

DISCLAIMER

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Wednesday 24 June 2020

DAY 7

9:10am

- I. GOVERNMENT ORDERS OF THE DAY – Reading of Bills**
 - 1. SUPPLEMENTARY APPROPRIATION BILL No.3 2020; and APPROPRIATION BILL 2020/2021**

GOVERNMENT RESPONSES cont.

- 1. Hon TIALAVEA Fea Leniu Tionisio Hunt – Minister for Customs and Revenue & Minister for Police and Prisons.**

The Hon Minister addressed the 3 arms of Government and his constituency, then began his response in the House. The Hon Minister began with his portfolio as Minister of Police and Prisons and stated that the House is well aware of reasons behind the re-merge of the two services. In response to matters raised by Members, the Hon Minister acknowledged with thanks the respective Members of Parliament and their Village Councils in neighbouring villages post breakout for the assistance given to help the Ministry capture the escapees (as it was through collective efforts of the public that escapees were. The Hon Minister stated that upon recapturing, all prisoners had abrasions from the sharp rocks in the surrounding area. The Hon Minister stated that upon inspection after the breakout, damages made by the escapees included damaged cell locks, vehicles, administration block damaged and burnt.

The Hon Minister stated that Police has a total workforce of 700 whereas the prisons services employ about 140 staff which totals a work force of more than 800 employees. Hon TIALAVEA noted the correlation between the two services thus the importance of the merge. Hon TIALAVEA stated that the Ministry of Police have a total of 23 divisions, with the majority of the workforce under the principal level salary scale; and then raised the question to look into salaries of Police (to increase) as the entry levels between the prison services is higher than police officers.

In regards to an effective alert mechanism to inform the public of a prison break, the Hon Minister asserted that a siren has been procured (awaiting arrival) for the Prison Services aimed to effectively inform neighbouring villages and families of a prison break out so they can be aware and take precautionary measures.

On traffic issues raised by Members such as the hazardous accessories on vehicles; the Hon Minister explained that come July 1 2020, the Ministry of Police will take over all traffic matters from the Land Transport Authority. The Minister informed the House that the Ministry will consider whether the importation of such lights and accessories shall continue; and stated that all vehicles with decorative LED lights, speakers (loud music in public places) will be confiscated by the Ministry of Police. The Ministry will also take into consideration income/revenue earned from sales of these products when the decision is considered.

The construction of speed humps on roads was made to alleviate speeding vehicles, the Hon Minister further stated that another solution is the installation of road/speed cameras; although it is costly, but there are also not enough officers to stand on the side of the road to monitor these vehicles. The Minister stated that installation of speed cameras require amendments to made on existing legislation. In regards to the issue of insurance for law enforcers, the Minister asserted that there has been a separate fund to source insurance for police officers and prison wardens.

1. TAFUA Maluelue Tafua, Member for Aleipata Itupa i Lalo

In regards to speed bump; the Member stated the Speedbumps are a necessity to stem speeding.

2. LEALAILEPULE Rimoni Aiafi, Member for Faleata West

The Member queried the differing entry point salaries for Prisons & Police considering similar nature of work (upholding the safety and peace of the nation).

3. OLO Fiti Afoa Vaai, Member for Salega East

The Member commented on the challenge encountered by the Ministry of Police, that is not having enough staff, and proposed to encourage locals to join the police force to occupy the vacant positions within the Ministry, rather than utilising the money for installation of speed cameras as this is costly. In regards to compliance of vehicles, the Member called to appoint an individual with engineering skills to outsource the works of LTA, specifically in the registration of vehicles in rural areas so the public do not have to travel such distance.

4. GATOLOAIFAANA AMATAGA Gidlow, Member for Faasaleleaga No.1:

The Member asserted the need for higher salaries to reflect the nature of their work.

5. ALIIMALEMANU Alofa Tuuau, Member for Alataua West and Chairperson for Finance and Expenditure Committee:

Chairperson for Finance stated that she is clarifying the differences of salaries (entry point) for Police & Prisons. The Member elaborated that there is a higher risk associated with being a prison warden & and fireman rather than a traffic officer.

6. AUMUA Isaia Lameko, Member for Falealili West

The Member stated that in 2008, Samoa became a member of the International Labour Organisation; therefore, it is important that Samoa be aligned with stipulations of consistent salary scales within the ILO agreement.

HON PRIME MINISTER - Clarification

The Hon PM clarified that to achieve consistency of salary scale across the floor; a Remuneration Tribunal was established in 2003. (Hon PM stated that this was Government's response to the disparities in pay strikes of 1981). The Hon PM recalled his predecessor TOFILAU calling for a raise of salaries of MPs and the Hon PM further elaborated as a result of opposition, the matter was left alone. The Hon PM stated that to compare Samoa to a developing nation such as New Zealand is unrealistic considering the differing financial standings of the two nations. The Hon PM recalled the uproar of the Private Sector upon salary raise of the Public Sector. Furthermore, Government has opened the 'Bond' requirement for all returning local scholars to serve in Government Ministries/Departments, to allow them to freely choose employment in the private sector as long as it is within Samoa. Additionally, the Hon PM stated that the length of your studies overseas is the same length of employment in Samoa. The Hon PM reminded the House of what contributes to the Country's Revenues (Private Sector + Overseas aid). Furthermore, Hon PM informed the House on the matter of Brain Drain which Government will look to stem the outflow of qualified workforce specifically upon successful application to the NZ Quota.

7. NAFOITOA Talaimanu Ketu- Deputy Speaker

The Member conveyed that he stood to clarify the difficult nature of the job as he has experienced it first hand with 35 years of experience/service in the Police Force.

HON PRIME MINISTER - Clarification

The Hon PM asserted that there have been salary raise already implemented, there has also been a cabinet submission made by the Commissioner for another increase with numerous justifications/reasons which Cabinet is awaiting advise/recommendation by the Remuneration Tribunal. The Hon PM elaborated on the interdependence of the Private &

Public Sectors: i.e If salaries are more lucrative in the public sector this is detrimental for the manpower of the Private Sector.

8. SULAMANAIA Fetaiai Tauilili Tuivasa, Member for Vaimauga East

The Member acknowledged the Minister for setting aside an appropriation for Insurance of police Officers, prison wardens and firefighters.

HON PRIME MINISTER - Clarification

The Hon Prime Minister referred to the Annual Report of the Ministry of Police 2018/2019 and informed the House that the budget for the previous FY provides that 22.2million was allocated to the Ministry; with an appropriation of 16.9 million for personnel (including salaries, benefits and allowances) for the Ministry of Police. However, the Hon PM stated that the Ministry was unable to utilise its full budget owing to unfilled vacant positions and high staff turnover rate.

2. Hon TIALAVEA Fea Leniu Tionisio Hunt – Minister for Customs and Revenue & Minister for Police and Prisons (cont.)

The Hon Minister continued his response and stated that in justifying the consistency of recruitment process, the Ministry of Police conducts Police course for 17 weeks. There were 50 candidates who sat the Course with 44 successful candidates. In regards to arming the Police, the Minister asserted that this is unnecessary, however the only time the police force are armed is in the event that a raid takes place. The Hon Minister clarified the process of attaining a warrant to arm Police; the two signatories required for a warrant is that of the respective Minister and the Attorney General. The Hon Minister stated that the feelings of empathy and worry for the risk on police officers and the potential loss of life when carrying out raids.

The Hon Minister spoke on the development of the sustainable farming in place at Vaiaata to ensure appropriate food is available to cater for essentials of inmates. Hon Minister asserted that this is an important initiative, as the budget does not appropriate for food for inmates (400 prisoners at Vaiaata including remands)

The Hon Minister touched on the progress at OLOAMANU juvenile rehabilitation and stated that the juveniles detained are responsible for keeping Samoa clean (community work). The utilisation of the Fagalii Airport for vehicle inspection, the Hon Minister refuted these claims and stated that all vehicles are inspected at Vaitele where the LTA Office is located.

Hon Minister addressed concerns that inspections of busses were poorly implemented and asserted that inspections are done professionally and accurately and it is reflected from no warrants from police who are monitoring vehicles on the road.

9. FUIMAONO Te'o Samuelu- Member for Falealili

In regards to Cyberbullying, the Member queried whether the Cyberbullying Act has provisions to stop religious slandering.

HON PRIME MINISTER - Clarification

The Hon PM called for a decision to be made in regards to religious slandering and elaborated on the privatization policy with the aim of stimulating economic growth. Furthermore, the Hon PM stated that he has received complaints on the matter of certain religious leaders making false statements on tv about the leader of the House being elected by outside influence is demeaning and disrespectful to the 3 arms of Government. Hon PM stated that the private sector operates on its own policies and procedures, in terms of running private businesses, that is left to the entrepreneur. Whereas Government affairs, these are lengthy as they follow mandated legislations to ensure all factors have been considered, such as protection of human rights, etc.

Regardless of the countless benefits from the privatization policy of Government, there are certain services which cannot be privatised, such as health care (essential). The Hon PM commented on the rationale of privatizing TV1 to foster a better technology sector and further commented on the importance of the formation of a media council. The PM proceeded to elaborate on the cons of utilizing Mainstream Media as a means of division. Furthermore, stated that NZ initially had a free expression policy on Mainstream media until the Christchurch Shootings. The Hon PM recalled the merits of Freedom of Speech and its limitations such as slandering and making unsubstantiated claims. The Hon PM reiterated the differences of Freedom of Speech & Defamation and emphasised that character assassination is worse than murder itself.

The Hon PM further stated the combustible nature of Religious matters & cited the "Troubles" in Ireland (Christian vs Protestant). This called the Hon PM to advise the Office of the Attorney General to formulate a legislation to protect our country in regards to religious beliefs.

The PM completely dismissed the religious views presented by the individual on tv and stated that the overall message of the Bible is Love. The PM stated that "Small knowledge is extremely dangerous" and conveyed apologies to those affected by this issue but advised Television companies and employers to control and view all programs whether the purpose is appropriate to be viewed by the public and expressed disappointment at the management of TV1 for placing capital gain before morals.

Hon TIALAVEA Fea Leniu Tionisio Hunt – Minister for Customs and Revenue & Minister for Police and Prisons (cont.)

The Hon Minister then referred to matters raised by Members towards his other Ministerial post, Customs and Revenue which included the following matters:

- 1) matters regarding the Olioli wine
- 2) TIMS (Tax Invoice Monitoring System)
- 3) Business licenses for small retailers and supermarkets

- 4) Regulation for Investment Tax Credit on 5 star Hotels
- 5) Capital Gain Tax (specifically in regards to the amendments of 2017)

Before the Minister proceeded to respond to specific issues, he shed light on the overall plans of the Ministry; he noted the Corporate Plan 2017-2022 for the Ministry of Revenue with its long-term goals, vision and mission and clarified on the plans listed in the Corporate Plans for the Ministry of Revenue and Customs.

The Hon Minister stated the Vision of the Ministry is “Working together for a safer Samoa” with its Mission “To sustain progressive development through excellence in revenue collection, enhanced compliance and a stronger border security.

- 1) medical with container xray scanner funded by the Asian Development Bank (ADB) to improve the international wharf at Matautu – this equipment will be of great assistance in effectively monitoring of goods shipped into the country (to ensure the list of goods provided is the same to what is contained in the container). It is envisaged that this equipment will also ensure efficiency in the release of goods/cargos for businesses (expedite the screening process). The Hon Minister noted that currently the Ministry continues to execute this function manually, which usually takes up 2 days max.
- 2) update taxation collection system and mandated legislations
The Hon Minister touched upon Governing Acts and their updated versions as follows:
The Hon Minister noted that the 1974 legislation has been amended to the current Tax Administration Act 2012; 1993-2015 the VAGST Act has been amended; 2012-2017- Tariff Act; Samoa Electronic Tax Services to collect tax such as the ASYCUDA (this is a computerised customs management system which handles manifests and customs declarations, accounting procedures, transit and suspense procedures.)

**Proceedings were set aside at 10:47am;
and resumed at 11:32am.**

Hon TIALAVEA Fea Leniu Tionisio Hunt – Minister for Customs and Revenue & Minister for Police and Prisons (cont.)

The Hon Minister then noted the benefits of the closure of borders; in regards to the new taxation Electronic System – Hon TIALAVEA stated that the new system ensures consistency of records for the Ministry & Taxpayers.

In 2015-2016- 479.1 million (approximately) amount procured 489.1 million an increase of 6 million; In 2016-2017 the projected revenue was 491.8million, the Ministry managed to procure 498.2 million; In 2017-2018 (projected revenue) 522.4 million, while the Ministry collected 507.7 million a reduction of 14.8 million; In 2018-2019- projected revenue 530.2

million procured 551.6 million an increase of 21.4 million. On 1 July 2019 - 31 May 2020 Procured amount has exceeded projections. 505.8 million collected; the projection was that the economy will collect the amount 527.7million; therefore an amount of 21.9 million needs to be collected within the month of June.

10. LEALAILEPULE Rimoni Aiafi, Member for Faleata West

The Member commended the Minister as the upward trend illustrates excellent implementation of tax collection by the Ministry. He also conveyed support for the proposed system. The Member then suggested for assistance for taxpayers whom are transparent with taxation payment.

Hon TIALAVEA Fea Leniu Tionisio Hunt – Minister for Customs and Revenue & Minister for Police and Prisons (cont.)

The Hon Minister acknowledged the Member for Palauli le Falefa for the challenge posed to the Ministry for the current FY. Noted that is indeed the guiding principle upon which the Ministry operates by. On the issue of Olioli, the Hon Minister proceeded to clarify the differences between the 3 liquors available in Samoa and their classification: Beer: Malt, Wine- Rice Wine. The Hon Minister noted that on 19th June, SROS presented the following findings of alcohol available in Samoa.

- 7% 660 mls
- Taula- 4% alcohol 5.2% sugar
- Sili-7% alcohol 9.4% sugar
- Moni-5.5% 8.5% suagr
- Vailima Pure- 4.9% 4.3% sugar
- Vailima lager- 4.9% 4.3% sugar
- Olioli- 8% strength 12% sugar
- Olioli-13% strength 11.5% sugar
- Olioli Rice Wine – The Hon Minister commented on the process of production (post fermentation, flavoring is added to dilute the strength of the alcohol.)

The Hon Minster noted that a certification of safety to consume was issued by the Ministry of Health. The Hon Minister informed the House that the only indictment the Beverage Company has is falsifying taxation records presented. Additionally, the Liquor Board has also stepped in and advised the Company to change the bottling of its wine used and to keep with the usual colours of wine (red/white). 40 employees in this company; the Ministry has given them a second chance after they cleaned up the mess and started afresh with the new changes provided by the Ministry

Interjections between the Hon Prime Minister and the Member for Gagaifomauga No.3 on the evasion of tax by the Skyline Company producing the Olioli product; and also brought about the taxation of Religious leaders. The Hon Speaker reminded the House:

The Hon Speaker accentuated on the importance of paying tax for the development of Samoa through payment of electricity and water bills as well as the construction of various infrastructure in Samoa.

Hon TIALAVEA Fea Leniu Tionisio Hunt – Minister for Customs and Revenue & Minister for Police and Prisons (cont.)

TIMS (Tax Invoice Monitoring System) – The Hon Minister noted that upon his ascension to the Office of Minister, business owners requested consistency and a "level playing field" for taxation collection. Hon Minister cited those whom do not utilize banks but store money at home. The Hon Minister proceeded to clarify the Pros of the new systems in place and being transparent in the presentation of records (tax refunds). The Hon Minister stated that the implementation date will not be postponed and cited the following reasons: VAGST- does not only monitor tax but provides a means to measure the revenue earned to ensure income tax are well coordinated with their income earned

The Hon Minister informed the House that the TIMS project was launched in March 2020 with an appropriation of 3.4million. Furthermore, the Minister elaborated that there will be 5 working groups and therefore 5 implementation phases for this upgrade;

The first group on 1 July 2020 with a total of 210 major business; the second group with 1,500 businesses will commence operation on 1 Oct 2020; group 3 will operate on 1st January 2021 with 1,500 businesses; group 4 on 1st April, 2021 with 2000 businesses; and Group 5 will commence on 31st July 2021 with 3000 business which totals to 8,210 businesses altogether.

The Hon Minister explained that businesses were given 4 months to prepare for the new system, hence the refusal to prolong this project. The Hon Minister spoke on the merits and the pros of the New System

- proper monitoring of taxation.
- Proper records to finalize who is eligible for tax refunds (and for what amount).
- Reiterated to the public to ask for receipts after purchases at different stores.
- Electronic fiscal device - The Minister accentuated the Pros of the new system.
- Minister recommended to members of the Public to invest in an Electronic Fiscal Device.

Hon Minister stated that if the system is effective there is the possibility of a lowering of VAGST and urged businesses to register to avoid being penalized. Hon Tialavea mentioned that although the installation of this system will be costly but over time it will simplify the process and contribute in garnering revenues for each businesses using TIMS. He also stated that the Ministry will assess and screen businesses on a case-by-case analysis and again urged businesses to come in for consultation to avoid being penalized.

HON PRIME MINISTER - Clarification

The Hon PM echoed sentiments made by the Hon Minister for Revenue in urging the people to pay taxes as this is the engine that funds all developments of the nation. The Hon PM cited the correlation of taxes with the development of all the sectors of the economy, education, health, infrastructure, etc... The Hon PM accentuated the notion of the Minister for Revenue to Pay Taxes.

SULAMANAIA Fetaiai Tuivasa Tauiliili, Member for Vaimauga East

The Member conveyed gratitude to the Minister for the new system and proceeded to clarify the process for the proposed XRAY container and stated that Singapore utilizes the system and pointed out that there is room for corrupt dealing when humans handle the screening process manually.

11. NAMULAUULU Sami Leota, Member for Faasalalaega No.2

The Member queried the Minister for assistance in the installation of the System (voluntary basis) in rural areas as it quite complex.

FUIMAONO Samuelu Te'o, Member for Falealili East

The Member queried whether there were any deficiencies with the system as Fiji has rejected a similar system.

Hon TIALAVEA Fea Leniu Tionisio Hunt – Minister for Customs and Revenue & Minister for Police and Prisons (cont.)

The Hon Minister acknowledged the Member for Vaimauga East and asserted that the new system avoids corruption and fraudulent dealings. In response to the Member for Faasaleleaga, the Hon Minister stated that this is indeed the case and called the Member to liaise with the Ministry. Hon TIALAVEA asserted that the doors for consultation are always opened. The Hon Minister stressed the importance of the procurement of Taxation. Hon Minister proceeded to comment on the revised taxation assistance during the Covid19 stimulus Package and stated that in the next financial year starting in July 2021 the tax to be collected is reduced to 475 million which is a 10% decrease due to COVID19.

Hon TIALAVEA called on Members to be proactive and stated that they should have requested earlier for more time. The Hon Minister reiterated to do the right thing regardless of losing popularity and stated that it is consolidated to gauge the tax based on licenses for all businesses. The Hon Minister also touched upon the consolidated definition for Supermarket and sole traders as directed by the NEOC during this time of lockdown.

On the issue of Investment Tax Credit, the Hon Minister clarified the process of tax credit - 1 million investment warrants a 1 million tax credit. Hon Minister stated that tax credit will cease come 1st of July 2020. The Hon Minister stated that majority of tax credit is loaned to Hotels development.

Sulamanaia Fetaiai Tauiiili Tuivasa, Member for Vaimauga East

The Member commended efforts by the Ministry to close tax credit; and sought the Minister's consideration when implementing Orders of the SOE and stated that retail and supermarkets should be properly defined to avoid the confusion.

Hon TIALAVEA Fea Leniu Tionisio Hunt – Minister for Customs and Revenue & Minister for Police and Prisons (cont.)

The Minister responded that any tax credit amount will cease to exist (cancelled) and the business cannot claim this. In regards to capital gain, the Minister informed the House that there were no capital gains from Digicel and Vodafone because there were no shares between the two companies; however, the Ministry will continue to monitor taxes from these businesses.

Hon. SILI Epa Tuiofi, Minister of Finance

The Hon Minister further asserted that the law should be enforced on such companies such as the Skyline Beverages for obvious tax evasions. The Minister conveyed support for issuing another opportunity for the Beverage Company to commence operations and stated that if they reoffend then this should ultimately result to Permanent Closure of the business. The Hon. Minister further cited the detrimental social & health effects of alcohol on the youths of today.

Hon PRIME MINISTER - Clarification

The Hon PM stated to refer this matter to Cabinet where it will be dealt with accordingly.

Hon TIALAVEA Fea Leniu Tionisio Hunt – Minister for Customs and Revenue & Minister for Police and Prisons (cont.)

Hon TIALAVEA, mentioned the continuous work put forth by the Ministry of Police for the safety of our country and the Ministry for Customs and Revenue in ensuring to collect revenues for the development of Samoa. He asserted that it is everyone's responsibility for a better Samoa. The Hon Minister then addressed his constituency in its honorific salutations and acknowledged his constituency for their support and prayers throughout the past ten years since he entered Parliament.

**Proceedings adjourned at 1pm;
and will reconvene at 9am on Thursday 25 June 2020**