

## DISCLAIMER

This Report provides a brief of the Proceedings of Parliament on **Friday 19<sup>th</sup> June 2020**. 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 Proceedings of Parliament on **Friday 19<sup>th</sup> June 2020**, you should consult the official Hansard or seek assistance from the Office of the Clerk of the Legislative Assembly.

**Friday 19<sup>th</sup> June 2020**

**DAY 4**

**9:10am**

## SPEAKER'S ANNOUNCEMENT

Hon Speaker informed the House that there were four (4) amendments to the orders of the State of Emergency (SOE), which came into effect on 18<sup>th</sup> June 2020 and called the Clerk to read aloud in the House:

(1) Travel between Samoa and American Samoa

- This will utilise Samoa Airways and Talofa Airways
- It is expected that passengers travelling to Samoa should self-isolate at least 14 days prior leaving American Samoa; the borders will close once American Samoa opens its borders to Hawaii.

(2) Travel between Samoa and New Zealand -

- This is opened to returning citizens of Samoa and RSE workers

(3) Encourage the utilisation of facial masks and basic hygiene

(4) Saofai/Birthdays/Weddings/Funerals (Increased attendance of 50 couples)

## Hon Prime Minister

The Hon Prime Minister elaborated on the amendments of the SOE orders.

In regards to trade, the PM clarified that travel between Samoa and American Samoa on matters of trade are opened for shipment and cargos. Hon PM stated that he had liaised with his counterparts in Am. Samoa and noted that they had agreed for trade to commence with strict conditions. The PM further stated that the commencement of trade is a catalyst for Taro Farmers to acquire revenue through trade. Hon Tuilaepa acknowledged the Governor of Am. Samoa for agreeing to commence trade.

## I. GOVERNMENT ORDERS OF THE DAY – Reading of Bills

1. SUPPLEMENTARY APPROPRIATION BILL No.3 2020; and APPROPRIATION BILL 2020/2021 – debate on second reading cont.

**I. ALIIMALEMANU Alofa Tuuau – Finance and Expenditure Chairperson,  
Member for Alataua West**

The Member addressed the House and spoke generally on the figures provided in the Appropriation Bill 2020/2021 - noting the expenditures/revenues and the amount of assistance from foreign partners and donors (in-kind). She then commented on the pros of a deficit budget; this encourages employees to work hard in order to meet projected revenues; it also encourages proper spending and implementing projects based on the need (set priorities). Member spoke on the usual practice to ensure equilibrium of the revenues and expenditures.

The Member stated that usual practice for unspent funds by Ministries/corporations is to allocate/refer such funds to source incomplete or proposed projects in the next FY. Aliimalemanu stated that unforeseen circumstances must be factored into the budget. The Chairperson elaborated on the principles which guide the operations of the Ministry of Finance.

**OLO Fiti Afoa Vaai, Member for Salega East**

The Member stated that in his opinion the facts presented by the Ministry of Finance to Parliament contradict with those reported by the IMF in other reports.

**ALIIMALEMANU Alofa Tuuau – Finance and Expenditure Chairperson, Member for  
Alataua West (cont.)**

The Member clarified that the Budget presented to Parliament has been audited and verified as factual; she specified on the difference between deficit and bankruptcy. Furthermore, the Member specified that guiding principles which run a private business differ to that which operates a nation. Unspent funds of the nation will be utilised in the next FY to implement new projects or complete existing projects.

**Hon Prime Minister**

Hon PM expanded on the term in-kind, asserted that these are financial assistances/donors in the form of goods and services; that is why such aids are under grants. Furthermore, the PM proceeded to clarify that this is a non-monetary grant which in this case is a Vessel.

Hon PM asserted that three projects have not been implemented due to Covid19, such as the Police School. The Member commented on the process of financial management implemented by Government. The PM reiterated that 107 million was aid (which reflects a deficit on the Budget).

### **Hon SILI Epa Tuioti, Minister of Finance**

The Minister of Finance reiterated that the vessel will be gifted (in-kind) by the Government of Japan (the Government does not receive funds, but the vessel). Hon Sili explained that IMF advised Samoa not to exceed the threshold of 70% of its GDP for loans which Samoa has adhered to as it is currently at 48%. The Hon Minister noted that the current loans for Samoa accounts to approx. 48% of GDP (and Government intends to keep it below 50%)

### **Hon Prime Minister - Clarification**

Hon PM stated that since 1983, officials from Government Ministries, especially from the Ministry of Finance undertake secondment/apprenticeship at IMF, ADB and World Bank to study and obtain the necessary knowledge to strategize on the best direction for the future of Samoa's economy. Hon PM explained that IMF and foreign financial organizations (ADB and WB) conduct assessments on partner nations, to oversee whether mechanisms in place are effective and appropriate in comparison to its financial earnings (revenues/expenditure/GDP); Hon PM asserted that committee reports are merely recommendations to Government. Furthermore, PM iterated that these attachments enable officials tasked with the Management of Samoa's fiscal strategies to have the necessary expertise to effectively execute the tasks at hand. Hon Prime Minister noted that Samoa was a founding Member (the first in the Pacific) of the Asia Development Bank in 1966, furthermore in 1971/1972 Samoa became a member of the International Monetary Fund (IMF).

Hon PM further commented on the role of a shareholder for clarification purposes. These international financial institutions (ADB and IMF) are the soft windows of the World Bank for developing nations to borrow from (with low interest rates). Hon PM recalled that in 1991- the IMF Mission advised the devaluing of the Samoan currency by 25% on grounds that the foreign reserve was diminishing (as was the underlying cause of Samoa's bankruptcy pre-HRPP taking control).

This recommendation was not pursued by the Government and cited how the foreign reserves are filled by tourism and remittances. In September 1992, Hon Prime Minister stated that upon IMF querying how his strategy worked he clarified that it was attributed to Samoan customs and traditions, such as the remittances from overseas family, which is a major contributing factor for foreign reserves. On the issue of deficit, Hon PM illustrated the financial strategy utilized by NZ in the past whereby they incurred a deficit to foster emphasis on the development of the pine Industry.

Hon PM proceeded to clarify the processes of budget formulation. The PM emphasized that all the appropriations of the Budget are calculated and precise. Hon PM called on all the Ministries to verify what has been given in their Annuals in Committee before it is tabled. Furthermore, if there are any projects which were not implemented, the fund goes into savings; Hon PM stated, if you are asking if everything is utilised? And simply replied, "Yes, everything is utilised".

**ALIIMALEMANU Alofa Tuuau – Finance and Expenditure Chairperson, Member for Alataua West (cont.)**

The Chairperson noted a surplus of 3 million surplus; then acknowledged the Minister of Finance. Aliimalemanu stated that based on the 5 aforementioned principles the Ministry of Finance exemplifies Excellent Financial Management. She noted immense improvements for this Parliamentary Term financially, then reiterated the theme of the Budget "Weaving together a prosperous future" She conveyed the requests of her Constituency. The Member recalled her life story and recalled the struggles of past which heightens gratitude for the immense developments of today.

The Member stated that the figures provided are to highlight the struggles faced by the Hospitality Sector; then posed the questions?

"Is there still a future for the Hotel & Hospitality Sector"

"Did our investments in Hospitality pay off?"

Therefore indirectly suggesting to decentralise developments "Don't put your eggs in one basket". The Chairperson asserted that projects and developments instigated by the Government are implemented with the underlying aim to build a better Samoa.

**Proceedings adjourned at 10:46am;  
and resumed at 11:32am.**

**Hon Prime Minister - MOTION**

Motion was moved to adjourn proceedings at 12pm to reconvene on Monday 22<sup>nd</sup> June at 9 am; motion seconded and approved.

**ALIIMALEMANU Alofa Tuuau – Finance and Expenditure Chairperson, Member for Alataua West (cont.)**

Aliimalemanu queried whether Samoa has the necessary measures in place to bail out the hospitality sector in the events of an outbreak of Covid19.

- 15.1%- health
- 14.7%-education
- 8%- Works including LTA
- 2.3%- Labour - includes Tourism
- 2%- Ministry of Agriculture
- 3%-MNRE

The Member acknowledged different Ministries on their efforts. The Member commended efforts in promoting the development of crops in the agricultural sector, and called for Village Council Members to take the lead in encouraging Plantations developments by monitoring these projects and consider including these as community project. The member acknowledged efforts by the Minister and Ministry in keeping Samoa safe.

The Member acknowledged the Auditor for his excellent book keeping skills as audited accounts have been updated and therefore clearing the backlog. She nited that the report in at an optimal state. The Member highlighted that there is an appropriation of 1million to cater for the unemployed in farming development; however, she emphasised whether it is best to employ these individuals at STEC. Aliimalemanu also acknowledge the Biomass project. Furthermore, she acknowledged the CEO for the Land Transport Authority for the upgrade of roads and noted that this directly provides employment for members of the public.

The Member conveyed gratitude for Maliolio bridge, Hydro Power at Vailoa Palauli, and noted that she was proud that Samoa has individuals with the skills to man these projects. She mentioned the Ministry of Finance and acknowledged preparation of the Budget to the Committee before tabling in Parliament. In regards to Foreign Reserves, the Member noted that there are enough funds to source the remaining months, she conveyed gratitude and stated that the Foreign Reserves are of good financial standing.

#### **Hon TUITAMA Talalelei Tuitama - Minister for Women Community and Social Development**

Hon Minister noted that there is a District Development Plan (DDP) in place and that the Plan aims to single out beneficial developments for the Constituency based on their discretion (its subjective to what the Constituency see's fit). Noted that there are 21 constituencies whom have launched their guidelines (refers to the bylaws initiative); 14 constituencies have formulated DDP's but have not launched. Furthermore, the Hon Minister noted that they are in talks with Japan for funding of the aforementioned guidelines and reiterated that the chairperson behind these projects are respective Members of Parliament.

#### **ALIIMALEMANU Alofa Tuuau – Finance and Expenditure Chairperson, Member for Alataua West (cont.)**

Aliimalemanu called to review these DDP's and to initiate a project for single mum's; she then requested for a new school building for her constituency and Falealupo. The Chairperson clarified that the amount stipulated in the Budget for the operation of the SNBH is payable to CSL. In regards to issues raised on Development Banks, the Member stated that the appropriation for DBS as queried by certain Members is for the purpose of loans, mainly for those with low income. The Chairperson concluded with acknowledgement for her fellow Parliamentarians (Executive, Speaker) & Constituency.

**Hon Prime Minister**

The Hon Prime Minister acknowledged all Members who have spoken, then clarified that the only problem with the coconuts at the time is the rhinoceros beetle; stating that if this continues to happen then we won't be able to get good quality coconuts that contributes greatly to the economy of Samoa through exportation and the making of other products.

The Hon PM stated that the rationale behind the discouraging of consumption of Coconuts is to avert the potential shortage as a result of over indulging. The Hon PM stated that Cabinet is placing emphasis on SROS to add value to our local produce. Furthermore PM proceeded to explain the correlation between developments (SROS- add value, Roads- better transport of products, Vessels- import our products)

PM stated that Cabinet is looking at commercialising local resources so as to bypass the strict restrictions imposed by overseas markets. He asserted that Samoa was one of the 34 providers of Cocoa and accentuated that Cabinet is still pushing for experimentation in adding value to our local produce. He informed the House that the specifics will be explained during Government's response.

**Proceedings adjourned at 12:18pm;  
and will reconvene at 9am on Monday 22 June 2020**