

DISCLAIMER

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Tuesday 4 July 2017

9:00am

I. GOVERNMENT ORDERS OF THE DAY

Consideration of Parliamentary Committee Reports and Government Responses

The Mace was placed underneath the table and the Assembly resolved itself into the Committee of the Whole Assembly (CWA)

1. Afioga Hon. FAUMUINA Tiatia Liuga, Deputy Chair for the Finance and Expenditure Committee moved a motion for the Committee (CWA) to approve its report with recommendations on the Annual Report of the Samoa Life Assurance Corporation (SLAC) for the FY 2015.

- P.P.2016/2017 No.177, Government Responses on P.P. 2016/2017 No.50

Motion seconded and approved

Hon SILI Epa Tuioti read out Government responses to the Recommendations of the Finance and Expenditure Committee;

Recommendation 1:

That the Samoa Life Assurance Corporation maintain its new policy holders at no less than 10% annually, furthermore, the Corporation should develop guidelines to encourage policy holders at not less than 10% annually,

furthermore, the Corporation should develop guidelines to encourage policy holders not to withdraw but to retain their policies till it matures.

Response 1:

The Minister of Finance elaborated that Government has set a target of 15-20% increase in annual premiums per annum in Samoa Life Assurance Company's corporate plan 2017-2020; the government noted that the SLAC was determined to meet the target set.

Recommendation 2:

That the Corporation reviews its policies with regards to Superannuation provisions to be in line with the Cabinet Directive

Response 2:

The Minister of Finance referred to Cabinet Directive relating to Superannuation of staff members Super Plan had been discontinued; however, the Superannuation plan provided by the SLAC to the general public. The Minister also noted that the SLAC intends to review its Superannuation policies in the future to ensure effective services are offered to its clients.

Recommendation 3:

That the provision of Contingency Reserve Fund be reviewed to ensure efficient funds are available to cater for policy holders claims in the event of an emergency.

Response 3:

The Hon Minister stated that the Mortality and Contingency Reserve Fund being set aside in the Financial Statements amounts to \$1.1million by the Corporation with the Actuary's support. The SLAC will consider reviewing the Mortality and Contingency Reserve Fund to cover policy claims in the event of Natural Disasters.

Recommendation 4:

That the Corporation utilize and compete with Commercial Banks in terms of loan lending interest rates. The Committee believes that competing with

Commercial Banks will provide better interest rates than what is being offered to date.

Response 4:

At the moment, the Corporation is offering 12% interest on loans on policies and 8% interest on mortgage loans. The Minister noted that Government believes the interest rates that are currently operational is sufficient compared to other financial institutions. The SLAC assured that they will continue to review their interest rates from time to time to assist with their policyholders.

The Minister of Finance, moved for the CWA to approve Government's Responses on the recommendations by the Finance and Expenditure Committee.

The motion was seconded and approved.

2. The Chairperson for the Social Sector Committee, Afioga Hon GATOLOAIFAANA Alesana Gidlow moved that the CWA approved the Committees recommendations on the Annual Report of the Ministry of Education Sports and Culture for the FY 2014/2015.

Motion seconded and approved

P.P. 2016/2017 No.178, Government Responses on P.P. 2016/2017 No.51

Hon LOAU Sola Keneti Sio, Minister of Education, Sports and Culture read out the responses by Government on the recommendations of the Social Sector Committee

Recommendation 1:

To thoroughly reconsider decision on the non-payment of 30% sick leave entitlement of teachers as it affects their performance. Due to the nature of their work, teachers need to attend everyday but removing such benefits will cause other problems.

Response 1:

The Minister noted that the payment of 30% unutilised sick leave upon retirement, resignation or moving to a contract position was removed when the PSC reviewed the working conditions for all public servants that were

passed by Cabinet in December 2015. Unutilized sick leave rolled over to the next year, hence the accumulation of sick leave balance over the years and some have leave balances in excess of 200 up to 300 days. Staff members can utilize this when they take prolong sick leave and have exhausted all other leave avenues. The change means only 20 days can be carried forward to the next year, and anything in excess of 20 is forfeited. In a teachers case, those who have been teachers all their lives and served for more than 20 or 30 years have accumulated up to 200 and 300 unutilised sick leave. When the change took effect, all this amount of 200 and 300 sick leaves were forfeited and a new balance of 20 sick leaves was granted to everyone.

The impact of this is that all teachers tried to utilise their sick leave throughout the year, meaning each teacher will take 20 extra days off the school calendar (4weeks) on top of other leave. This adds more stress to the already severe teacher shortage we are currently facing. This at the end of the day, will impact negatively on the students.

Recommendation 2:

To collaborate with parents and village councils to encourage children in schools in order to reduce the number of drop out male students in Year 12 and Year 13.

Response 2:

The Minister noted that the Ministry (MESC) has already begun to address this via face-to-face meetings with School Committees and via TV news release to provide home and community support for the Ministry's effort for Literacy and Numeracy activities. There are on-going inter-ministry discussions with MWCSO for the support of the Pulenuus and sui-a-tamaitai in monitoring school attendance of compulsory aged students and promotion of family and Christian values at the family and village level. MESC and the Officer of the Attorney General are in the process of discussing the review of the Education Act 2009 in particular the Compulsory Education provision to lift the compulsory age from 14 to 18 years old.

Recommendation 3:

To establish a new office for the Ministry in Savaii due to the following reasons:

- (I) Reduce movement of employees for educational matters
- (II) Make it easier for parents to pay SSC and SSLC examination fees
- (III) Encourage close communication between the Ministry and employees from time to time
- (IV) To achieve the government mission that what's good for Upolu is good for Savaii. (*O le mea e lelei mo Upolu e lelei foi mo Savaii*)

Response 3:

MESC has already secured 1-acre piece of land through a lease with MNRE with the official paperwork in work-in-progress. It is the intention of the Ministry that a MESC facility be built in Savaii with staff to provide assistance as described in (I) to (IV). Negotiations with MOF to fund a new facility is in the pipeline

The exam fees collections are gathered through fortnightly collection at the Salafai Public Library Salelologa

Recommendation 4:

To build a new convenient Museum and National Archive building in town for tourists and the public, and for safekeeping and well preservation of our Samoan culture and heritage.

Response 4:

- Proposal for a new Museum of Samoa was presented to the Japanese Ambassador to Samoa and JICA, for funding. The official proposal was submitted in March 2015 to the Japanese Government through the Samoa Ministry of Finance and the Ministry of Foreign Affairs and Trade
- The Arts and Culture Centre was proposed during an earlier visit by a Chinese delegation in 2014 to MESC. The visit by members of the Huizho Municipality China in 2016 brought this project as a possibility for funding. It was put forth to the CEO of MFAT and PM and was endorsed as part of Samoa's official projects to hand over to the Huizhou delegation for funding. Ground breaking is scheduled for November 2016 at the old Apia Primary

and Central Administration area. The building concept is yet to be negotiated with the donors, but it is envisaged that this Arts and Culture Centre will include a National Archives.

Chairperson of the Committee of the Whole Assembly

The Chairperson, Afioga Hon. LEAUPEPE Toleafoa Apulu Faafisi informed the Committee that there were only 2 Members who provided written queries on the Responses of Government, therefore these were the only members permitted to speak and seek clarification on Government's Responses presented.

i) SALAUSA John Ah Ching – Member for Faleata East

The Member supported the recommendation by the Committee to reconsider the 30% sick leave entitlements for teachers as this can be one of the incentives for this profession, which continues to face shortage problems. He also noted that as employees (teachers) get older, they are more prone to illness, and the sick leave would come in handy for them.

The Member also noted his support for the compulsory education age group, i.e., 14-18 years. However, the issue of having expensive school fees continues to be a barrier for students learning, therefore the Member requested that the Government look for other alternatives ways to reduce school fees. He made specific mention of the fees at the National University of Samoa. The Member claimed that there were funds available from the Samoa International Finance Authority (SIFA) but not all students benefited from it.

- The Hon Prime Minister, TUILAEP A Lupesoliai Neioti Auelua Aiono Dr. Sailele Malielegaoi

The Prime Minister clarified that the issues raised by the member for Faleata East were not new; however the guidelines were reviewed due to various failures in the policy. The Prime Minister stated that leave days were intended to recuperate and recharge an individual's strength in mind, body and spirit to enable individuals to carry out the various tasks at hand. However it can also be seen as a performance measure for employees, to identify who is working efficiently and effectively and who is considered a 'loss' to the organisation. The Minister clarified that

The PM noted that recommendations do not necessarily mean immediate approval and action, regardless of it being mentioned in the Government's response. There is a formal process whereby the recommendation is open for discussion, proper planning and prediction before enforcement of a new policy. The process is lengthy and it requires adequate consideration by relevant ministries, personnel and the likes.

(ii) Afioga Hon. GATOLOAIFAANA Amataga Alesana Gidlow

The Chairperson for the Social Sector Committee spoke to voice her concerns regarding recommendation 6 whereby the Committee noted the visiting committees were not performing their duties; she also mentioned recommendation 8 which she recommends should be thoroughly considered to minimize costs of operation

- Hon LOAUA Sola Keneti Sio - Minister of Education, Sports and Culture

The Minister clarified that Recommendation 6 is accepted and elaborated that the Ministry continues to work towards this vision through different partners and also to educate students to live in a clean and healthy environment. The Minister noted that the collaboration between the Ministry and Village Councils is crucial to monitor the progress of schools in different villages and constituencies.

The Minister then referred to recommendation 8 queried by the Committee Chairperson, and stated that there was no problem with the recommendation, however the Ministry was very careful with the issue of leaking exam papers and results.

3. Afioga FAALOGO Iosefa Sopi, Deputy Chairperson of the Economic Sector Committee, moved for the CWA to approve the Committee's report and its recommendation on the Annual Report of the Polynesian Airlines Limited for the FY 2015. Motion seconded and approved

Recommendation 1:

That the Management of the Polynesian Airlines Company be provided with safety certification which testifies that the type of aircraft meets the safety

requirements set by international standards, and to determine that the aircraft is in good quality before Government signs a lease agreement, or purchase of the aircraft, to ensure the safety of all those travelling on the planes is guaranteed in the future.

Response 1:

The Polynesian Airline continues to carry out consultations, negotiations and investigation on international airlines to determine the best airline to join venture with Samoa for ease of travelling to and from Samoa. In preparation of the purchase of a new aircraft, the company is adamant with inspecting that the aircraft meets international safety standards for aeroplanes. The Company will also determine the standard/quality of the aircraft when a certificate of Airworthiness is provided.

Recommendation 2:

To reconsider the partnership between Polynesian Airlines and Virgin Australia and negotiating a decrease in air fares between Samoa, Australia and New Zealand. The Committee noticed that since commencement of the partnership between Air New Zealand and Virgin Australia, the air fares have ceased to be reduced and there is no competition.

Response 2:

The Complete Aviation Solution team carried out an assessment whether it was appropriate for the Polynesian Airlines to carry out international flights as it was noticed that the air fares between Samoa, New Zealand and Australia continued to increase. The Complete Aviation Solution team concluded that it was pertinent for the Polynesian Airline to join forces with other international airlines so that the high costs of air fares can be avoided. There are also on-going consultation between Joint Venture Special Negotiating Team and Virgin Australia regarding possibilities of a partnership between Polynesian and Virgin Australia.

Recommendation 3:

To prioritize the tasks which earn the Company revenue, such as ground handling at Faleolo international airport. The Economic Sector Committee values these work because:

- i) it provides employment opportunities for our local people
- ii) it was noted that overseas companies have carried out these tasks (ground handling) however, it is recommended that these tasks be given to our local people and be one of the functions of the Polynesian Airline.

Response 3:

The recommendation is appreciated and noted. There are on-going plans to purchase the appropriate machinery for proper packing of aircrafts. There have also been plans to construct a facility for proper safekeeping and maintenance of the machinery from the different weather conditions.

There are also on-going projects to improve the delivery of services to ensure the Company meets the recognisable international standards (IOSA Certificate) from the Association of IATA/IOSA for additional services and to increase the standard of the Polynesian Company. This will also assist with enabling the Polynesian Airline to offer services to other airlines using the Faleolo International Airport. In turn, this would create job opportunities for our people.

The Polynesian Airline is also preparing an application which requests to the Oceania Ground Handling Company for Virgin Australia when it is open for bids.

Recommendation 4:

To ensure the smaller aircrafts travelling to American Samoa and Manu'a are up to standard and in good condition; and to ensure the life span of the Twin Otters currently utilised meet international standards.

Response 4:

There are programs offered by companies who manufacture aircrafts, such as the Vikings Company in Canada who manufacture Twin Otters, the factors which determine the life span of an aircraft depends on how many trips it makes, the distance it travels and how it lands. There are also plans to purchase other aircrafts of this type (Twin Otters) when it is required to change.

Recommendation 5:

The Committee supports the decision to extend the runway at Fagalii; and therefore recommends that this project is implemented as soon as possible.

Response 5:

The Hon Prime Minister noted that there were on-going consultations between the Company and Government Ministries, which included the Ministry of Natural Resources and Environment, Land Transport Authority, and the Samoa Land Corporation, to extend the runway for aircrafts take-off and landing. This project required one side of the main road (Eastern side) to be closed and to utilize the MNRE land next to the airport. The Polynesian Airline is also required to purchase a portion of land on the Western side of the runway from the Samoa Land Corporation

Recommendation 6:

The Management should consider increasing the amount of extinguisher tanks in cases of fire emergency, as it is important to have all these resources fully stocked.

Response 6:

The Government will add more fire extinguishers in the airport and outside the departure terminal. The Hon Prime Minister stated that there should be drills carried out once a month to check whether the extinguishers are operational.

The Chairperson of the CWA spoke to inform the members that there was only one written request seeking clarification on the Government Responses received, and that was the Member from Faleata East, SALAUSA John Ah Ching.

(i) SALAUSA John Ah Ching – Member for Faleata West

The member asserted that he had no further queries; the answers provided by the Hon Prime Minister cleared any uncertainties.

*The Hon Prime Minister, moved for the CWA to approve Government's Responses on the recommendations by the Economic Sector Committee.
The motion was seconded and approved.*

- 4. Afioga Hon GATOLOAIFAANA Amataga Alesana Gidlow, Chairperson of the Social Sector Committee** moved that the CWA approve the Committee's report with recommendations on the Annual Report of the Ministry of Women, Community and Social Development for 2015.

P.P. 2016/2017 No.180, Government Responses on the P.P. 2016/2017 No.54

Motion seconded and approved

Hon Faimalotoa Kika Iemaima Stowers Ah Kau, read out Government's response to the recommendations of the Social Sector Committee.

Recommendation 1:

To merge the Printing Divisions of the Ministry of Women Community and Social Development and the Ministry of Education, Sports and Culture due to the following –

- The 2 printing services need new buildings as the current buildings posed safety risks to employees, and merging the two Ministries would save funds for both Ministries.
- The safekeeping and confidentiality of government records and information such as Financial Estimates, exam papers, ballot papers and others
- Utilisation of skills and knowledge in full capacity
- Corporatisation will not only provide the services to Government entities but will also allow competition with private businesses.

Response 1:

The recommendation to merge the Printing Division of the MWCS and MESC is accepted given reasons provided in the report; there is an urgent need for new buildings for both Ministries Printing Services. The confidentiality of government printing publications including Budget Estimates, Electoral rolls and ballot papers, and SSC exam papers can be maintained through specific contractual arrangements with the newly constructed Printing Entity; The

effective and efficient utilisation of employee skills and knowledge to maximise return on investment and also having the newly operational printing press compete with other printing companies, while the printing costs will be restructured according to market rates.

Recommendation 2:

The Ministry should look at ways to mitigate and control the usage of water for villages registered under the Independent Water Scheme

Response 2

The recommendation is accepted, The Independent Water Scheme Association has been informed of the Committee's recommendation to be conveyed to members of the IWSA to ensure that the use of water is well managed and controlled. The Minister noted that the Ministry also conducts regular inspections of all IWS and advice village communities on ways to control and better manage the usage of water.

- The Hon Prime Minister

The Hon Prime Minister interjected to elaborate that there were two sources of water for villages; the independent water scheme and the natural water from the river. The PM noted that the Samoa Water Authority invests a lot of money and time to provide clean and safe water to the community. He asserted that Government should not continue to provide unclean water at a low cost to certain villages as this is the cause of illness and diseases. He clarified that the villages should also be mindful of other factors which affect the quality of their drinking water, such as septic runoff. The Prime Minister reminded that the maintenance of water is the responsibility of all, not just the government.

Recommendation 3:

Encourage government ministries and corporations to use the State-owned printing services when it has been corporatized.

Response 3:

The Minister read out that the recommendation was accepted and that Cabinet approval will be sought for all government agencies to use the new State owned Printing Services.

Recommendation 4:

That the Ministry should provide unaudited accounts for Committee investigation on annual reports

Response 4:

The Minister acknowledged the recommendation and noted that it will be adhered to in the future.

5. The Deputy Chairperson for the Economic Sector Committee, Afioga Faalogo Iosefa Sopi, moved that the Committee approve the Committee's report with recommendations.

P.P. 2016/2017 No. 181 Government Response on the P.P. 2016/2017 No. 55.

The Hon. Prime Minister read out Government's Response to the Recommendations of the Economic Sector Committee on the Annual Report of the Samoa Post Office for the FY 2015.

Recommendation 1:

Reconsider the lease agreement set for each year for Samoa Post, especially the lease at Salelologa as it is higher than other leases through Savaii.

Response 1:

The Prime Minister noted that Samoa Post officially requested Samoa Land Board and the MNRE Land Board through the Chief Executive Officers for a reconsideration of Samoa Post leases at Salelologa Market and the lease at Matafele Building.

Recommendation 2:

Implement promotional programs for the public and especially Samoan's residing abroad of its current services such as remittances and other services, in order to maintain the provision of these services in the future.

Response 2:

Samoa Post continues to run its promotional programs for the public awareness of our products and services available from time to time.

Recommendation 3:

Review and reconsider policies to avoid theft and burglary and to maintain the provision of its services and to safe guard money in all of its Post outlets.

Response 3:

Samoa Post partnerships with the local community, is now limited to leasing out of spaces at district post offices in Savaii, to rent by the local businesses for their operations. Local businesses are completely responsible for the provision of their own services, collection and security of their own funds.

Recommendation 4:

Continually attend Postal Projects, Training and special programs in order to simplify and enforce the provision of its services and to build the capacity of its employees.

Response 4:

Samoa Post continues to take an active role in the Universal Postal Union conferences, projects and training programs, as this is the source of technical and financial assistance for the Office.

Recommendation 5:

To implement programs and services such as 'Trade Me' to sell goods on the internet and utilize technological advancements to boost revenue and provide additional services to the public.

Response 5:

The Prime Minister noted that currently customers and ordering goods online and their purchase are sent through Samoa Post for delivery. However, establishing a specific purchasing site such as 'trade Me' is a complicated and expensive project, for a limited number of customers, who afford online purchasing services, but Samoa Post is monitoring these technological developments and will explore appropriate new services if they are viable for the Office.

Proceedings were set aside at 10:40am for recess and reconvened at

11:22am

6. The Deputy Chairperson for the Economic Sector Committee, FAALOGO Iosefa Sopi, moved for the CWA to approve its report with its recommendations on the Annual Report of the Ministry of Commerce, Industry and Labour for the FY 2015. Motion seconded and approved

The Hon Prime Minister read out Government's responses on the Economic Sector Committee recommendations.

Recommendation 1:

Strengthen legal provision to monitor Reserved List under Foreign Investments and local businesses that are operated by foreign investors to guarantee their compliance with governing legal provisions.

Response 1:

The Hon Prime Minister read out the Ministry's response which stated that the Ministry continues to implement legislative requirements and other ways to ensure compliance of foreign investments with legal provisions of the Foreign Investment legislation.

- Study of the Wholesaling Sector and Review of the Reserved List

The Ministry recognizes the importance of having up to date information on the business environment of Samoa, particularly in identifying existing investment opportunities with the potential for promotion to potential investors in targeted industries/sectors. The intention is, if necessary, to review the Reserved List; and offer the Samoan people a fair and competitive business environment without any illegal or anti-competitive activities being carried out. This can be achieved through effective monitoring of the laws to protect all players in the industry and more importantly the consumers in the market. This Project therefore will seek to carry out a holistic study of the existing wholesaling sector; as well as the sectors categorized under the Reserved List. The aim of this study is to determine whether or not the wholesaling sector should be added to the Reserved List as stated in the Foreign Investment Act 2000. This project is scheduled to be complete by the end of November 2016. Should this study identify issues that need to be addressed, then changes will be made to the legislation accordingly.

- **The Hon Prime Minister**

He further added that the Ministry also needs to consider enforcing a policy which forbids a wholesaler from operating a retail store, as this prohibits the growth of retail stores. He asserted that the government will look into ways to provide grounds for fair trading and not allowing the other thrive at the cost of another business operator.

- **Strengthening working relationships internally and with line agencies**

Given that the process for business registration and residency permits are all inter related, the Ministry strongly believes that strengthening the working relationships with these line ministries such as the MfR (Business License) and Immigration (Residency Permit) have brought about positive benefits when dealing with the monitoring of these foreign investors. The Ministry also considers that internal processes and procedures must be interlinked in order to maintain consistent monitoring and also registration of legitimate foreign investment enterprises. Therefore the Ministry has also been working and continues to work in close collaboration with the internal divisions such as the work permits and company registration to make sure compliance of foreign investors. Noting that information sharing amongst networks will guarantee compliance of Samoa's laws and legislation governing the operation of foreign investors and minimize manipulation of our systems.

- **Amendments to the Foreign Investment legislation**

Recent amendments to the Foreign Investment Act and its Regulations are also another strong measure that the Ministry has taken in order to strengthen its legal provisions and monitor the Reserved List.

Repeal of Section 3(2) of the principal Act - to reinforce the issue that non-citizens are not allowed to be engaged in Reserved Activities this included non-citizens that hold permanent resident permits.

Annual renewal of Foreign Investment Certificates - to ensure regular updates and reports are provided to the Ministry for on-going monitoring efforts;

Duration of Certificates - The Ministry now enforces a validity period of 12 months for each foreign investment certificate issued with a maximum of 2 years to allow for commencement of business operations.

Offences and penalties - to strengthen enforcement measures.

Recommendation 2:

Develop suitable procedures to promote and publicize Acts and all the policies that administrate the local business owners, and guide the operations of their businesses, particularly the new business owners.

Response 2:

The Ministry has the following programs and tools to promote and publicize Acts and all policies for businesses awareness.

○ MCIL Awareness Day and Divisional Programmes

It was noted from previous field visits by the Minister, Associate Minister and members of the Prices Board that many of its stakeholders and small businesses are not fully aware of the functions and services offered by the Ministry. To address these concerns, the Ministry held its first MCIL Awareness Day in Upolu and Savaii in September. In addition, divisions currently hold their own awareness programmes to educate and provide information to respective stakeholders of their obligations and so forth. Divisions have also developed procedure guidelines, information pamphlets to effect the implementation of relevant legislation and policies.

○ Promotion through ministry website, social media and pamphlets

The Ministry has more than 30 legislation and regulations which defines its key responsibilities in support of the Government's national development agenda as highlighted in the SDS 2012 -2016. The Ministry through the Legal Unit can develop a booklet of summary of all these legislation and regulations for public awareness. The Ministry has done on-going promotions and awareness campaigns through advertising on TV and public notices on newspapers and also on its website which is by far the most accessible mode of revealing information to the public and in particular the business community.

○ Use of the Investment Guide and National Investment Policy Statement

The Investment Guide is an important publication intended to provide basic information that every investor needs to know about the investment environment of Samoa, including (i) Investment opportunities; (ii) Processes and Procedures for setting up a business in Samoa; and who to contact on these processes.

The National Investment Policy Statement sets out the Government policies for promotion and facilitating foreign and private sector investments. The Government is committed to these policies and continues to review them in an endeavour to further improve the environment for private sector development.

Both booklets are reviewed regularly with the recent review that was complete in August 2016. These booklets are available on the Ministry's website and readily available hard copies are distributed to overseas missions and are also kept on hand at the office.

The Ministry will continue to improve its monitoring methods as well as strengthen legal provisions to monitor the Reserved List and ensure that foreign investment enterprises are compliant with government legal provisions. The Ministry also continues to improve on its procedures and publications that are available to publicize the legislation.

Recommendation 3:

The Ministry should seek other ways to assist business owners in producing products that can be sold and exported in overseas markets.

Response 3:

In relation to the recommendation raised, we are pleased to inform the Committee that the Sector secured more funding from the EIF for a Trade Sector Support Programme (TSSP) which is directly utilized for on-the-ground implementation along a value chain approach. That is, from Supply (STEC Replanting/Maintenance Project) to processing and value-addition (WIBDI processing warehouse and SROS Research & Development) to market access (SCCI Trade Promotion Officer). Specifically for the issue raised, the Sector envisioned that the funding of the Trade Promotion Officer under the Samoa Chamber of Commerce and Industries (SCCI) will assist and advise local businesses on international market trends and products that yield high returns. Moreover, the Scientific Research Organisation of Samoa (SROS) is also capacitated with funds from the TSSP to carry out Research and Development of coconut and cocoa value-added products that would in-time be passed on to the private sector for commercialization.

In hindsight, we anticipate the duplication of this role in relation to the work of the Ministry of Agriculture and Fisheries. However, we aim to compliment and strengthen the connection of Samoan businesses and products to international markets. In this regard, we note the recommendation from the Committee; and we will continue to seek additional ways and support from development partners to support local businesses in product development and selling these products to overseas markets.

7. The Deputy Chairperson for the Economic Sector Committee, FAALOGO Iosefa Sopi, moved for the CWA to approve the Committee's report with recommendations on the Annual Report of the SROS for the FY 2015. Motion seconded and approved

The Hon Minister of Agriculture and Fisheries read out the responses provided by the SROS on the recommendations of the Committee.

Recommendation 1:

Firmly establish the commercialization of frozen taro and breadfruit products at its high standards. The Committee thereupon recommends attaining appropriate oven that is capable of preheating these goods before exporting to overseas markets.

Response 1:

- i. Recommendation by the Committee is noted for implementation
- ii. SROS has developed the pathways for frozen taro and breadfruit products, and SROS is on standby to assist any local business to commercially produce and export these frozen products to New Zealand and Australian markets, especially for frozen breadfruit to both New Zealand and Australia (to by-pass the fruit fly biosecurity issue), and frozen taro to Australia (to by-pass the leaf blight/ *Phytophthora colocasiae* biosecurity issue).
- iii. Recently SROS in partnership with MAF assisted a local exporter on his 20' container of 5-kg bags of frozen taro to Sydney, Australia. After the successful launching and sale of his 5-kg frozen taro bags, he plans to prepare another 20' container, possibly two, of frozen taro and breadfruit for Sydney, Australia, if time and resources permit.
- iv. SROS is also exploring a heating oven with the desired and appropriate specifications to bake the breadfruit pieces, prior to packaging and freezing.

- Hon Laauli Leuatea Polataivao Fosi – Minister of Agriculture and Fisheries

The Minister noted that the report the recommendations were for, was the FY 2015; he then noted the current situation, that there was a Frozen container sent to Brisbane in May, another scheduled for this Saturday for Melbourne and next week Tuesday to New Zealand. He stated that there were also plans to take the promotion to Hawaii and the rest of Australia.

Recommendation 2:

Recommend the Organisation to work in partnership with the Ministry of Agriculture and Fisheries to motivate farmers to invest in needed products such as coconuts, breadfruit, taro, avocado, ylang ylang, lemon grass and other plants, to ensure the continuous supply of goods for exportation, effectively developing our country and people.

Response 2:

Recommendation by the committee is noted for implementation

- Sustainable supply of sufficient volumes of the desired crop varieties for commercial processing, is a critical activity that our MAF is mandated and better equipped to implement. The realignment of SROS with MAF under the leadership of the Minister of Agriculture and Fisheries post general elections will expedite the formalisation of this partnership and realise sustainable supply of sufficient volumes of the desired crop varieties for commercial processing.
- Recently, the CEO of SROS accompanied the Minister of Agriculture and Fisheries and CEO of MAF, to attend a meeting with Savaii Farmers Association that was held in Salelologa, Savaii, and the CEOs of MAF and SROS informed the farmers on future efforts to work with them and other farmers in Upolu, to grow the desired crop varieties starting with breadfruit and avocado to establish the long term supply of the said crops for breadfruit flour and avocado oil productions.
A farmers association was created for Savaii last year

Recommendation 3:

Implement promotional/awareness programmes to promote its services and developments within the country so as to utilize their research and scientific services provided by the Organisation.

Response 3:

Recommendation by the Committee is noted for implementation

- SROS continues to promote our commercial Technical Services Division on biological and chemical analyses they can provide to the public and private sectors on food and food products, water and environmental samples, regularly on local TV stations.
- SROS recently held an Awareness Day event in August 2016, to showcase and promote our product development initiatives and efforts, and plans to hold such events every three years.
- SROS is also a member of the Samoa Association of Manufacturers and Exporters (SAME), and uses our membership to regularly promote our developed products and processes, as SAME members are the potential up takers of the developed products and processes.
- Coverage of SROS's on-going activities and potential partnerships have also been reflected in the media (through local and overseas newspapers), as well as in certain websites, such as the Pacific Islands Trade & Invest, ACIAR and SPC, to name a few.

Recommendation 4:

Establish a division within the Organisation specifically tasked to commercially sell their goods and provide assistance to the horticulturists and investors regarding the products needed to produce these goods. These would simplify the production by the Organisation.

Response 4:

Recommendation by the Committee is noted for implementation;

The SROS Board and Management are currently developing a proposal (including a budget) for Cabinet approval considerations on various implementation options for a Commercial Arm for the Organisation, with breadfruit flour and avocado oil as the first two products to be commercially produced, either solely or in partnership with interested business entities, until such time a business or a group of business entities are ready to commercially produce the products themselves. Minister noted that SROS is not focussing on privatisation but commercialisation.

8. The Deputy Chair for the Finance and Expenditure Committee, FAUMUINA Tiatia Liuga, moved for the CWA to approve the Committee Report with

Recommendations on the Annual Report of the Development Bank of Samoa for FY 2014. Motion seconded and approved

Hon SILL Epa Tuioti read out Government's Response on the Finance and Expenditure Committee's recommendations.

Recommendation 1:

To reconsider interests rates on farmers and private business so that repayments can be made as well as thoroughly assess approving loans to risky debtors which have high chances of being written off.

Response 1:

Interests rates imposed on loans are dependent upon the interests rates where the funds are provided. Interests rates offered to the public range from 11% to 16% for different development and reasons. It was only when the DBS received lower interest rates and loans from the National Bank of Samoa, that the DBS was then able to offer interest rates of 8% to its clients. This 8 % interest remains right throughout the term of the loan. The Corporation also considered the time frame the clients can afford to make repayments, to ensure the both the client and the Bank are safe.

Recommendation 2:

To consider referring the DBS to the Ministry of Commerce, Industry and Labour

Response 2:

The recommendation is noted and will be considered for improvement and development of the DBS.

Recommendation 3:

To utilise government land where Medcen Hospital is located for another development so that the outstanding loan of 2.5million can be cleared.

Response 3:

The Board and the DBS continue to prioritise this work to ensure the loan is cleared; there are announcements and advertisements for interested individuals or companies to buy or lease the land to earn money so that the loan can be paid.

9. The Chairperson for the Standing Orders, Electoral, Petitions and Constitutional Offices, Hon AEAU Peniamina Leavaiseeta moved a motion for the Committee Report to be approved. Motion seconded and approved.

The Hon. Prime Minister read out Government's Response on the recommendations provided by the Standing Orders Committee.

Recommendation 1:

Savali Newspaper – copies of the Savali newspaper

Response 1:

The Savali division continues to work in close collaboration with the Ministry of Justice and Courts Administration as well as the Ministry of Women Community and Social Development to compile and print monthly issues for the Savali Samoa.

Currently there are 1,000 copies of the savali printed on a monthly basis and the printing costs are borne by the MPMC. All copies of the Savali Samoa are issued free of charge.

Out of the 1000 copies of the monthly savali, 762 copies are distributed to village mayors of Upolu n Savaii (254 in total) and each of the 254 village mayors are provided with 3 copies each. The copies are uplifted from the MPMC and each village mayor must present their ID when uplifting their copies. Further, it is the responsibility of the village mayor to avail these copies to their respective villages for information and keep at least one copy for record.

The remaining 238copies of the savali are distributed to the members of Parliament through the office of the legislative assembly, while other copies are distributed to judges of the judiciary, CEO of the PSC as well as a copy for the Nelson Memorial Public Library. There are also copies for overseas institutions that pay subscriptions to the savali. The rest of the remaining copies are distributed to the general public who request copies from the Ministry.

It is the Ministry's humble view that the 1000 copies of the savali being printed on a monthly basis is sufficient for distribution purposes.

In terms of the weekly bilingual edition of the savali newspaper, there are 100 copies being printed in a weekly basis and sold at a price of SAT\$2 each from retailers and shops selling the bilingual edition.

Recommendation 2:

Safe keeping of arrival and departure cards

Response 2:

There were instances when the availability of the arrival and departure cards for Samoa were low due to a breakdown of communication between the airlines, Samoa Tourism Authority (STA) and the Immigration Division of the Ministry.

This issue has been resolved with improved communication amongst the aforementioned authorities and also the timely printing of arrival and departure cards to avoid repetition of the above issue.

10. Deputy Chairperson of the Finance and Expenditure Committee, Hon FAUMUINA Tiatia Liuga, moved for the CWA to approved the Committee's recommendations on the Annual Report of the Samoa Housing Corporation for the FY 2015. Motion seconded and approved

Hon. Prime Minister read out Governments Responses to the recommendations of the Committee.

Recommendation 1:

That the Samoa Housing Corporation be exempt from paying their annual dividends as most of its funds are utilized on maintenance work for Government Housing being administered by the Samoa Housing Corporation in accordance with the Cabinet Directive.

Response 1:

The Prime Minister read that the Corporation established a high standard of efficiency and effectiveness in the management of Government housing when Cabinet decided to transfer the housing stock to the Samoa Housing Corporation to administer in 2014 even though there was no corresponding budget funding associated with the transfer.

At the end of August 2016, 5-0% of the 72 houses were completely renovated at a cost of \$2million tala, which justifies increasing rental rates. The \$2million tala was funded by the Corporation from internally generated funds of its core lending function and a long term loan from UTOS.

It is essential that dividends from profits be kept within the Corporation to assist with the repairs and maintenance of the rental stock as recommended by the Committee.

The Government has accepted the recommendation to exempt the Samoa Housing Corporation from paying its dividends from 2014 to 2016 but to retain these funds to maintain these units to an acceptable standard.

Recommendation 2:

That rents and leases of all Government Houses under the Corporation should be in line with the market rates. The Committee believes that this is the only way the Corporation could be able to collect additional revenues in order to make quality maintenance to these valuable government assets, and also enable them to pay dividends to Government

Response 2:

The Government accepts the recommendation for the rental rates to be increased to market rents in line with the standard or the quality of rental housing.

11. Chairperson of the Infrastructure Sector Committee, TAFUA Maluelue Tafua, moved to have the Committee's report approved by the CWA.

Motion seconded and approved

Hon. Prime Minister read out Government's response in the absence of the Minister of Works, Transport and Infrastructure.

Recommendation 1:

Prepayment meters for all government ministries and agencies.

Response 1:

As at the end of August 2016, 61 Government Ministries were on prepaid meters and 381 on post-paid (readable) meters. The Corporation is continuing with the installation of prepaid meters for the remaining ministries and organisations except for the National Health Services and some ministries with higher consumption and demand for electricity, in which no prepaid meter is available in the market.

Recommendation 2:

The purchase of batteries for solar storage

Response 2:

The Corporation is continuing with the implementation of the Storage and Smart Systems Project mainly to address the grid instability caused by sudden loss of power from variable renewable sources such as solar and wind. Storing electricity for later use at night time is very expensive and EPC is looking into emerging technologies for this purpose.

Recommendation 3:

Insurance cover for general public

Response 3:

There is no insurance cover for the general public/third party at the moment, but there is an allocation of \$2,500,000 for this purpose. In the incident involving an individual (Liueni Manua) who died in an accident where a power post fell on the car he was in at Malifa, payment of \$2,139, 953 was paid to his family as damages for this incident.

Recommendation 4:

Timely submission of annual reports

Response 4:

The Cabinet and Parliamentary Committee had been advised of the reason for the delayed submission of the EPC Annual Report 2013-2014. This was due to the late submission of the Independent Auditor's report on the financial audit of EPC accounts. The Corporation and the Ministry of Finance had worked on the issue of the Afulilo loan interest for more than 20 years and this is the first time it was raised by the External Auditor. The External Auditor needs to understand that this issue pertains to the Government.

Please note a correction to the minutes on the Corporation's response to the Committee's concern on the huge reduction of the cost of electricity as planned. The Corporation responded that it is unable to achieve both targets of meeting its obligation of 7% Return on Equity (ROE) under Public Finance Management Act 2001 and at the same time reduce cost of electricity for the country. If the Corporation has to meet its 7% (ROE) obligation the cost of electricity should be increased. This financial year (2016-2017), Cabinet approved reduction in electricity tariff effective 1st August 2016. Electricity

is one of the backbone services for the development of Samoa. If cost of electricity is reduced, the whole country and all sectors will benefit.

- **The Hon Prime Minister**

The Hon Prime Minister advised the EPC to conduct regular inspections and checks on electricity posts to avoid further accidents occurring in the future as well as paying hefty costs to compensate individuals and families.

12. TAFUA Maluelue Tafua, Chairperson of the Infrastructure Sector Committee, moved for the CWA to approve of the committee's report with recommendations on the Annual Report of the Office of the Regulator for Years 2012, 2013 and 2014. Motion seconded and approved

In the absence of the Minister of Communication, the Hon Prime Minister read out the Government responses to the recommendations raised by the committee.

Recommendation 1:

That a ruling be made on the case between Digicel, Bluesky and the Office of the Regulator. This case has been dragged for the last 6 years and it is affecting the implementation of other important developments.

Response 1:

The Office of the Regulator and Digicel have discussed possible remedies for the dispute as they await a court ruling that has taken years to settle. Follow up letters made to the Honourable Chief Justice for updates on the matter were unsuccessful. Therefore, Digicel and the Office of the Regulator have agreed to withdraw the complaint while upholding the Order issued by the Regulator. This agreement was formalised and endorsed by both parties (Digicel and the Office of the Regulator). A letter signed by both parties was sent to the Honourable Chief Justice advising this agreement.

Recommendation 2:

By 2017, there should be 100% coverage of the broadcasting, television, telecommunications and internet services in the country.

Response 2:

The Office responded that a Task Force had been set up and it is Co-Chaired by the CEO of the Ministry of Communications and Information Technology and the Regulator, joined by the members from the ICT and Broadcasting companies (radio and television broadcasters, Bluesky and Digicel) in an attempt to find remedial actions and to meet this target. The main aim of this set up is to have all service providers' work together to form harmonised procedures with the underlying goal of achieving and providing improved ICT services to the nation. It was also emphasised to the Task Force by the Regulator that if by September 2017 and the nation has not received full coverage of ICT services, the Regulator will revoke licenses issued per the Regulator's power under the Act due to licensee failure to meet license obligations.

Recommendation 3:

The Committee really supports the plan of upgrading the Monitoring Unit Vehicle to monitor these services in the country

Response 3:

The upgrading of the monitoring vehicle has been completed. A Cabinet Directive has been received sanctioning the release of funds by the Ministry of Finance under the fiscal budget 2015/2016 for this important project.

Recommendation 4:

The Office should follow the given policies under the Public Finance Management Act 2001 and the Public Bodies Act (Performance and Accountability) 2001, by submitting their Annual Reports within the regulated periods.

Response 4:

The Office of the Regulator duly notes the Committee's recommendation.

13. The Chairperson of the Infrastructure Sector Committee, TAFUA Maluelue Tafua, moved to have the CWA approve committee's recommendations on the Annual Report of the Samoa Sports Facilities Authority for the FY 2014/2015. Motion seconded and approved

The Hon Prime Minister read out Government responses on the recommendations of the Committee

Recommendation 1:

That the Authority follows up and encourage collections of outstanding debts from other sporting bodies

Response 1:

The Board of Directors had reviewed the outstanding list of debtors and has rules accordingly. The Authority has renewed its lease agreement with all the sporting bodies using its facilities and will try to keep its collections current in accordance with the agreement.

Recommendation 2:

To issue naming rights for sports facilities under the administration of the Authority in order to claim additional revenues

Response 2:

The Authority is now in the process of submitting proposals to various companies soliciting interest on this new initiative. We have yet to hear from these companies but will submit them to the Board in due course before forwarding them to Cabinet for a final decision.

Recommendation 3:

That pre-payment of sporting fields should be enforced before permission is granted for hire.

Response 3:

Recommendation is hereby noted and will be adhered with. Corrective action has now been undertaken.

Recommendation 4:

That our sporting facilities be advertised to overseas organisations like the United Nations for instance for international competitions to take place in our country for additional revenues.

Response 4:

The Recommendation was noted.

Recommendation 5:

That the SSFA comply with reporting requirements and submission of Annual Reports to Parliament as specified under the Public Bodies (Performance and Accountability) Act 2001.

Response 5:

Recommendation noted and will be strictly followed. Corrective actions have been put in place to ensure reports are produced in a timely manner in accordance with governing legislation.

- The Hon Prime Minister

The Prime Minister noted that good governance cannot be adhered to if reports were not tabled on time. He noted that it was not fair to the Assembly if reports were delayed. Furthermore, timely presentation of reports also shows the current standing of government. The Prime Minister noted that there were no sporting events which collect a large sum of revenue; he elaborated that all sporting associations were in debt. The only association that gained some profit was the cricket association.

The Prime Minister stated that hiring prices should be reduced and all sporting facilities should be accessible to the public.

14. Chairperson of the Standing Orders Committee, AEAU Peniamina Leavaiseeta, moved a motion for the Committee report to be approved with recommendations on the Annual Report of the Office of the Ombudsman for the FY 2014/2015. Motion seconded and approved.

The Hon Prime Minister read out the responses provided by the Office on the recommendations of the Committee.

Response 1:

The Office noted that the various recommendations in the Disability Report which was highlighted by the Standing Orders Committee were matters for the Government to consider and act upon. However, in regards to the Office itself, the discoveries in the area of people with disabilities highlight the great need for quality work in awareness raising and education within the community. The importance of awareness raising has shown up in other areas of significance of the Communication and Education portfolio within the Office.

Response 2:

The Office of the Ombudsman has multiple mandates which are usually undertaken in other countries by totally separate establishments. Our approach is sensible for Samoa. We would lose however, the advantage of the amalgamated approach if these functions are staffed top to bottom to operate as separate units within the office. The Ombudsman from the beginning has opted for an organization with a relatively small staff of high quality officers who can be assigned responsibilities to carry the distinctly different mandates of the office at all times, but who are also deployed when needed to meet the pressing needs at different times of all the mandates. The value of the Ombudsman to the community lies in the quality of his conclusions and advice. This is never achieved by surrounding him with hordes of middle level officers, no matter how many.

Cabinet has already looked carefully into the needs of the Ombudsman in the discharge of his expanded mandates and approved staffing requirements in its decision FK (15)15; of 23 April 2015. Negotiations based on this decision made with MoF and the former Hon Minister for the Ombudsman Office settled on the following; Three new positions at the level requested to be filled one at a time in 2015, 2016 and 2017. Appointment to the remaining one of these vacancies yet to be filled is expected to be made in March 2017. Funds are provided in the budget 2016/2017. This office is carefully evaluating how best to make the necessary adjustments in position allocations and reshuffling needs of the Office to properly serve the needs of the three mandates and maintain fair staff salary relativities.

With the resources that have been progressively approved by government in recent years and those provided in the current budget, the Ombudsman envisaged having a competent and versatile team of quality senior officers to meet his Office's foreseeable staffing needs across the board.

As explained above the Government has been working closely and pragmatically with the office of the Ombudsman to progressively meet its staffing needs in a meaningful way. Future staffing requirements at lower levels as the Office develops and grows would need to be considered in consultation with MoF and submitted for Cabinet approval when the need arises. Ombudsman Office staffing does not come within the review of the PSC.

The Parliamentary Committee's recommendations advocating lower level staff is appreciated and accepted by government.

The Committee of the Whole adjourned its proceedings and the Sergeant at Arms placed the Mace on the table allowing for proceedings of the Assembly to resume.

The Speaker announced that the Proceedings of the Assembly were adjourned at 1pm.

Proceedings of the Assembly were adjourned at 1:00pm to reconvene at 9:00am Wednesday 5th July 2017