

DISCLAIMER

This Report provides a brief of the Proceedings of Parliament on **Friday 10 March 2023**. While all efforts have been made to provide an informative brief, this information must not be relied upon as an alternative to the official Hansard record of proceedings of Parliament. If you have any specific questions about the Proceedings of Parliament on **Friday 10 March 2023**, you should consult the official Hansard or seek assistance from the Office of the Clerk of the Legislative Assembly.

DAY 4 9:35am

Mr Speaker took his Chair and commenced proceedings with a prayer; he then greeted all Members present in the House and Government Officials for their role in supporting Government. He then acknowledged fellow Members who were absent due to illness and offered prayers for a speedy recover. The Speaker then greeted Samoa and everyone tuning in to Parliament's proceedings.

Announcement by Mr. Speaker – Point of Order

Mr. Speaker reminded the House about the orders of Proceedings highlighting that Ministers and Chairpersons of Committees will only respond to questions raised by members regarding their Committee reports. In this instance, only members who raised questions are allowed to ask for further clarification; the Chair will not allow any new Members to ask for clarification on a matter they did not raise when the Recommendations and Responses were considered. This is to ensure the smooth flow of our proceedings and to save time as the Assembly has several reports to go through.

I. GOVERNMENT ORDERS OF THE DAY

- **Consideration of Parliamentary Committee Reports and Government Responses**

- 1. P.P. 2022/2023 No. 21, Report of the Finance & Expenditure Committee on P.P. 2020/2021 No. 137, Annual Report of the Ministry of Finance for Financial Year 2019/2020;
- P.P. 2022/2023 No.82, Government Responses on P.P. 2022/2023 No. 21**

Afioga FALEOMAVAEGA Titimaea Tafua, Chairperson for Finance and Expenditure Committee, The Chairperson moved a motion for the Assembly to consider its Report which

consists of its findings, recommendations and resolutions on the AR of the MOF for the FY 2019/2020; motion seconded and approved

The Chairperson then delivered a summary of its findings and read out the following recommendations:

Recommendation 1:

The Committee recommends the Ministry of Finance to formulate effective recommendations to the Cabinet for effective approaches to continue responding to challenges encountered by our country due to current crisis such as the cost of living. The Ministry must also look into proper ways to increase its stimulus packages especially by exempting the duties on the daily needed goods imported (eg. rice, sugar, chicken, flour, turkey, herring, lambs, etc...) The Committee attempt is to lower the cost of living to support our families with low standard of living.

Recommendation 2:

The Committee recommends the Ministry of Finance, to work cooperatively with the Ministry of Commerce, Industry and Labour to enforce price control monitoring, based on the crucial impacts currently faced by the country, which can also be an assistance to the general public during this time of difficulties.

Afioga Hon LEOTA Laki Lamositele, Acting Minister for Finance.

Presented the following responses on the Committee's Recommendations:

Response to Recommendation 1:

The Ministry of Finance noted the recommendation of the venerable Committee and respectfully submits for their information FK(20)20 which approved the continuation or Second Phase of the Stimulus Assistance to address and/or lighten the impact of the COVID19 that was part of the Main Estimates for the following year 2020/2021.

Response to Recommendation 2:

The Ministry of Finance noted the recommendation of the venerable Committee and respectfully submits for their information Price Control Order under Emergency Order 34 of 18th December that was issued to assist the public during the peak of the COVID19.

**Mr. Speaker announced that the floor is open for Members who wish to raise issues or make queries on the recommendations and responses put forth.*

i. Tofa Hon LAUOFO Fonotoe Nuafesili Pierre Laufo - Member for Anoamaa 2

The Hon. Member greeted Mr. Speaker, fellow Parliamentarians, Government officials present and all Samoans listening in. He then spoke on the Ministry's Annual Report for the FY 2019/2020 and noted the challenges encountered during this period, from the measles outbreak and Covid 19 pandemic. Hon LAUOFO highlighted the Ministry's efforts in trying to budget national spending. The Hon Member queried the Chairperson on the unspent amount of \$23,318,092 million and sought clarification for it.

The Member raised concerns with Government's response to Recommendation 1, noting that the Committee was recommending a method/strategy to counter the impacts of high cost of living, however, the response provided mentioned the stimulus package that was provided during Covid and measles. Hon LAUOFO then commented on the second recommendation and acknowledged the issue raised by the Committee on the continuous increase in prices of goods; and was pleased to note the Committee's recommendation to enforce price control measures. He further urged the Ministry to collaborate with relevant authorities to ensure reasonable prices set for goods.

The Member queried the accuracy of the Price list for some products as he believes this was the list for 2020. The member further advised the need for MOF to work collaboratively with MCR and MCIL to solve the issue of high cost of living. He also encouraged the Ministry to continue conducting surveys on businesses/shops and companies to ensure they are adhering to price list.

ii. Afioga LUPEMATASILA Galumalemana Tologata Tile Leia - Member for Falelatai & Samatau

The Member addressed the House and commended the Committee for their report as well as the Government for their responses, he raised his concern that the report under consideration was from 2019/2020, and queried whether the Government has other solutions to address the cost of living. The member noted that he supports the Government's responses provided, as this was relative for that specific FY however, he requested to review the list of Prices so that they are relevant to today's economic situation. Further requested the Government to waive tax on essential goods.

The Hon Member suggests the Government to review the duty price on imported goods by the Ports Authority. The member requested for the Government to consider decreasing the fees/charge imposed on Wharfs for incoming Container ships as this will also have a positive impact on the duty of products brought into the country.

**The Speaker reminded the Members that the reports considered/deliberated on are previous years reports and to refrain from discussing and questioning on recent matters.*

iii. Afioga ALIIMALEMANU Moti Momoemausu Alofa Tuuau: Alataua Sisifo

On a point of clarification, the Member asserted that all reports are updated and noted that the previous government did their duty in following up Ministries and Corporations for the submission of their Annual Reports however, most of these reports were only submitted in 2021 during the time where Parliament was unstable; thus the delayed in the submission of the consideration of these reports and responses.

Tofa Hon LAUOFO Fonotoe Nuafesili Pierre Laufo, Leader of Opposition

These reports were made during the previous Parliamentary Term but were not tabled in Parliament therefore they were unable to deliberate/consider but now they have the opportunity to discuss on all these matters in today's sitting.

Mr. Speaker – Point of Order:

Mr. Speaker clarified that the Reports are clear, however, there were few reports submitted late. He again urged Members to direct their comments and concerns on the Committee Report considered and to focus on the projects and developments during the considered period.

iv. Afioga Alaiasa Moefaauouo Malagatutogia Sepulona Moananu- Anoamaa 1

The Member jested that the Assembly is deliberating on the 2019/2020 report, we have not touched the 2020/2021 reports, and urged Members for their patience and reminded the House that the Committees are doing their work every-year in regards to the reports tabled.

- **Afioga Hon. VALASI Luapitofanua Tafito Selesele – Minister of Health**

The Hon. Minister acknowledged Mr. Speaker for the opportunity for Parliament to thoroughly review Committee Reports and Government Responses and opening the floor to Members queries and comments; noting that this is a rare opportunity.

Afioga LUPEMATASILA Galumalemana Tologata Tofia Tile – Member for Falelatai & Samatau

There were statements made by the Member for Faleata 4 that were offensive, and the Member for Falelatai & Samatau moved a motion to remove these statements from official Parliamentary records.

Speaker's Ruling – Removal of words:

A question was put forth by the Speaker to the Assembly whether to second the motion moved by the Member for Falelatai and Samatau to remove statements by the Member for Faleata 4; the Ayes were in favour and the motion seconded and approved.

v. Afioga Hon. LAUTAFI Fio Selafi Purcell – Member for Satupaitea

The member noted from the Committee Report, the MOF encountered numerous challenges during the FY19/20 however, the Ministry managed to overcome these challenges. He then commended the Ministry for their perseverance and service to the country through the provision of Stimulus Packages amounting to 150million. The Member highlighted that MOF managed to allocate money for all sectors of the economy during the pandemic.

The member then queried whether the Ministry has any plans to continue providing financial assistance to the country. He commended the Ministry for reviving the Price Control Policy noting that shops and business owners have taken advantage of the absence of the Price Control policy during Covid, which resulted in the rapid increase in price of goods and services. Hon LAUTAFI queried whether the 2020 pricelist will be used, and recommended the Ministry to review the list considering the prices of products have increased.

vi. Afioga FUAAVA Suluimalo Amataga – Member for Aleipata Itupa i Luga

The Member greeted Mr. Speaker and all Members present in the House, CEO's and his Constituency. He then commended the Chairman and Committee for their works and efforts in preparing the report. The Member also commended the Ministry for the two stimulus packages granted during the Covid-19 pandemic as this immensely assisted the country during these challenging times. The member touched on the Regulations in place to govern the prices of wholesale and retail shops and advised whether it is appropriate for the government to review these regulations considering the increase in the cost of living. The member advised that it is fitting to conduct reviews on regulations every 6 months so that they can align with the economic changes of time.

vii. Afioga Hon. FAIMALOTOA Kika Stowers- Ah Kau – Member for Gagaifomauga 1

The Member greeted the House and CEOs of respective Ministries/Offices in the Chamber, she also expressed her gratitude to the Chairman and Committee for the report and the Acting Minister for providing the Government Responses. The member commended the Ministry of Finance especially with their service during the FY19/20 as it was one of the most challenging financial periods with the measles and covid19 outbreak. The Member queried on price list whether they have been reviewed and if business owners can place these price lists on the doors of their shops for the information of the public.

**Proceedings set aside at 10:33am; and
Resumed at 11:01am**

Afioga Hon FAIMALOTOA Kika Stowers- Ah Kau - Gagaifomauga 1 cont.

The Hon member continued her address, noted her appreciation for the Ministry of Finance and their response to the uncertainties of covid19. She then queried the Government on their plans for the current economic situation of the country and the feasibility of providing another stimulus package. The Members advised to further reduce duty on essential food items and to have the Office List of Prices for goods and services to be available at each store/wholesale so that consumers/customers are aware of the correct prices to avoid business owners from increasing their prices unnecessarily.

Mr. Speaker:

Heated debate between the Minister of Works, Transport and Infrastructure and the Opposition Leader, prompted Mr. Speaker to intervene and advised members to refrain from discussing such matters as it only causes differences in the House also he believes that the public does not want to listen to their quarrels. Therefore, advised the members to focus on the Committee reports at hand.

- **Afioga FALEOMAVAEGA Titimaea Tafua, Chairperson for Finance and Expenditure Committee**

The Chairperson responded in regards to the query made by the Leader of Opposition on the unspent funds and clarified, these funds were not used for Measles and Covid-19. He then expressed his gratitude on matters raised by the Member of Gagifomauga 1.

- **Afioga Hon LEOTA Laki Lamositele, Acting Minister for Finance.**

The Acting Minister stated he has nothing more to add asserted that the Ministry has taken note of the issues raised and will take into consideration the matters/queries raised by Members. The Minister also encouraged the Ministry of Finance to continue with their efficient and effective services for the country.

Afioga FALEOMAVAEGA Titimaea Tafua, Chairperson for Finance and Expenditure Committee, The Chairperson moved a motion for the Assembly to approve its Report on P.P. 2022/2023 No. 21, Report of the Finance & Expenditure Committee on P.P. 2020/2021 No.

137, Annual Report of the Ministry of Finance for Financial Year 2019/2020; motion seconded and approved.

Afioga Hon LEOTA Laki Lamositele, Acting Minister for Finance.

The Hon Minister moved a motion for the Assembly to approve its Responses provided in accordance to the Committee's recommendation as presented earlier; motion seconded and approved.

ii. P.P. 2022/2023 No. 22, Report of the Finance & Expenditure Committee on P.P. 2020/2021 No. 100 & P.P. 2021/2022 No. 22, Annual Reports of the Samoa International Finance Limited for Financial Years 2019/2020 & 2020/2021;

- P.P. 2022/2023 No.87, Government Responses on P.P. 2022/2023 No.22

Afioga FALEOMAVAEGA Titimaea Tafua, Chairperson for Finance and Expenditure Committee, moved a motion for the Assembly to consider its Report with findings, recommendations and resolutions; motion seconded and approved.

The Chairperson then delivered a summary of its findings on the Report and presented the following recommendations:

Recommendation 1:

The Committee recommends the Authority to continue with sponsorships to help develop sports career of young talented teenagers within the Country, not only the international teams as well as those at the grassroots level.

Recommendation 2:

The Committee recommends the Authority to urgently provide appropriate amendments to its main Act in order to comply with the required criteria's from the European Union. So as to remove SIFA from the Black-List and to be transferred to the White List to maintain partnerships of registered international companies with SIFA.

Recommendation 3:

The Committee recommends the Authority to prioritize the quick turn-around process of applications from companies wishing to register with SIFA. It is of the belief that the Company may become reluctant to register when all registration procedures are not immediately done upon request.

Recommendation 4:

The Committee recommends the Authority to reconsider whether it is appropriate to restructure the Authority based on the views of the Business Stakeholders, this may become a reason that will make it impossible for new companies to register with SIFA.

- **Afioga Hon LEOTA Laki Lamositele, Acting Minister for Finance.**

The Hon Minister delivered the following Government Responses in accordance to the Committee's Recommendations:

Recommendation 1:

The Committee recommends the Authority to continue with sponsorships to help develop sports career of young talented teenagers within the Country, not only the international teams as well as those at the grassroots level.

Recommendation 2:

The Committee recommends the Authority to urgently provide appropriate amendments to its main Act in order to comply with the required criteria's from the European Union. So as to remove SIFA from the Black-List and to be transferred to the White List to maintain partnerships of registered international companies with SIFA.

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The Committee recommends the Authority to reconsider whether it is appropriate to restructure the Authority based on the views of the Business Stakeholders, this may become a reason that will make it impossible for new companies to register with SIFA.

Afioga Hon LEOTA Laki Lamositele, Acting Minister for Finance.

The Hon Minister delivered the following Government Responses in accordance to the Committee's Recommendations:

Response to Recommendation 1:

Yes we agree with Recommendation 1 as sponsoring our local and international sporting teams gives SIFA the opportunity to contribute to the local community and at the same time promote our international financial services by having our brand name on a sporting uniform and other sporting materials.

Response to Recommendation 2:

Yes, we agree with Recommendation 2. A country is blacklisted if it fails to comply with any of the following three EU criteria:

- (i) Criteria 1: Transparency - whether countries apply internationally accepted standards for exchanging tax information with each other.
- (ii) Criteria 2: Fair Tax Competition - whether countries are facilitating international tax avoidance and evasion. The offshore industry falls under this criterion.

(iii) Criteria 3: BEPS implementation (the OECS's Base Erosion and Profit Shifting minimum standard.

To date, we have been able to comply with EU criteria 3 our inclusion into the OECD's Inclusive Framework in January 2020. We are currently working on addressing Criteria 1 and 2. Our work on Criteria 1 entails maintaining largely compliant ratings from the OECD Global Forum on our Exchange of Information (AEOI) framework. For Criteria 2 it involves removal of any preferential treatment offered to International Companies and arrangements registered with SIFA in our international finance legislations. The amendments identified are in the form of a Draft Bill. We are collaboratively working with MCR for a replacement regime, which is the implementation of a territorial tax system, which will come into effect once we remove the preferential treatments from our legislation. This will carefully be negotiated with the EU Code of Conduct Group to ensure that not only Samoa is removed from the blacklist but at the same time maintain business.

Response to Recommendation 3:

Yes, we agree with Recommendation 3 and we have a policy to complete the incorporation process within 24 hours of receipt of application. However, we can continue to make improvements in other areas of the registration process to ensure a quick turnaround of the incorporation process.

Response to Recommendation 4:

The current organizational structure of SIFA is the most appropriate set up where SIFA is the regulator and its new subsidiary, Samoa International Business Finance Centre (SIBFC) is the promoter of its international financial services.

The current classification of SIFA as a public trading body may be seems as a window for more scrutiny by the international standard setters given the profit motive nature of public trading bodies and high-risk rating of offshore services by the international standard setters in terms of money laundering, terrorist financing and tax evasion. We therefore prefer to reclassify SIFA back to a public beneficial body.

*Mr. Speaker announced that the Chamber is now open for any Member to raise concerns and/or recommendations on the Report under consideration in detail.

i. Tofa Hon LAUOFO Fonotoe Nuafesili Pierre Laufo - Member for Anoamaa 2

The Hon. Member acknowledged the efforts of the Committee and the Government on the recommendations and responses then expressed gratitude to SIFA for their contribution to the government and the overall development of the country. Hon LAUOFO suggested the inclusion of a list of recipients of SIFA's financial assistance in the annual report for clarity; specifically a list for Sporting organizations. He then urged for immediate drafting of required legislations to ensure the smooth flow of the Tax Process so that we can eventually be removed from the Black List. The Member briefly noted that we are not the only country in this Black List as some countries are included because of conditions set by the European Union.

ii. Afioga FEPULEAI Faasavalu Faimata Sua – Member for Salega 1

The Member sought clarification on why Samoa was black listed and asserted that there is no use in recording a high net profit when our reputation with foreign bodies is tainted. The Member also raised concern with Recommendation 4

iii. Afioga Aliimalemanu Moti Momoemausu Alofa Tuuau- Alataua Sisifo

The Member expressed her disappointment with the statements made by the Member of Salega 1 that the net profit is 'dirty money' and clarified that international authorities have different processes and requirements for licensing overseas companies (offshore companies) in Samoa. She further clarified that the reason for being black listed is clearly provided in the report, under Government's Response, which states that it is a result of not meeting International Requirements set by the European Union.

**Speaker acknowledged the assistance by the Member of Alatau West, however the Speaker urged the Member that the Chairman would provide a further response/assistance for better understanding for all members.*

iv. Afioga AUUAPAAU Mulipola Aloitafua Mulipola: Aiga ile tai

The Member expressed concern for the lack of preparedness and our ability to be proactive and foresee such matters; Afioga AUUAPAAU asserted that the solution was only acted on after the issue came about. The Member queried the grounds which SIFA was established and whether they considered all gaps and aspects of the Corporation since issues are emerging such as the Black List matter discussed by some members.

Afioga FALEOMAVAEGA Titimaea Tafua, Chairperson for Finance and Expenditure Committee

The Chairperson commended the Opposition Leader for his acknowledgement of the work of SIFA for the FY under consideration. Further clarified to the Member for Salega 1 that SIFA carried out their duties and emphasized that Samoa is not the only country listed in the blacklist but for reasons such as not providing all the information required under EU's criterias. The Chairperson reassured that there is no need to worry about Samoa being on the Black List and that the Authority and Government are conducting reviews of the criterias to ensure we eventually get cleared from the Black List. The Chairperson further asserted the importance of SIFA in the development of the Country.

Tofa. Hon LAUOFO Fonotoe Nuafesili Pierre Laufo – Member of Anoamaa 2

The Hon. Member further reminded the Chairperson to consider looking at international instruments Samoa is signatory too; such as EU as there are times where they change their legislation and therefore we should abide and comply accordingly.

Afioga Masinalupe Makesi Masinalupe- Lefaga and Faleaseela

The Member expressed his disappointment with queries/claims imposed on their Committee and further clarified that relevant legislation on taxes here in Samoa are different from legislation on taxes in foreign countries.

Afioga Hon LEOTA Laki Lamositele, Acting Minister for Finance.

The Minister commends the members for their comments and advises, and noted that he has taken all advises into consideration. The Minister clarified that SIFA operates on its mandated legislation and governing regulations so their operations are appropriate and necessary. This means that the Authority will also have guidelines in place to address any arising issues such as those mentioned by the members. Therefore, the Minister reassured the members that SIFA will address any rising issue when needed, then concluded by acknowledging SIFA for all their services to our country.

Afioga FALEOMAVAEGA Titimaea Tafua, Chairperson for Finance and Expenditure Committee

Moved a motion for the Assembly to approve its Report on P.P. 2022/2023 No. 22, Report of the Finance & Expenditure Committee on P.P. 2020/2021 No. 100 & P.P. 2021/2022 No. 22, Annual Reports of the Samoa International Finance Limited for Financial Years 2019/2020 & 2020/2021; motion seconded and approved.

Afioga Hon LEOTA Laki Lamositele, Acting Minister for Finance.

Hon Minister moved a motion for the Assembly to approve the Governments Responses to the Committee's Recommendations presented earlier; motion seconded and approved.

Other Announcement by the Speaker

Mr. Speaker informed the House that they intended to consider all Reports this week; however, due to the numerous concerns and recommendations raise by respective Members, the Assembly was not able to cover all its businesses provided in the Order of the Day. Therefore, Mr. Speaker announced that the Assembly will consider the remaining reports next week.

**Proceedings adjourned at 12:06pm and will reconvene on Monday 13 March
2023 at 9:30am**