIPITE wanted to know the definition of “exercise financier” in the French Bill.
23. The Hon. Minister MOLISA explained that the money would be given to any agency or body established under the Constitution.
24. Amendment 3 was approved unanimously.
25. Amendment 4, “**Subsection 2(2)**”, was approved unanimously.
Amendment 5, “**Part 2**”
26. The Hon. PIPITE was of the opinion that the section should be substituted instead of repealed.
27. The Hon. Minister MOLISA clarified that the old section 2 would be substituted with the new subsection 2.
28. Amendment 5 was approved unanimously.
29. Amendment 6, “**Part 3 (heading)**”, was approved unanimously.
30. Amendment 7, “**Section 9**”, was approved unanimously.
Amendment 8, “**Paragraph 10(1) (b)**”
31. The Hon. PIPITE complained that the actual amendment needed clarification.
32. The Hon. CARLOT Korman asked why changes were only made to the English Bill.

33. The Hon. Minister MOLISA explained that the French definitions were correct.
34. The Hon. CARLOT Korman commented that if the French text was correct then the country was governed by the wrong English text.
35. Amendment 8 was approved unanimously.
36. Amendment 9, “**At the end of paragraph 10(1) (b)**”, was approved unanimously.
37. Amendment 10, “**Paragraph 10(1) (c)**”, was approved unanimously.
38. Amendment 11, “**At the end of paragraph 10(2) (a)**”, was approved unanimously.
- Amendment 12, “**Subsection 11(1)**”
39. The Hon. PIPITE sought clarification on amendment 12.
40. The Hon. Minister MOLISA pointed out that ‘*First Appropriation*’ differed from ‘*Appropriation Act*’. He also mentioned that ‘Financial year’ and ‘Annual year’ were also had different definitions.
41. The Hon. KILMAN was of the opinion that the Government called it ‘First Appropriation’ probably because the Supplementary Appropriation was like an Appropriation Bill and when money was needed, Parliament approved and then call it ‘Another Appropriation Bill’.
42. The Hon. Minister MOLISA referred to section 34 of the Public Finance Management Act and explained that any transfers or needed funds should be included in the next Appropriation Bill.
43. Amendment 12 was approved unanimously.
44. Amendment 13, “**Paragraph 11(2) (a)**”, was approved unanimously.
45. Amendment 14, “**At the end of paragraph 11(2) (a) and (b)**”, was approved unanimously.
46. Amendment 15, “**At the end of paragraph 11(2) (c)**”, was approved unanimously.
- Amendment 16, “**Paragraph 11(2) (d)**”
47. The Hon. PIPITE wanted to know why the section was repealed.

48. The Hon. Minister MOLISA responded that the section must be removed because it was ineffective.
49. Amendment 16 was approved unanimously.
50. Amendment 17, “**Subsection 12(1)**”, was approved unanimously.
51. Amendment 18, “**Subsection 12(2)**”, was approved unanimously.
Amendment 19, “**Subsection 12(3)**”
52. The Hon. CARLOT Korman wanted the Hon. Minister to confirm if the word ‘Annual’ would still be from the 1st of January to the 31st of December every year.
53. The Hon. MOLISA confirmed in the affirmative.
54. Amendment 19 was approved unanimously.
55. Amendment 20 “**Paragraph 12(4) (a)**” was approved unanimously.
56. Amendment 21, “**Subsection 13(1)**”, was approved unanimously.
57. Amendment 22, “**Subsection 13(3)**”, was approved unanimously.
Amendment 23, “**Section 14**”
58. The Hon. PIPITE questioned the new Section 14(2) (c).
59. The Hon. TELUKLUK referred to Section 14(2) (c) and said that it would be more formal to insert ‘a la quelle’ instead of ‘ou’ in the French version of the Bill.
60. The Hon. Minister MOLISA clarified that it was important to state the date of which the statement is prepared.
61. The Hon. KOLOMULE sought clarification on the French version of the Bill.
62. The Hon. Minister MOLISA confirmed that the French text did not need any changes.
63. Amendment 23 was approved unanimously.
64. Amendment 24, “**Subsection 15(1)**”, was approved unanimously.
65. Amendment 25, “**Subsection 16(1)**”, was approved unanimously.
66. Amendment 26, “**Sections 17, 18, 19, 20 and 21**”, was approved unanimously.

67. Amendment 27, "**Subsection 22(3)**", was approved unanimously.
68. Amendment 28, "**At the end of subparagraphs 22(4) (b) (i) and (ii)**", was approved unanimously.
69. Amendment 29, "**Section 23**", was approved unanimously.
70. Amendment 30, "**Part 6**", was approved unanimously.
71. Amendment 31, "**Subsection 30(3) and (4)**", was approved unanimously.
72. Amendment 32, "**At the end of paragraphs 31(1) (a) and (b)**", was approved unanimously.
73. Amendment 33, "**At the end of paragraphs 31(1) (a) and (b)**", was approved unanimously.
- Amendment 34, "**Part 8**"
74. The Hon. KILMAN was concerned that the agency was paid for its uncompleted work.
75. The Hon. Minister MOLISA explained that with the approval of the Council of Ministers (CoM) the money should be carried forward for the purpose which it was allocated for.
76. The Hon. CARLOT Korman queried about the provisions of the Budget, would it be affected should the Bill be passed to become a law.
77. The Hon. Minister MOLISA responded that if the money was carried forward it should still be approved in Parliament.
78. The Hon. PIPITE was interested to know that if the Budget was not approved would it mean that the amount carried forward was not allowed to be used.
79. The Hon. Minister MOLISA clarified that Section 33 (2) allowed the Government to carry forward any left over budget from the current financial year to the next.
80. Amendment 34 was approved unanimously.
81. The sitting was suspended at 4.00p.m and resumed at 4.25p.m.
82. The Hon. Speaker VUTA announced to the House of sudden passing away of a former Member of Parliament for Malo/Aore constituency in the 1990's, Hon.

Andrew Moliano VUROBARAVO. He asked the House to pay its respect to the later former MP by giving a minute of silence.

83. Amendment 35, **“Section 39 and 40”**, was approved unanimously.
84. Amendment 36, **“Subsection 41 (1)”**, was approved unanimously.
85. Amendment 37, **“Subsection 43 (4)”**, was approved unanimously.
86. Amendment 38, **“Subsection 43 (5)”**, was approved unanimously.
87. Amendment 39, **“Subsection 43 (6)”**, was approved unanimously.
88. Amendment 40, **“Subsection 44 (5)”**, was approved unanimously.
89. Amendment 41, **“Subsection 46 (3)”**, was approved unanimously.
Amendment 42, **“Section 49”**
90. Deputy Leader of the Opposition, The Hon. CARLOT KORMAN asked the Minister of Finance and Economic Management (MFEM) should be removed and replaced with the Director-General (D-G).
91. The Hon. Minister MOLISA explained that it was the general responsibility of the D-G with regards to all trust money.
92. Amendment 42 was approved unanimously.
93. Amendment 43, **“At the end of the paragraphs 54 (2) (a), (b), 9c), (d), (e), (f) and (g)”**, was approved unanimously.
94. Amendment 44, **“At the end of paragraph 58 (1) (a) and (b)”**, was approved unanimously.
95. Amendment 45, **“Paragraphs 60 (1) and (b)”**, was approved unanimously.
Amendment 46, **“Subsection 60 (3)”**
96. The Hon. PIPITE was of the opinion that the new insertion, ‘*after “Minister”*, insert “*is not required to obtain the approval of Parliament, but*” was only jargon as he did not see the logic behind the amendment.
97. The Hon. Minister MOLISA explained that it was previously a provision that had been amended in 2008 and then reinserted as it deemed proper for Parliament to approve guarantee.

98. Amendment 46 was approved unanimously.
99. Amendment 47, **“Subsection 62 (1)”**, was approved unanimously.
100. Amendment 48, **“Subsection 62 (2)”**, was approved unanimously.
101. Amendment 49, **“Section 63”**, was approved unanimously.
102. Amendment 50, **“paragraph 64 (1) (a)”**, was approved unanimously.
- Amendment 51, **“Section 67 and 68”**
103. The Hon. PIPITE supported the amendment since the D-G had a lot of powers vested upon him and as it was a common knowledge that D-G often misused their powers. He hoped that the current amendment would prevent abuse of power.
104. Amendment 51 was approved unanimously.
- Amendment 52, **“Section 70”**
105. The Hon. KILMAN, Leader of the Opposition, expressed concern that the penalty of not exceeding Vt 100,000 for offences was insufficient compared to the overall responsibility placed upon the D-G. He went on that when the decision taken by the D-G was due to political pressure; the Prime minister and the MFEM should also be included as being responsible for the actions taken.
106. The hon. Willie R.A. TITONGOA, Member for Tongoa, wondered if there was a breach of law when the D-G of MFEM and Auditor General failed to present to Parliament financial reports. He wanted to know if there was a penalty imposed for this breach.
107. The Hon. Minister MOLISA clarified that the penalty stated was for minor offences and as for the concern raised by Hon. TITONGOA, the penalty must be prescribed by Parliament.
108. The Hon. Paul TELUKLUK, Opposition Whip and Member for Malekula, raised a point of order that it was already 5.00 p.m.
109. The Hon. Speaker VUTA sought the consensus of the house to complete the Bill.
110. The Hon. Esmon SAIMON, Minister of Cooperatives and Ni-Vanuatu Business Development and Member for Malekula, moved to suspend Standing Orders of Parliament.
111. The Hon. Speaker VUTA declared that the House shall complete the Bill before it.

112. The Hon. KILMAN, Leader of the Opposition, argued that Hon. Speaker VUTA did not request a show of hands.
113. The Hon. Speaker VUTA rules that as it was normal practice to raise hands to show objection when seeking consensus however as he failed to see show of hands, consensus was approved to complete the Bill.
114. Amendment 52 was approved unanimously.
115. Section 1 was approved unanimously.
116. Section 2, **“Commencement”**, was approved unanimously.

SECOND READING

117. The Hon. Sela MOLISA, Minister of Finance and Economic Management, thanks the House for his support then moved that the Bill be read the second time and do pass.
118. The motion that the Bill be read the second time and do pass was carried unanimously.
119. Leader of the Opposition, The Hon. KILMAN raised a point of order and enquired about the list of the names of Members to be in various Standing Committees of Parliament.
120. Prime Minister NATAPEI responded that he was of the understanding that motions concerning Standing Committees need first to be tabled as was the normal Parliamentary practice.
121. **THE FIRST EXTRAORDINARY SESSION OF THE NINTH LEGISLATURE OF 2009 WAS OFFICIALLY CLOSED AT 5.05 P.M.**