

---

[Legal Notice No. 9]

THE PROVINCIAL GOVERNMENT ACT 1981  
(No. 7 of 1981)

CENTRAL PROVINCE DEVELOPMENT AUTHORITY  
ORDINANCE 1994

AN ORDINANCE TO ESTABLISH A PUBLIC AUTHORITY TO BE KNOWN AS THE CENTRAL ISLANDS DEVELOPMENT AUTHORITY, TO PROVIDE FOR ITS INCORPORATION, FUNCTIONS AND POWERS AND FOR MATTERS CONNECTED THEREWITH OR INCIDENTAL THERETO.

Enacted by the Central Provincial Assembly and assented to by the Minister of Provincial Government.

Arrangement of Sections

PART I  
PRELIMINARY

Section

1. Short title and commencement.
2. Interpretation.

PART II  
ESTABLISHMENT, FUNCTIONS AND POWERS OF THE  
AUTHORITY

3. Establishment of the Authority.
4. Purposes and Functions of the Authority.

5. Powers of the Authority.
6. Compliance with Policy and Regulations.
7. Prohibition of Interest.

PART III  
FINANCE

8. Funds to be established.
9. Sources of Funds.
10. Borrowing Powers.
11. Guarantees.

PART III  
FINANCE

12. Prohibition on Lending.
13. Limitations on Investing.
14. Application of Funds.
15. Accounts, Audit and Annual Report.

PART IV  
MISCELLANEOURS

16. Indemnity.
17. Subsidiary Legislation.

SCHEDULE I

DIRECTORS OF THE AUTHORITY

PART I  
PRELIMINARY

Short Title and commencement.

1. The Ordinance shall be cited as the Central Islands Development Authority Ordinance 1994 and shall come into operation on the date assented to by the Minister in accordance with Section 32 of the Provincial Government Act 1981.

Interpretation.

2. in this Ordinance, unless the context requires otherwise -
- (a) "Assembly" means Central Provincial Assembly;
  - (b) "Authority" means the Central Islands Development Authority established under this Ordinance;
  - (c) "Director" has the same meaning as in companies Act (Cap. 66) and as used in this Ordinance means a member of the Board of Directors of the Central Islands Development Authority;
  - (d) "Enterprise" means any commercial activity, business or undertaking carried on by a person for profit or not for profit;
  - (e) "Executive" means the Central Provincial Executive;
  - (f) "Financial interest" means the ownership of equity share capital or partnership interest in any enterprise;
  - (g) "Financial year" means the twelve (12) months ending 31 March;
  - (h) "General Manager" means the General Manager of the Authority appointed under this Ordinance;
  - (i) "majority" means one-half the members present plus one;
  - (j) "Minister" means Minister of the Crown responsible for Provincial Government.
  - (k) "person" means any public body, company or associate including the Authority, and any individuals, corporate or unincorporate;
  - (l) "Premier" means the Premier of Central Province;
  - (m) "Province" means the Central Province; and
  - (n) "subsidiary" means any enterprise in which the authority either is a member and controls the composition of its board of directors or holds more than half in nominal value of its equity share capital.

**PART II**  
**ESTABLISHMENT, FUNCTIONS AND POWERS OF THE**  
**AUTHORITY**

3. (1) There is hereby established an authority to be known as the Central Islands Development Authority which shall be a body corporate under that name with perpetual succession and a common seal; which may in such name, sue or be sued, may enter into contracts and, subject to the provisions of this Ordinance may acquire, purchase, take, hold and enjoy real and personal property of every description and may convey assign, surrender and yield up, charge, mortgage, transfer or otherwise dispose of, or deal with, real or personal property and may do all other things necessary for or incidental to its purposes and functions under this Ordinance.

Establishment of  
the Authority.

(2) The Directors of the Authority shall be responsible for the policy and management of the Authority in accordance with the provisions of this Ordinance provided however, the Executive may give to the Authority such directions of a general character as to any matter of policy with respect of a general character as to any matter of policy with respect to the implementation of this Ordinance as appear to it to be necessary to serve the public interest and attain the goals of the Assembly.

(3) Schedule I shall govern the appointment and remuneration of Directors, General Manager and staff of the Authority, procedure and other matters concerning the Authority and its Directors.

4. For the purposes of furtherance of economic development in the Province; promotion of Agriculture, Commercial and Industrial enterprises; provision, maintenance or safe-guarding of employment and improvement of the quality of Life of the people of the Province, the functions of the Authority shall be:

Purposes and  
of the  
Authority.

- (a) to provide to or assist in provision of financial to persons carrying on or proposing to carry on within the Province any enterprises by investing in the equity share capital or such enterprises;
- (b) to participate or assist in the management, control and operation of any enterprise in which the Authority has a financial interest;
- (c) to provide goods and services to the people of the Province by encouraging, establishing and carrying on any enterprise calculated to accomplish the purposes of the Authority.

- (d) to initiate, invite and induce investments and to seek and accept grants, donations, appropriations and any other form of assistance, financial or otherwise from any source;
- (e) to cause to be surveyed and registered any alienated and customary land within the Province and to acquire such land, whether by leasehold, fixed term estate or perpetual estate, for the purpose of economic development of such land;
- (f) to make such grants and loans to, to provide guarantees for and to arrange credit for any enterprises in which the Authority has a financial interest;
- (g) to undertake market and feasibility studies, surveys, investigation and research into any matter affecting any existing or proposed enterprise within the Province;
- (h) to provide advisory and consulting services to persons engaged in enterprises within the Province including but not limited to assisting people and customary landowners in negotiating with investors.
- (i) to carry on such other functions as are conferred on the Authority under this Ordinance or any other law, regulation, rule or order; and
- (j) to assist the Province in provision of Provincial services, including economic activity, in relevant ship building, butcheries and Fish markets, ground and air transport, motor repair, construction, real estate and livestock, timber (logging milling and reforestation), wholesaling and retailing of goods, resthouse, restaurant and snack bar, financial Institutions, manufacturing and processing, recreational facilities, marine resources, mineral resources, banking agencies, tourism and stevedoring.

Powers of the Authority.

5. (1) Subject to any contrary provision contained in this Ordinance but not otherwise, the Authority may accomplish its purposes and perform its functions, through the following powers -
- (a) acquisition, ownership and disposition of securities, equity and otherwise;
  - (b) formation of subsidiaries and other bodies corporate;
  - (c) formation or and/or acquisition of ownership interests in partnership and joint ventures;
  - (d) lending to enterprises and borrowing for itself, its subsidiaries or for any enterprise in which it has a financial interest;

- (e) acting as agent or trustee for other persons;
- (f) provision of or assisting in the provision of advisory or other services or facilities for any person, enterprise or undertaking, including the acceptance or appointment of Directors to Boards or Directors or Companies;
- (g) investing of money on call or for fixed or limited periods;
- (h) the establishment of charitable trusts for the benefit of the people of the Province.
- (i) guaranteeing the repayment of the principal, interest and other charges on any loan raised or made in accordance with the provisions of this Ordinance, for the purpose of carrying on any enterprise in which the Authority has a financial interest;
- (j) charging of fees for services performed by the Authority;
- (k) fundraising by any legally authorised activity, including the holding of lotteries.
- (l) appointing such employees and agents as it reasonably requires, upon such terms, conditions and remuneration as it thinks fit; and
- (m) taking of any acting which is otherwise legally permissible and calculated to accomplish the purposes of the authority.

(2) In exercising its functions and powers the Authority shall have regard to the objectives and policies set forth in any Provincial Development Plan.

6. (1) All action proposed to be taken by the Authority shall comply with the policies of the Authority, this Ordinance, any regulations promulgated by the Executive pursuant to Section 6(6) of this Ordinance and all National and Provincial Laws.

Compliance with  
Policy and  
Regulations.

(2) Minutes of all meetings of the Authority shall be transcribed and given to the Premier.

(3) A summary of all proposals which have been approved or credit extension, to or by the Authority, its subsidiaries, corporate bodies formed by it or for any enterprise in which the Authority has a financial interest, shall accompany the minutes and be in a form acceptable to the Executive. The proposal shall include specific information as specified by the Executive.

(4) If the Premier determines that a proposal or the specific terms and conditions thereof does not comply with Section 6(1) of this Ordinance, and if after consultation with the Directors, the Premier and the Authority are unable to reach an agreement as to whether a proposal complies with Section 6(1) hereof, the Premier

shall present the proposal to the Executive for its approval or disapproval. The approval or disapproval of the Executive shall be final. The Authority shall take no action on a proposal until reviewed and approved by the Premier or if applicable, the Executive.

(5) The Directors, with consent of the Executive, may make standing orders which are not in conflict with this Ordinance, for the conduct of its meetings and other such administrative matters.

(6) From time to time, the Executive may make regulation regarding the dollar limits or any one loan, grant, guarantee or extension of credit; terms and conditions secured versus unsecured lending, borrowing and extensions of the credit practices. Property acceptable as collateral; credit worthiness of borrowers and guarantee debtors; limits on the percentage of equity ownership acceptable and or necessary for Authority investment in enterprises; type of investments acceptable; the aggregate amount of all sums borrowed, lent and/or guaranteed by the Authority beneficiaries and activities of Charitable Trusts and other such financial and under writing criteria.

Prohibition or  
Interests

7. Members of the Executive, Public Officers, Provincial employee, Assembly Members, Members of Parliament and Directors, staff and Officers of the Authority, including the General Manager, their spouses and children, are prohibited from holding any financial interest, direct or indirect, in any investments, loans, projects, business pursuits, enterprises or transactions in which the Authority is involved or has an interest and any such prohibited interest held by the persons listed in this Section 7 shall be null and void or, at the sole discretion of the Authority, ownership of the prohibited investment shall be automatic.

### PART III FINANCE

Funds to be  
Established.

8. (1) The Authority
- (a) Shall establish a general fund; and
  - (b) may establish special funds for any function, investment or enterprise authorised by this Ordinance.
- (2) Each fund established under subsection 8(1)(b) shall be kept in a separate account.
- (3) Monies from a fund establishment under section 8(1)(b) shall not be used for any purpose except that for which the fund was established.

9. The funds of the Authority shall consist of - Sources of funds.
- (a) monies transferred to the Authority from any funds of the Province or National Government.
  - (b) income earned from any investment or enterprises;
  - (c) monies received by or falling due to the Authority in respect of any loan or guarantee made by it or the interest payable in respect of such loan or guarantee; and
  - (d) any other monies from any sources invested in or granted, donated or loaned to or otherwise earned by the Authority.
10. Subject to any regulation made pursuant to Section 6(6) hereof, the Authority may borrow for itself or for any enterprise in which it has a financial interest by way of temporary loan or overdraft such sums as are required to: Borrowing Powers.
- (a) meet recurrent expenditures;
  - (b) perform its functions under this Ordinance; and
  - (c) provide for capital expenditure.
11. (1) The Authority may, subject to the provisions of this Ordinance, guarantee as it sees fit the repayment of the principal, interest and other charges on any loan made by any person other than a Director, officer, or employee of the Authority. Provincial Assembly Member or officer of the Government or Province for the purpose of carrying on any enterprise in which the Authority has financial interest. Guarantees.
- (2) Any Agreement of guarantee made in favour of a creditor, shall expressly stipulate that the Authority is executing the Agreement of Guarantee as a guarantor of the loan.
- (3) Where, in discharge of its obligation as a guarantor of the loan under an agreement executed in accordance with the foregoing subsections, the Authority makes any payment to the creditor of the amount guaranteed, the Authority shall be entitled from the person for whom the Agreement of Guarantee is executed the amount so paid by it.
12. The Authority may in no circumstances or on any terms lend money to Provincial Assembly Members, Directors, Officers and staff of the Authority, or Officers of the government or Province. Prohibition on Lending.
13. Subject to the provisions of this Ordinance, the Authority may invest the funds at its disposal in such manner and under such terms and conditions as it thinks fit but only inside the Solomon Islands. Limitation on Investing.



Application of  
Fund.

14. (1) The Authority shall apply the funds at its disposal or such part of its funds as it thinks fit -
- (a) in the exercise of its functions; and
  - (b) to the payment of the remuneration, allowances and salaries of its members, officers, employees and agents and other recurrent and capital expenditures.
- (2) At least 25 percent of the annual net profits of the Authority, as determined by the audit prescribed in section 15 of this Ordinance, shall be used for the functions of the Authority.
- (3) Any remaining annual net profits may be paid into the Provincial Fund or used by the Authority as may be determined by the Executive after consultation with the Authority.

Accounts, Audit and  
Annual Report.

15. (1) The Authority shall keep proper books of accounts of which shall be true and full accounts of all its affairs and transactions.
- (2) The books of account shall be kept at the Office of the Authority or at such other places as the directors may think fit and shall at all times be open to inspection by its Directors and Executive.
- (3) (a) The Authority shall prepare and submit to the Executive within three months after the end of each financial year a report on the Authority together with detailed profit and loss account showing classifications of revenue and expenditures, a balance sheet and such other statements of accounts as the Executive may require.
- (b) The annual report and all statements of accounts shall be signed by the chairman of the Board of Directors and countersigned by the General Manager.
- (4) The Premier shall sign the annual report and statements of account on behalf of the Executive and transmit them to the Auditor General within nine months after the end of the financial year.
- (5) (a) The Auditor General shall audit, certify and report on the annual report and statements of account and shall lay copies of them before the Assembly together with his own report.
- (b) The Auditor General any other persons appointed by him to audit the accounts of the Authority may during the time of of the audit -
- (i) summon any Director, officer, employee or agent of the Authority to give such information

as is necessary for the performance of the audit;  
and

(ii) require production of any records, books, accounts, vouchers and other documents of the Authority as is necessary for the performance of the audit.

(6) (a) The Assembly shall refer the annual report statements of accounts and Auditor General's report, to the Provincial Accounts Committee, if any, which shall review them in accordance with the Central Province Financial Management Ordinance 1984?

(b) In reviewing such accounts and reports the Provincial Accounts Committee shall have the same powers as the Auditor General as stated in paragraph (b) of subsection (5) of Section 15 of this Ordinance.

(7) If any member of the Authority wilfully fails to take all reasonable steps to secure compliance with this section he shall be guilty of an offence and liable on conviction to a fine of \$100 or imprisonment of six (6) month or both.

#### IV MISCELLANEOUS

16. Every Director, officer employee or agent of the Authority shall be indemnified out of the assets of the Authority against any expenses incurred by him -

Indemnity.

- (a) in defending any proceedings arising out of his duties to and/or employment by the Authority, civil or criminal, in which judgement is given in his favour or he is acquitted or he is granted relief by the court from liability because he has acted honestly, reasonably and within the scope of his authority; and
- (b) in applying to a court for relief when he believes a claim will be brought against him and he is granted relief as under paragraph (a).

17. The Executive shall have the authority to make orders or regulations, consistent with this Ordinance, that may be necessary to effectively carry out this Ordinance.

Subsidiary  
Legislation.

## SCHEDULE 1

## The Directors of the Board of Authority

1. The Authority shall consist of the following:
  - (a) no less than five (5) or more than seven (7) voting Directors, all of whom have experience in commerce, industry, agriculture, finance or administration, provided that no voting Director shall hold elected office in an Area Council, the Provincial Assembly or Parliament, nor shall he be a public officer or Provincial government officer as defined in the Constitution;
  - (b) one (1) ex-officio non-voting Director, who shall be the General Manager appointed pursuant to paragraph 5 of this Schedule;
  - (c) for the purpose of obtaining advice no any particular matter any person co-opted by the Authority as a non-voting Director for such meetings as are required and while so co-puted the person may be entitled to an appropriate allowance as determined by the Authority.
  
2. (1) The voting Directors shall be appointed by the Executive by notice published in the Gazette on such terms and conditions as may be specified in thier respective letters of appointment for terms of not more than three (3) years and may be re-appointed at the end of each term.
  - (2) A voting Director may at any time by written notice to the Executive resign his office.
  
3. (1) The Directors shall be entitled to such remuneration in respect of their service to the Authority as may be determined by the Authority with the approval of the Executive.
  - (2) The Directors shall be entitled to reimbursement for all reasonable travelling, accommodation and other expenses properly incurred by them in attending Authority meetings or in connection with the business of the Authority.
  - (3) Remuneration and expenses payable under this Section shall be paid out of the funds of the Authority.
  
4. (1) Subject to sub-paragraph (2), a voting Director, may be remove from office by the Executive if he -
  - (a) becomes bankrupt or suspends payment to his creditors;
  - (b) is absent from two consective Authority meetings without permission of the person presiding;

- (c) becomes of unsound mind; or
  - (d) has committed any other misconduct or abuse of Authority, including but not limited to persistent disregard of any regulation promulgated under Section 6(6) of this Ordinance, the requirements of this Ordinance or policies of the Authority, any other actions adversely affecting the authority or interfering with his ability to effectively perform as a Director.
- (2) No voting Director shall be removed from Office unless -
- (a) an impartial and independent person appointed by the Executive enquires into the allegation of bankruptcy, absence, unsound mind, misconduct or abuse of Authority; and
  - (b) the director concerned has an opportunity to defend himself at such enquiry; and
  - (c) the person holding the enquiry, recommends removal of the Director; or
  - (d) he is subject to automatic removal under section 12(2) of his Schedule 1.

5. (1) The Director shall, with the approval of the Executive, appoint a General Manager for such term, at such remuneration and on such conditions as they may think fit, who shall have responsibility for the day to day management of the Authority, subject to the general or specific directions of the Directors.

(2) When by death, removal, resignation or otherwise the office of General Manager is vacant, the Directors may appoint an acting General Manager until such vacancy is filled by regular appointment.

6. (1) The Executive may appoint a person to act as an alternate Director during times the presence of a Director is excused due to illness or Director is otherwise unable to perform th duties of his office.

(2) During such periods of incapacity the alternate Director shall have all the rights, duties, remuneration and powers of the Director he is replacing to the exclusion of the absent Director.

(3) When the Director is again able to perform the duties of office, then the alternate member appointed shall cease to be an alternate.

7. (1) The Directors shall elect from among that number the Chairman or Deputy chairman of the Authority.

(2) The Chairman shall preside at meetings of the Authority and in his absence the Deputy Chairman shall preside.

(3) The General manager shall be the Secretary of the Board of Directors.

8. (1) A majority of the voting director, including among that number the Chairman or Deputy Chairman, shall constitute a quorum.

(2) All acts or decisions of Authority shall be determined by a majority of the votes of the Directors present at any meeting and in the event of an equality of votes the item being voted upon shall be defeated.

(3) The Directors shall meet at such times and places as shall be determined by the Chairman and the General Manager but not less often than once every three months.

9. In connection with the exercise of the functions of the Authority the Board of Directors may establish such committees as appear to be appropriate. Any such committee shall be composed of Directors, voting and non-voting. The members of a committee may be entitled to appropriate allowances as determined by the directors upon approval of the Executive.

10. Subject to the presence of a quorum, the validity of any proceedings of the Authority shall not be affected by any vacancy among the Directors or defect or irregularity in the appointment of any director.

11. The common seal of the Authority shall be kept in the custody of a person authorised by the Authority and shall be affixed to a document only in the presence and with the authenticating-

(a) signature of the Chairman, Deputy chairman or some other Director authorised for the purpose in the Authority, either generally or specially; and

(b) countersignature of the General Manager, Secretary or some other officer, servant or agent of the Authority, either generally or specially.

12. (1) The Executive shall satisfy itself by due enquiry before appointing a person to be General Manager that such person their spouses and children have no financial or other interest, direct or

indirect interest in any investments, loan, projects, business pursuits, enterprises or transactions in which the Authority is involved or has an interest other than their duties and functions as Director or General Manager.

(2) Should it be discovered at any time that a Director of the General Manager or their spouses and children have a direct or indirect interest in any investment, loans, projects, business pursuits enterprises or transactions in which the Authority is involved or has an interest other than his duties and functions as a Director or General manager shall be immediately relieved of this position at the Authority and that interest shall be subject to the conditions of Section 7 of this Ordinance.

Approved by the Central Provincial Assembly this twentieth day of September, 1995.

This printed impression has been carefully compared by me against the Ordinance passed by the Central Provincial Assembly and is found by me to be true and correct of the said Ordinance.

M. MANU  
Clerk to Central Provincial Assembly

Assented to by the Honourable Minister of Provincial Government this eleventh day of January, 1995.

A. QURUSU  
Minister for Provincial Government