

# PARLIAMENT OF THE REPUBLIC OF FIJI



## PARLIAMENTARY DEBATES

### DAILY HANSARD

**FRIDAY, 14TH JULY, 2017**

[CORRECTED COPY]

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**FRIDAY, 14TH JULY, 2017**

The Parliament met at 9.40 a.m., pursuant to adjournment.

HONOURABLE SPEAKER took the Chair and read the Prayer.

**PRESENT**

All Honourable Members were present, except the Honourable Ratu S.V. Nanovo.

**MINUTES**

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Madam Speaker, I move:

That the Minutes of the sitting of Parliament held on Thursday, 13th July, 2017 as previously circulated, be taken as read and be confirmed.

HON. A. SUDHAKAR.- Madam Speaker, I second the motion.

Question put.

Motion agreed to.

**COMMUNICATIONS FROM THE CHAIR**

Acknowledgement

I welcome all Honourable Members to the last day of the Budget debate this week.

I also welcome the students and teachers from Lomawai Secondary School who are here to witness today's proceedings. Welcome to Parliament.

I also welcome members of the public joining us in the gallery and those watching proceedings on television and the internet and listening to the radio. Thank you for taking interest in your Parliament.

Delay – Daily Hansard

For the information of the Honourable Members, the *Daily Hansard* Report will be delayed due to the prolonged sitting last night, and this will be circulated once the Secretariat finalises the reports.

**PRESENTATION OF PAPERS AND CERTAIN DOCUMENTS**

HON. SPEAKER.- I now call upon the Honourable Prime Minister and Minister for *iTaukei* Affairs, Sugar Industry and Foreign Affairs to table his Report.

HON. J.V. BAINIMARAMA.- Madam Speaker, in accordance with Standing Order 38, I present the Office of the Prime Minister's 2015 Annual Report (Parliamentary Paper No. 94 of 2016) to Parliament.

HON. SPEAKER.- Please hand the Report to the Secretary-General.

(Report handed to the Secretary-General)

HON. SPEAKER.- Under Standing Order 38(2), I refer the Office of the Prime Minister's 2015 Annual Report (Parliamentary Paper No. 94 of 2016) to the Standing Committee on Justice, Law and Human Rights.

I now call upon the Honourable Attorney-General and Minister for Economy, Public Enterprises, Civil Service and Communications to table his Reports.

HON. A. SAYED-KHAIYUM.- Madam Speaker, in accordance with Standing Order 38, I present the following Reports to Parliament:

1. Pacific Fishing Company Limited Annual Report 2015 (Parliamentary Paper No. 92 of 2016);
2. Fiji Financial Intelligence Unit 2016 Annual Report (Parliamentary Paper No. 91 of 2016);
3. Fiji Electricity Authority Annual Report 2016 (Parliamentary Paper No. 103 of 2017);
4. Third Quarter Appropriation Statement (1<sup>st</sup> August, 2016 – 30<sup>th</sup> April, 2017); and
5. University of the South Pacific 2016 Annual Report.

HON. SPEAKER.- Please hand the Reports to the Secretary-General.

(Reports handed to the Secretary-General)

Under Standing Order 38(2), I refer the following Reports to the:

1. Standing Committee on Economic Affairs:
  - a) Pacific Fishing Company Limited, Annual Report 2015 (Parliamentary Paper No. 92 of 2016);
  - b) Fiji Financial Intelligence Unit, 2016 Annual Report (Parliamentary Paper No. 91 of 2016); and
  - c) Fiji Electricity Authority, Annual Report 2016 (Parliamentary Paper No. 103 of 2017).
2. Standing Committee on Public Accounts:

Third Quarter Appropriations Statement (1<sup>st</sup> August, 2016 – 30<sup>th</sup> April, 2017)
3. Standing Committee on Social Affairs:

University of the South Pacific, 2016 Annual Report

HON. SPEAKER.- I now call upon the Honourable Minister for Youth and Sports to table his Report.

HON. LT. COL. L.B. TUITUBOU.- Madam Speaker, in accordance with Standing Order 38, I present the Fiji Association of Sports and National Olympic Committee Annual Report 2016 to Parliament.

HON. SPEAKER.- Please hand the Report to the Secretary-General.

(Report handed to the Secretary-General)

Under Standing Order 38(2), I refer the Fiji Association of Sports and National Olympic Committee Annual Report 2016 to the Standing Committee on Social Affairs.

Honourable Members, pursuant to the resolution of Parliament on Thursday, 29th June, 2017; Tuesday, 11th July, 2017; and Thursday, 13th July, 2017; I now call upon the Honourable Attorney-General and Minister for Economy, Public Enterprises, Civil Service and Communications to move his motion.

### CONSEQUENTIAL BILLS

HON. A. SAYED-KHAIYUM.- Madam Speaker, pursuant to the resolution of Parliament on 29th June, 2017; Tuesday, 11th July, 2017 and Thursday, 13th July, 2017; I move:

That the following Consequential Bills be debated, voted upon and be passed:

1. Water Resource Tax (Budget Amendment) Bill 2017 (Bill No. 16/2017);
2. Super Yacht (Budget Amendment) Bill 2017 (Bill No. 17/2017);
3. Service Turnover Tax (Budget Amendment) Bill 2017 (Bill No. 18/2017);
4. Income Tax (Budget Amendment) Bill 2017 (Bill No. 19/2017);
5. Tax Administration (Budget Amendment) Bill 2017 (Bill No. 20/2017);
6. Pensions (Budget Amendment) Bill 2017 (Bill No. 21/2017);
7. Tertiary Scholarships and Loans (Budget Amendment) Bill 2017 (Bill No. 22/2017);
8. Stamp Duty (Budget Amendment) Bill 2017 (Bill No. 23/2017);
9. Financial Management (Budget Amendment) Bill 2017 (Bill No. 24/2017);
10. Land Transport (Budget Amendment) Bill 2017 (Bill No. 25/2017);
11. Value Added Tax (Budget Amendment) Bill 2017 (Bill No. 26/2017);
12. Excise (Budget Amendment) Bill 2017 (Bill No. 27/2017);
13. Omnibus Electronic Fare Ticketing (Budget Amendment) Bill 2017 (Bill No. 28/2017);
14. Environmental Levy (Budget Amendment) Bill 2017 (Bill No. 29/2017);
15. Fiji Revenue and Customs Authority (Budget Amendment) Bill 2017 (Bill No. 31/2017);
16. Customs (Budget Amendment) Bill 2017 (Bill No. 30/2017);
17. Customs Tariff (Budget Amendment) Bill 2017 (Bill No. 32/2017);
18. Accident Compensation Bill 2017 (Bill No. 33/2017);
19. Commerce Commission (Budget Amendment) Bill 2017 (Bill No. 34/2017); and
20. Regulation of Building Permits Bill 2017 (Bill No. 35/2017).

HON. LT. COL. I.B. SERUIRATU.- Madam Speaker, I beg to second the motion.

HON. SPEAKER.- I now call on the Honourable Minister for Attorney-General and Minister for Economy, Public Enterprises, Civil Service and Communications to speak on his motion.

HON. A. SAYED-KHAIYUM.- Thank you, Madam Speaker.

Madam Speaker, I have my speaking notes on this which combines all the Bills as far as the Consequential Bills are concerned.

Madam Speaker, as part of the 2017-2018 Budget, the Government has introduced a number of fiscal reforms and policies. These reforms have been outlined as part of the Budget Address or otherwise set out in the Budget Estimates, Supplements or the Information Packages that have been released by the Ministry of Economy. I understand all the packages were available this morning outside also. The additional packages, I understand most of the Opposition Members have picked them up also.

For example, as part of this year's Budget, Government has announced an increased focus on taxpayer compliance and enforcement to ensure that all Fijians benefit from duty reductions. To ensure that these duty reductions will be passed onto the ordinary Fijians, there has been an across the board increase in the penalty provisions for the Taxation and Customs laws to act as a deterrent to non-compliance.

Furthermore, there has been greater emphasis placed on consumer protection as tax laws now require the price of all goods and services supplied at the retail level to be displayed for consumers as inclusive of all applicable taxes. For example, menus and price listings must display prices inclusive of all applicable taxes. Also, if a consumer purchases an item or a service, it shall be mandatory for the receipt or invoice to specifically list out the taxes that are charged, whether they are Service Turnover Tax (STT), Value Added Tax (VAT), Environment and Climate Adaptation Levy (ECAL) or any other tax. Failure to do so may incur liability for a fine, and/or an imprisonment provision. These and other budget reforms require change to the laws and there are 20 Consequential Bills to this year's Budget.

Water Resource Tax (Budget Amendment) Bill 2017: Madam Speaker, in addition to the increased penalties under all the taxation laws, the Water Resources Tax (Budget Amendment) Bill 2017 (Bill No. 16/2017), amends the Water Resources Tax of 2008 by removing a schedule to enable rates of water tax to be set out in the regulations.

The new rates that will be set out in the regulations will increase the threshold for payment of a higher rate of tax of 18 cents from 3.5 million litres to 10 million litres of water extracted in a month. This means that a business that extracts less than 10 million litres of water per month will pay Water Resource Tax at a lower rate of 0.01 cent per litre. This essentially will mean that all local water bottling companies will only pay this lower rate because some of them now are expanding in the lower threshold previously or obviously with the prohibition or in addition to their business expansion plans.

Super Yacht Charter (Budget Amendment) Bill 2017:: The Super Yacht Charter (Budget Amendment) Bill 2017 (Bill No. 17/ 2017), seeks to amend the Super Yacht Charter Act and must be read in tandem with the amendments in the Environmental Levy (Budget Amendment) Bill 2017. The Bill seeks to remove the Super Yacht Charter fee which is currently paid at 12.5 percent of the Gross Charter Fee, and replace it with the Environment and Climate Adaptation Levy which is to be prescribed in Bill No. 29 at 10 percent of the Gross Charter Fee.

Essentially, Madam Speaker, this is the top-end tourism people who come to Fiji. And also we now find that Tonga and various other Pacific Island countries, including Queensland, they saw that a lot of super yachts would actually come into Fiji and they themselves actually produced a number of very attractive incentive packages for the super yachts to go to those countries.

Fiji, of course, is a preferred destination because also we have many infrastructure facilities that some of the other Pacific Island countries do not have. So in order to also attract them, we have now said that they only pay the ECAL which is also attractive for them because they feel they are contributing to the environment which is precisely the reason why they come into Fiji because of the pristine waters.

Service Turnover (Budget Amendment) Bill 2017: The Service Turnover Tax (Budget Amendment) Bill 2017 (Bill No. 18/2017), amends the Service Turnover Tax (STT) and reduces the STT

rate from 10 percent to 6 percent. This means that 6 percent will be levied on the turnover of any person providing services prescribed in the Schedule to the Act.

The STT is a menace. Businesses charging STT will be required to display to their customers the STT inclusive price for all their goods and services. STT needs to be clearly and separately shown on the tax invoice and receipt that is issued upon the payment of a prescribed service. Non-compliance, of course, again then attracts various penalties.

The STT, Madam Speaker, is also amended to eliminate and avoid the charging of tax on tax. Let me give you an example of that. For example, a lot of the hotels we find may be outsourcing a number of their recreational facilities, maybe to local landowners or other businesses who may be operating in the area. Someone may be given the ability to operate, say a Jet Ski business at Sofitel. It is a completely separate business altogether. I come along and use the Jet Ski services and then I say to them, "Can you please charge it to my room?" So when I leave then, I pay them. But of course in the invoice that the Jet Ski operator will send to the hotel will be VAT, STT and the Environmental Levy. What we found was, some hotels when they give you the overall bill, they actually whack on the STT, VAT again, so there is double dipping and some of the hotels are actually keeping that double dipped amount of money. This again, of course, will now be illegal and so the tourist or person who uses this service actually does not pay more than once.

Income Tax (Budget Amendment) Bill 2017: The Income Tax (Budget Amendment) Bill 2017 (Bill No. 19/2017), amends the Income Tax Act so that the social responsibility levy rate will be reduced and a 10 percent ECAL will be introduced in the tax structure. The new tax burden will remain the same. So overall, whoever is paying Social Responsibility Tax (SRT) at the moment will not pay a single cent more for the SRT component, but we are just putting the ECAL within that structure itself.

The new SRT and ECAL structure will be as follows in the amendment income tax rates and regulations, and as we have set out that these rates are clearly stipulated within that. I do not need to go into the actual tax rate for each of the income levels.

Also, the Bill ensures that SRT is ring-fenced to exempt taxpayers from tax on a one-off and *ad hoc* unusual transactions. We found that the tax law was such that, for example, if I maybe earning \$100,000 but because my father or someone has passed on and they have given me a property, I sell that property and I make a profit, for example, of half-a-million dollars, what FRCA was doing was then putting you in the SRT bracket and applying the SRT to you. That obviously is not fair. What we are saying now is that, if you have a one-off transaction that increases your income level to the SRT bracket, you should not be charged in the SRT bracket.

There are some people, for example, who were retiring or took a redundancy package and it could be \$300,000 or \$400,000 and FRCA was whacking the SRT onto that too which is not fair also because this is your redundancy package, your one-off payment. So what it does now, lump sum payments, redundancy like we have said earlier, exit inducement payments and sale of properties will now be exempt which is making it a lot fairer for the people because these people generally are not in the SRT bracket.

The Bill also, Madam Speaker, addresses the issue of dividend tax and the distribution of company profits derived pre-2014 period. A 1 percent Transitional Tax similar to the 2014-2015 Transitional Tax will be levied on pre-2014 retained earnings balances as at 29th June, 2017. There will be a three-month window granted to complete payment of this 1 percent Transitional Tax. Non-payment of the same by the due date will attract penalties and prosecution. So many of these companies, Madam Speaker, have not actually declared their dividends, some of them going back as far as early 2000. So what we are asking them to actually do the distribution, and when they do that, there is only 1 percent Transitional Tax but going forward as the Bill provides, Madam Speaker, is that there will no longer be

a Dividend Tax. So when we say that there is a 20 percent Corporate Tax, it is a true 20 percent Corporate Tax levy.

Any scheming around payment or crediting of dividends to avoid or evade taxation will create a taxation offence and punishable by a severe fine or prosecution. You will be very surprised, Madam Speaker, that there are some very, very wealthy people in Fiji, who are showing on their annual tax return an income level of \$25,000 a year. They have people working for them in their houses whose salaries combined, will be about \$50,000; simply to avoid not paying taxes. Some of these people actually have listed companies and are actually getting tax exemptions. So we will basically have a provision here that will actually go after them to make sure that they declare their true income level.

The Bill also ensures that health insurance benefits provided to local employees who are Fijian citizens will be exempt from Fringe Benefit Tax. This is intended to encourage employers to provide health insurance cover for their employees. In addition, the export income tax deduction rate under the Act will remain at 50 percent, thereby making it attractive for our exporters.

The Bill also amends Section 102 of the Income Tax Act to strengthen the anti-avoidance provisions by removing the requirement for main or dominant tax avoidance purpose. Section 102 will be invoked as long as one of the purpose of the tax of the schemes is tax avoidance.

Tax Administration (Budget Amendment) Bill: The Tax Administration (Budget Amendment) Bill 2017 (Bill No. 20/2017), amends the Tax Administration Act by providing tax amnesty for the declaration of foreign assets and income and tax amnesty on penalties. A lot was said about this inappropriately and incorrectly, Madam Speaker.

The amnesty again, Madam Speaker, is only until 31st December of this year, so they only have a window of opportunity from 30th June, 2017 to 31st December, 2017. If you are a Fijian and you get assets from offshore, you must declare them in Fiji. The last time when we offered this amnesty, over a half a billion dollars' worth of assets were actually declared in the amnesty period. Those people are now paying taxes on any of the incomes derived from those assets that reside offshore. We know there is a lot more. Some, we also have been told through direct and indirect sources that they may have had actually ten houses in New Zealand, but they have only declared one in the hope that we do not track the other nine.

The other amnesty that has been given, Madam Speaker, is only for taxpayers with a gross turnover of less than \$1.5 million. There are many small businesses in Fiji who are not tax compliant and we found that FRCA sometimes in their earnestness to meet their budget targets go after the small people. Someone may be operating a garage, someone may have a really small business, and a lot of them are not tax-compliant so the whole idea is FRCA will educate them. We will also give them a tax amnesty again until the end of this year to make them tax compliant because we want these businesses to thrive. We do not want some sort of garnishee order being put on them so we are saying to them, "Please be tax compliant. Please continue with your business". Therefore, we are giving them an amnesty. These are, of course, applicable to all the businesses with a gross turnover of less than \$1.5 million.

The Bill also streamlines the Tax Agents Board (TAB) process by shifting the chairperson of the TAB from the Permanent Secretary of Economy to the CEO of Fiji Revenue and Customs Service, now as it will be called. The Tax Administration Act is also amended to mirror provisions in the Customs Act to allow FRCA Tax Officers execute search warrants when required.

Section 61 of the Tax Administration Act removes the limitation period of seven years to allow the prosecution of an offence under tax law not to be limited to seven years from the



commission of the offence. This will remove the time bar for prosecuting tax matters which is a similar provision that many other countries have, Madam Speaker.

**Pension (Budget Amendment) Bill 2017:** The Pension (Budget Amendment) Bill 2017 (Bill No. 21/2017), seeks to amend the Pensions Act 1983 to cater for the increase in budget allocation for the overall pensions, gratuities and compassionate allowance total and its access by relevant pensioners. This is to enable Government to increase the pension paid to former civil servants by 15 percent, for those civil servants who do not have FNPF. The increase in the amount of the pension is commensurate with the increase in the remuneration within the Civil Service. So again, this applies to former MPs, former Prime Ministers and whoever were entitled to pension under the Government scheme, and there are some civil servants, of course, who did not have FNPF. But as we may also know, Madam Speaker, there are also the widows or widowers of those people, and they are entitled to 60 percent of whatever the substantive person was actually getting as pension.

**Tertiary Scholarships and Loans (Budget Amendment) Bill 2017:** The Tertiary Scholarships and Loans (Budget Amendment) Bill 2017 (Bill No. 22/2017), now allows those who have completed Year 12 from 2017 and have applied for courses approved by Government to be eligible for loan schemes under the Act. Previously, the Act specifically stipulated that TELS can only be applicable in scholarships for those people who have actually completed Year 13. As announced in the Budget, Madam Speaker, there are a few courses that FNU in particular in the engineering section, that actually accepts students who have completed Year 12 into FNU. As we know, there is a shortage of engineers, et cetera, so we are allowing this amendment, that will allow these students to be able to access TELS and scholarships.

Madam Speaker, the Bill also removes from any loan or bond agreement that a student signs, the requirements for guarantors, except in instances where a student wishes to leave the country for any purpose whatsoever. We have already had about (in the last count) five or six students who had permanently left Fiji without actually paying their loans. We obviously do not want this. The whole idea is that we no longer require guarantors so whether you come from a low income family, you can now simply go and get a TELS or a scholarship. However, if you are going to leave the country for whatever period, you need to get a surety or a guarantor.

We recognise that we have a number of Fijians now who work in other Pacific Island countries, for example, BSP has a lot of Fijians working in Port Moresby, so we do not mind them leaving. Their employer could actually give a guarantee to say, "Look, their deductions will continue to be made from their salaries, et cetera, to recover ourselves."

The Bill further provides that FRCA will facilitate the recovery of loan payments whilst the student is employed, and that any agreement signed prior to and from the commencement date of the amending laws is deemed to have been signed with FRCA. This is similar to what the Australian Taxation Office does, it collects all loan repayments for HECS through the Australian Taxation Office.

Finally, the Bill also aligns the financial year of the Tertiary Scholarship and Loans Board (TSLB) to the Government financial year also.

**Stamp Duties (Budget Amendment) Bill 2017:** The Stamp Duties (Budget Amendment) Bill 2017 (Bill No. 23/2017), seeks to amend the Stamp Duties Act 2010. The Bill proposes to increase the threshold for waiver of refund of stamp duties by the CEO of FRCS or FRCA. Essentially, at the moment, if there is a stamp duty that needs to be refunded, even if it is \$3,000 or even \$12,000, it comes all the way up to the Minister. This, of course, increases the bureaucracy. What we are saying is that, the threshold be increased. FRCA collects the stamp duty, they can do the assessment and if

it is below the threshold then, of course, the CEO can process that, it does not have to come all the way to the Ministry of Economy, the Permanent Secretary and then the Minister.

The Bill provides for stamp duty to be charged on airway bills and exempts from stamp duty any transfer made through a will, any transfer of principal place of residence, first resident property; and interest in capital assets or shares in a company between spouses, parents and children, grandparents and grandchildren where the transfer is done out of love and affection. So, this transfer is done for shares and property, et cetera, through love and affection, so they will be exempt from paying stamp duty.

Financial Management (Budget Amendment) Bill 2017: Madam Speaker, the Constitution of the Republic of Fiji establishes a number of independent offices and mandates these independent offices to function independently. This is highlighted in the Budget debate and include, the:

- Independent Legal Services Commission;
- Fiji Independent Commission Against Corruption;
- Office of the Solicitor-General;
- Director of Public Prosecution's Office;
- Legal Aid Commission;
- Mercy Commission;
- Public Service Disciplinary Tribunal;
- Accountability and Transparency Commission;
- Human Rights and Anti-Discrimination Commission;
- Secretary-General to Parliament;
- Courts and Judicial Offices;
- Judicial Services Commission;
- Constitutional Offices Commission; and
- Office of the Auditor-General.

The Constitution also mandates that Parliament ensures that adequate funding and resources are made available to the independent offices, to enable them to independently and effectively exercise their powers and perform their functions and duties.

Accordingly, Madam Speaker, the Financial Management (Budget Amendment) Bill 2017 (Bill No. 24/2017), amends the Financial Management Act 2004 to ensure that the Ministry of Economy sets aside an adequate amount of money to independent offices. Under the Bill, independent offices are not required to comply with the Finance Instructions and Regulations governing procurement under the Financial Management Act, only if they have their own rules, regulations and guidelines in respect of procurement which promotes good governance and the appropriate use of funds and have been published in the gazette or otherwise publicly available. Although independent offices are responsible for the administration of any money appropriated to them, they are still required to prepare annual reports to Parliament.

The Bill also allows responsible authority over Off Budget State Entities, such as the Board of Fiji Revenue and Customs Services to write-off losses in a manner that satisfies the requirements under the Finance Instructions, or such other manner as approved by Cabinet.

Land Transport (Budget Amendment) Bill 2017: In 2011, the Land Transport (Budget Amendment) Bill, Madam Speaker, endorsed the temporary freeze on the issuance of permits for all public service vehicles in Fiji, with the exception of rural areas which were to be handled on a case by case basis. However, major infrastructural development taking place in Fiji have led to the escalating demand for public service permits, particularly in relation to taxi permits. This demand

has prompted a review of their current processes for the issue, renewal and transfer of public service permits, and the terms in general legal nature of these permits.

The Land Transport (Budget Amendment) Bill 2017 (Bill No. 25/2017), seeks to amend the Land Transport Act 1998 to address the difficulties and needless restrictive elements of the public service structure. It lays the skeletal framework for more efficient processes and mechanisms which would be complemented by regulations which the Honourable Minister for Transport is going to issue soon after this particular Bill is approved by Parliament.

Madam Speaker, Value Added Tax (Budget Amendment) Bill 2017: The Value Added Tax (Budget Amendment) Bill 2017 (Bill No. 26/2017), allows a person to claim a VAT refund on his or her first residential house by clarifying the definition of “dwelling house”, by removing conditions upon which VAT refunds claim, such as the exclusion of the part of the dwelling house that may be rented out, so that the owner is able to claim refund on the entire dwelling house.

Basically, Madam Speaker, what this mean is, you are allowed to claim VAT if you build your first residential home, but the law is actually quite restrictive. A lot of people nowadays when they build their first house, they may put one apartment or two flats downstairs to help them with their mortgage repayment. So under the strict interpretation of the law, you could not claim VAT because they said, “You are actually doing it for non-residential purposes, you are doing it for commercial purposes.” Now what we are saying is, if someone is building his/her first house, they can put two flats, we still allow them to claim VAT refund because if we are encouraging these people to invest and have their own house, it will make it easier for them to do the mortgage repayment. So that will be allowed, as long as your principal place of residence is there.

The VAT on the supply of fish to PAFCO is zero-rated. This is, of course, to encourage the continuity of PAFCO. There is a lot of competition in the fishing market and any supply to PAFCO will be zero-rated VAT. We are trying to encourage and channel all these fish to PAFCO to ensure that we, in fact, not only ensure the continuity of PAFCO but also help it to expand.

Excise (Budget Amendment) Bill 2017: The Excise (Budget Amendment) Bill 2017 (Bill No. 27/2017), Madam Speaker, provides for a 15 percent increase in excise duty for alcohol, tobacco, cigarettes and carbonated drinks, such as sweetened beverages. The 15 percent increase in duty for alcohol and tobacco was announced as part of the 2016-2017 Budget where the Government announced that the duty on these items will be increased by 15 percent each year for the next three-year period, as part of Government policies to combat NCDs. I think Honourable Prasad made some comment in *The Fiji Times* saying that we had set an increase. What we had said last year that it will increase for the next three years at 15 percent.

Omnibus Electronic Ticketing (Budget Amendment) Bill 2017: The Omnibus Electronic Fare Ticketing (Budget Amendment) Bill 2017 (Bill No. 28/2017), seeks to amend the Omnibus Electronic Fare and Ticketing Act 2014 to ensure the effective and efficient implementation of electronic fare ticketing system for omnibuses from 1st August, 2017. Through this Bill, Madam Speaker, Government intends to improve collection of revenue from both, Government and omnibus operators (I am sure Honourable Chand will testify to this), and to reduce the risk associated with passengers carrying cash.

A pertinent feature of the Bill is the requirement for a solution provided to register a person, in order to subsidise children, senior citizens or person with disability in order to purchase a bus card. This will create an accurate database where Government has access to almost real time data in relation to *inter alia* omnibus fares and omnibus routes, which is a useful tool in making policy decisions related to transport in Fiji, Madam Speaker. So in real time, we will be able to know the bus from

the Suva Bus Stand going to CWM, in what point in time or at that 10 o'clock trip, how many passengers do they carry. This will not only be valuable data for the bus operators, but will also know exactly how much fare they should be getting. It will also mean that we know exactly where people are getting on. It will also help FRCA (now FRCS to know the revenue stream. It will also help the LTA and the Minister for Transport in terms of policy planning, and in terms of knowing whether there should be an increase in the number of buses on that route or not.

Madam Speaker, in that particular Bill, we have also allowed for what we call, "non-permanent travellers". So if am living in Kadavu and I come to visit my daughter who is living in Raiwaqa, I do not need to buy a permanent card. I simply can go and buy a card that has only \$5 value on it or \$3 value, whilst I am here in Suva. I just use that card and I can also redeem it. Should there be \$1.40 more left on the card, then you can go to an outlet and claim that money back and they will give you that money in full amount. If it is less than \$1.40, it goes towards a trust for a charitable purpose that Government will use, and we are also trying to get all the tourists to actually use these cards too. And we hope that in time to come, Madam Speaker, apply these electronic cards to other modes of public service transportation, including minibuses, taxis, on boats so we can keep a track of how many people are travelling, et cetera.

Environmental Levy (Budget Amendment) Bill 2017: Madam Speaker, the Environmental Levy (Budget Amendment) 2017 (Bill No. 29/2017), seeks to amend the Environmental Levy Act 2015 to extend the application of the environmental levy to plastic bags, imported goods, the charter fee of super yachts and from prescribed income, as part of social responsibility levies.

The Bill also changes the name of the levy to the Environment and Climate Adaptation Levy or ECAL, and sets up the ECAL fund for greater transparency and accountability. Of particular note in relation to the fund is the requirement, it will become legally mandatory that the expenditures of the fund be published and made public so the use of revenue collected as ECAL will be cleared for all Fijians and, of course, our visitors to Fiji. We hope to put this up at the airport and various other places and have this published also so that people will know exactly know where it is going. That is why you have seen that we have got the Ministry of Environment now in a separate Head. So you could have the entire Ministry of Environment funding from ECAL; in fact we hope there will be a lot more. It is envisaged that from ECAL we will get about \$90 million. We could build seawalls, et cetera, with that funding, in terms of climate adaptation.

Customs (Budget Amendment) Bill 2017: Madam Speaker, the amendments by the Customs (Budget Amendment) Bill 2017 (Bill No. 30/2017), , to the Customs Act allows Customs Officers to use chemical substances, x-ray imaging equipment or other electrical or electronic devices approved by the Comptroller to examine goods, cargo and people in Customs-controlled areas.

Fiji Revenue and Customs (Budget Amendment) Bill 2017: Madam Speaker, the Fiji Revenue and Customs (Budget Amendment) Bill 2017 (Bill No. 31/2017), provides for the change in name of the Fiji Revenue Customs Authority to the Fiji Revenue and Customs Service. This also provides for the appointment of enforcement officers who will monitor and ensure compliance with regard to changes in rates, duties and concessions offered by the Fijian Government.

Customs Tariff (Budget Amendment) Bill 2017: In accordance with the 2017–2018 Budget announcement, the Customs Tariff (Budget Amendment) Bill 2017 (Bill No. 32/2017), implements the changes and incentives offered by the Fijian Government in this year's Budget, by effecting a comprehensive range of changes to the applicable import and excise duty, and reflecting new concessions offered by the Fijian Government for the 2017-2018 financial year. A quick summary of that is in the Budget Supplement Book that you will see towards the end of it.

Accident Compensation Bill 2017: Madam Speaker, the Accident Compensation Bill 2017 (Bill No. 33/2017), commonly known as third party insurance, is the result of the review for the Motor Vehicle Third Party Insurance Act 1948 which establishes the Accident Compensation Commission in Fiji which pays compensation for motor vehicle accidents in Fiji through a no-fault compensation scheme. That is the first accident that we will be paying. As highlighted in the Budget Address, we intend to extend this to other areas, such as workers' compensation. Also, we have a lot of students, for example, playing sports. We see a lot of injuries in particular through rugby so we want to, in time, include compensation for those who may get hurt through such games.

The compensation will be paid from the Accident Compensation Fund which will be funded through the collection of levies at the time of motor vehicle registration. The enactment of the Accident Compensation Act 2017 will mean that a person is no longer required to take out compulsory third party insurance and to ensure that through the no-fault compensation scheme, that any person injured in a motor vehicle accident in Fiji will be compensated. They simply have to pay the compensation levy at the LTA Offices and that levy, of course, will be through regulations, the Minister will issue the fees payable. With the current third party insurance premiums that are being paid, we are envisaging at least a reduction of about 10 percent.

The Act has been drafted in such a manner as to allow no fault scheme to be extended to other types of accidents and injuries, similar to a scheme that operates in New Zealand. Again, I would like to put on record and thank the New Zealand Government and the ACC for the invaluable assistance they had provided. We sent out a team a few weeks before the finalisation of this Bill and they gave us a lot of insights into that and how it works, and we have been assured that they will provide us with some technical assistance on that too. We hope to have this Commission up and running by 1st January this year.

It has a number of transitional provisions, for example, if my third party insurance is expiring on 1st September this year, I still have to go and get my third party insurance from the insurance company. However, from 1st January, with the third party insurance, they do not actually go to insurance companies, they simply pay that in LTA Offices.

The no-fault scheme essentially means that if I have an accident and I lose my right arm, there is actually a price set for your right arm, if you are right-handed. Obviously, the amount of money payable through this will be a lot higher than if I had my arm that was injured, that was not my usable arm. So, there are particular rates set and you can get that compensation. Essentially, they assess it, the accident has happened and you get the payment made. At the moment the system is, they yet to go through a court system. However, this law does not prevent a person who may say, "No, I do not want to go through the Commission, I want to pursue my claim through the normal court system", they are also allowed to do that.

Commerce Commission (Budget Amendment) Bill 2017: Monopolies of cartels, Madam Speaker, as the sole providers of a product that is service obtained industry dominance and have no competition and no price restrictions. If left unmonitored and unregulated, monopolies or cartels can prevent market entry, therefore, adversely affecting businesses, consumers and the economy.

Given that the Commerce Commission was established by the Commerce Commission Act 2010 as an independent statutory body with an objective to promote effective competition in the Fijian market and guard against restricted trade practices, more investigative and enforcement powers is needed for the Commission to ensure that there is fair and competitive market for all Fijians. Therefore, the Commerce Commission (Budget Amendment) Bill 2017 (Bill No. 34/2017), amends the Act to give more investigative and enforcements powers to the Commission through enforceable

undertakings and the ability to appoint enforcement officers. The Bill also amends the Act to increase applicable maximum penalties to deter non-compliance with the Act.

To reflect the regulatory scope of the Commission, the Bill also amends the Act to change the name of the Commission from the Fiji Commerce Commission to the Fijian Competition and Consumer Commission.

Regulation of Building Permits Bill 2017: The Regulation of Building Permits Bill 2017 (Bill No. 35/2017), Madam Speaker, proposes to establish the Building and Construction Approval Committee to streamline and fast-track the process of obtaining a building permit for any building, other than a building to the extent that it is used for residential purposes, where the owner of the building is not in the business of owning or leasing real property.

The Committee co-ordinates with the relevant approval agencies to ensure that applications are dealt with in an efficient and timely manner and empowers the Committee to appoint an independent person to assess and approve, and direct the relevant approval agency or authority to provide responses to the application.

Just very quickly, Madam Speaker, I know that some Honourable Members from the other side had talked about the ease of doing business, et cetera. Whilst the assessment has been very skewed and we have raised this with the World Bank too, our ranking is 97, it is not 115. The ranking, of course, as you have seen in many countries in particular, when we want to track terrorism financing and make sure that we are complying with international financial transactions reporting provisions, we sometimes obviously tend to become bureaucratic.

A lot of countries have gone through that to ensure that everyone gets a TIN number and everyone is compliant, et cetera, so we are now obviously trying to work through many of these issues that are slowing down approvals. At the moment, for example, if I want to build a commercial building, I have to get approval from the National Fire Authority, the Municipal Council, the Town and Country Planning, f OHS, the Fiji Roads Authority, Fiji Electricity Authority, Water Authority of Fiji and all these different agencies. Only then, will you then be able to get a permit to actually start building. Once you have actually constructed the building, then you actually have to get the final building approval.

What we have found is that, many of these agencies sometimes either lack the right technical skill sets to be able provide the approvals; some of them are simply just lazy and sitting on the job, not doing it; some of them take their sweet time. But it also means that if I, as an investor, wants to build, say a building, I have to produce my entire set of documents and give it to every single agency. Sometimes they lose it, et cetera.

What is being proposed in this Bill, Madam Speaker, is to set up a Committee through the Ministry of Industry and Trade and the Permanent Secretary. Secondly, if I, for example, want to apply and set up a commercial building which does not apply to residential building, I can choose to go through the normal process. The option is still there; I can choose to go through that or if I want to go through the Committee, I send my application to the Committee.

What the Committee then does is call all the regulatory arms whichever one is applicable, and say, "Look, this is the application. Please, go off. We have a certain amount of time set, you must come back with a response." The response could be, "Yes, it is fine" or could be, "Well, hang on, you are not compliant, you must do XYZ." So, all the assessments will soon be done according to the laws.

We do know that some laws in Fiji pertaining to building approvals are archaic, and we are working through that process. However, it must be legally compliant with the current Building Code, et cetera, and then the Committee, of course, just simply co-ordinates that. If, for example, you have complaints recently, for example, in one particular instance, one of the agencies actually took six months to give their response, so the Bill actually provides that if they do not give their response within a particular period of time, there could be a penalty for them. So we want all these agencies to know that they need to actually provide the service to the public.

Apart from the penalty, the Committee can then appoint an independent consultant (cost to be paid by the applicant), who will then assess to see whether the application is compliant with that particular existing law or not. So, then you can get the approvals based on that. That is essentially what it seeks to do, to ensure we fast track this. I also had a discussion with the Honourable Minister for Local Government, who thinks it is a good idea because it also provides for competition, because the Ministry for Public Enterprises will know that they will need to lift up their game, the Town and Country Planning Office needs to know in order to lift up their game and everyone else will need to know that. Of course, when you have certain penalties imposed, they know that they will be up for the penalties if they do not do their work.

Essentially, Madam Speaker, those are summary of all the Consequential Bills that we have before us. Thank you, Madam Speaker.

HON. SPEAKER.- Thank you.

The motion is now in the House for input to the debate, if any.

HON. S.D. KARAVAKI.- Madam Speaker, I apologise for that, it is a flow-on, , hangover from few days that has gone past.

I rise, Madam Speaker, to contribute to the Consequential Bills that have been presented before this House. First of all it is quite a big number of Bills that we have here to be able to cover in the very short time that we have. I would like to first of all commend, Madam Speaker, is that looking through these Bills, quite a number of these Bills, I am of the opinion should not have come this way in this manner because I am of the view that some of these Bills are not really related to the Budget and should be treated as a Consequential Bill.

However, before that, Madam Speaker, is the danger of expediting Bills in this way, as I refer to Bill No. 35 of 2017 which is the one on building permits and for related matters.

I refer to Clause 1 of that Bill which says, “This Act may be sighted as the regulation of Building Permits Act 2017.” It is quite odd to me. In the word “regulation”, I believe that the word “regulation” should not be there, because this is an Act.

Even if it is a regulation, regulations are normally, under the Constitution, Madam Speaker, has its own process. Over here only the Act is brought into Parliament for Parliament to discuss, debate on the law and pass it as an Act of Parliament. Now, I believe that the word “regulation” should be deleted so that the section should read as ‘This Act maybe sighted as the Building Permit Act 2017.’ I think that is the right title to the law before us. That is the danger of rushing it in this way, Madam Speaker, and I believe that this should be attended to immediately in the proper way so that it is not passed as it is because this is not a regulation, this is an Act. That is why it is brought into Parliament.

Madam Speaker, I will be trying to go here and there because there are quite a lot of Bills here. If I refer to Bill No. 25 which is an Act to amend the Land Transport Act. I see that the whole purpose of the Bill is to introduce a register; a register of public service vehicles. In the Land Transport Authority they have all the registrations; the register of drivers, the register of motor vehicles, et cetera. When we go to the LTA to register our motor vehicles, they have their own register and each motor vehicle has its own record and drivers, an example of I, as a driver, Madam Speaker I have my own record, a stack of cards being kept that way and infer to as the records of drivers and the records of motor vehicles. They also have records of public service vehicles. When you look at the record of public service vehicles permits, you will see permit number so and so, you go to that permit record, it will tell us all those who have owned that permit. If it has been transferred at any time, it will be there in the record. The permit holder was so and so, he had the permit for so and so years than it is being transferred to so and so and all the particulars would be there. Now those are records.

When I talk about that and I come to Clause 2 of this Bill, it is the definition of “register”; the register being introduced by this Bill. The definition says the public service permit register. I would suggest that, that register should be replaced with the word “record” because it is the record that is being kept over there and that is the register. So the register is the record, because otherwise you are going to create another system of information. It is already there, all the records are already there. So the right definition I would suggest means that the public service permit record maintained by the Authority, that would be appropriate and covers the process that is already in place.

Another point that I picked up here, Madam Speaker, points to the fact that there is a lot because we are given a very short time. There are a lot of issues like this that needs to be corrected so that the law as we pass it would not, just after it has gone over here, it will come back for a quick amendment.

I see that, Madam Speaker, Bill No.17 on Super Yacht, this one ....

HON. J. USAMATE. - I think what we are doing here is debating whether we should debate or not. What is happening now, we are going into each of the individual Bills.

Am I correct or am I wrong?

Are we just talking about whether we should debate or not? Are we going into the details of each of the Consequential Bills?

HON. SPEAKER. - Thank you. We are actually debating these Bills so that they can be approved now.

So you have got 20 minutes.

HON. RATU N.T. LALABALAVU.- Altogether?

HON. SPEAKER.- Altogether. You did it very well last year, you divided it; it was very well organised.

HON. S.D. KARAVAKI.- Thank you, Madam Speaker. That is also may view that we are looking at the whole package. And I myself am labouring with this, trying to go from here and there because of the short time that we are given.



Madam Speaker, I believe that they are also labouring in there trying to follow me because I go from the end to the front. That is the difficulty that we have here, Madam Speaker.

I was to refer to the Super Yacht. I believe that this should have come in the normal manner. The Government should have prepared all the Bills that should come earlier, with the expectation that when the Budget is passed, those Bills are already, put into law. There are quite a number of Bills over here in the same manner, in the same way that should have come separately and not be hastened in this way as part of the Budget.

That is all what I can say for the moment, Madam Speaker.

HON. SPEAKER.- Thank you. Honourable Ratu Lalabalavu.

HON. RATU N.T. LALABALAVU.- Thank you, Madam Speaker. I rise to also participate in the debate regarding the package of Bills that is being presented to us as one. First of all I would like to commend these new duty free concessions that are being made available through inter island passenger and cargo vessels, especially on the import of all these kinds of boats that service the outer islands and I must declare my interest here in having some joint schemes with some of these owners of the inter-island shipping industry and we are grateful for that, especially to cover the two years only. Thank you.

The other issue that I would like to bring up, Madam Speaker, is on the building permits. I do not know if it is covered in this group, your Bill regarding building permits. There has been a lot of talks on the rehabilitation of *TC Winston*. In majority of the areas that have been devastated are registered villages. Given the fact that they are village reserves, I am wondering how this proposed Bill will affect the villages.

HON. A. SAYED- KHAIYUM. - Just for the information of the Honourable Member, this does not apply to residential buildings as I stated earlier on. It is only for commercial buildings and wherever there is a requirement for them to get approvals from various regulatory agencies, this Committee is an alternative mechanism for the investor to go through the Committee or go through the normal channel. It just sets up an alternative; a bit like the iTLTB or Land Bank, but it does not apply to residential purpose.

HON. RATU N.T. LALABALAVU. - Thank you, Madam Speaker for that clarification. That is where I was heading as well. In looking at the definition of building here and how far that will apply to in terms of what you have just indicated Honourable Attorney General, that is cleared now but again based on this particular Bill on Building Permits, the suggestion is - what is there for the villages now because there is a need to ensure that there are some strict building codes being fully observed within villages in Fiji that comes under the purview of the Honourable Prime Minister who is the Minister of *iTaukei* Affairs. Maybe I was thinking if this is now part of the commercial residential leases, the only thing that I would like to add on to this one is, how can we look at ensuring that it covers the various villages that we are complaining about here in the delay in this and that and on rehabilitation. But again it should be understood by all villagers, if you want to build houses, this is how you should do it. This is the code that you should follow but again I leave that to the Honourable Minister for *iTaukei* Affairs.

The other Bill that I would like to speak on, Madam Speaker, is the one on Super Yachts. In the past, Madam Speaker, when Super Yachts visited our shores, not only for the Cakaudrove seas but for the Lau Group as well. The Super Yachts that come from Tonga or Samoa comes directly to us and there is an understanding that they will eventually go right to the ports of call. Now that the Levy on Environment is being pushed to ensure that the Super Yachts start paying this levy, I would

like to propose to the Government if something that has been mooted by your Government, Honourable Prime Minister, regarding the *Qoligoli* Bill. There is still a proposal and to ensure that there is a common kind of flat rate that will apply to us (*qoligoli* owners) so the people who are interested in taking up business or fishing or whatever within our *qoligoli* are not really exploited, but there is a kind of a flat rate. That is my understanding with the proposal put forward by the Honourable Minister for Fisheries and we have agreed to it. But perhaps if that can be extended as well as part of the continuation of ensuring that the *qoligoli* owners take ownership of your COP 23 agenda, Honourable Prime Minister, for this fact because here you are paying the Government Environmental Levy on where the Super Yacht is. What about the *qoligoli* owners, can we adopt something similar that is being proposed by your Minister for Fisheries as well. When we the *qoligoli* owners charge levy, there is now a certain percentage that has been proposed that goes to the Government out of the levy. First of all it ensures there is consistency in the kind of levy that each *qoligoli* will be dishing out to the clientele, at the same time there is something back to the Government.

The reverse process is in this Super Yacht issue. If you able to direct Super Yachts to pay this Environmental Levy, perhaps as a suggestion if something could be passed back to the *qoligoli* owners who is to ensure that we play our role as well in ensuring that when they visit our shores we welcome them, but there is kind of a surety that we would not be charging exorbitant fees but fees that are being sanctified by the Government. At the same time when they visit our shores, we hope through all these that they, after visiting Suva or other registered ports of call all over Fiji, they will be informed that something is payed now will go back to the *qoligoli* owners and the Government.

Madam Speaker, I am only raising this is because of the fact that the *qoligoli* all over Fiji has been protected by the Native Lands and Fisheries Commission and the Government of the day. Those are two suggestions that I would like to put forward regarding Bill No. 17 on Super Yachts and Bill No. 35 of the Committee to Co-ordinate Building Permits. Thank you Madam Speaker.

HON. SPEAKER.- Thank you. Do we have any other input?

Honourable Dr. Mahendra Reddy.

HON. DR. M. REDDY.- Honourable Madam Speaker, after listening to the contribution from the two Honourable Members from the other side, I note that they are making contributions to make amendments to existing Bills. Madam Speaker, this is not what the debate should be about. These Bills are Consequential Bills, meaning the changes that are arising in these various Bills are arising as a consequence of passing the Appropriations Bill yesterday. Therefore, what the Honourable Member should talk about or debate about is whether the Bills as presented reflect the changes to the Appropriations Bill that was passed yesterday; that is all. Anything other than that ....

HON. MEMBERS.- (Chorus of interjections)

HON. DR. M. REDDY.- No, no, no, let me tell you.

Anything other than that, Madam Speaker, they can make suggestions later on so that we can then table a comprehensive Bill, make changes to it, goes to the Committees and comes back, Madam Speaker. So that is what the debate should be about. Thank you.

HON. SPEAKER.- Honourable Member, each Member is given 20 minutes to speak and debate on these Bills and feel free to say whatever you want to say, as long as it is related to the Bills. Thank you. Any other input?

Honourable Professor Biman Prasad.

HON. PROF. B.C. PRASAD.- Thank you, Madam Speaker. I thank the Honourable Attorney-General and Minister for Economy for the explanations on all the Bills. Ideally, Madam Speaker, we would have liked to have more time and ideally going through each of the Bills but nonetheless, I think we can still make our contribution on this.

Madam Speaker, we understand the meaning of Consequential Bills and also we understand that the Budget has been passed and these Bills are going to give effect to some of the announcements made in the Budget. But that does not mean, Madam Speaker, that we cannot debate, we cannot look at the merits and demerits of what the provisions in the Bill are. I think it is important that we debate this, we talk about it because ultimately the effect of these Bills on the economy, people and those who will have to deal with these entities are important. This debate, Madam Speaker, create that understanding and so I really do not see why we should not be talking about it.

Obviously, Madam Speaker, there are other Bills in this that we support, for example, the Bill on e-ticketing. There are straightforward matters in others, but one of the issues, Madam Speaker, that I have concern is if you look at almost all the Bills and the penalties, in almost all the cases we are increasing the fine, we are increasing the jail term from as low as 3 months to 10 years, I am not sure whether that itself is going to become a big deterrent in terms of compliance and whether that sends a good single to investors and those who may be thinking about Fiji, so I have that particular issue in mind. I think it is quite astronomical from where it used to be in terms of fines and jail terms.

Madam Speaker, on the Tax Administration Bill, the issue of tax administration and the compliance to tax rests on our ability and the tax collecting agency to create that environment, to make it more friendly and I know the Honourable Attorney-General talked about the Small Businesses and how we are going to get them into the tax net. These are all very important but we must also ensure that the capacity and the processes within FRCA is one that comes out as a friendly and a more considered and sensitive way to deal with the taxpayers of this country so that they are able to feel part of the game and they must also feel the urge to pay the appropriate taxes at an appropriate time. There are issues within the tax administration, Madam Speaker, with respect to the capacity. Sometimes there are laws and this is why it is very important for the capacity building within FRCA so that tax laws are understood very, very well.

There are lot of case where, for example, the charging of capital gains tax as opposed to income tax. There has been a lot of controversies with respect to how that has been applied and I see that there is some clarification, ring-fencing of the social responsibility tax and I think that is good; that will clear up some of the misconceptions that not only staff in FRCA, but also those who pay taxes had with respect to the application of the income tax as opposed to the capital gains tax which is now a social responsibility tax.

Tertiary Loans and (Budget Amendment) Bill, Madam Speaker, maybe the Honourable Attorney-General can clarify, it is an application for full-time students and full-time students have an opportunity to work for 20 hours and whether that will have any impact on how that will be treated by FRCA if or the eligibility in terms of accessing the loan.

Financial Management (Amendment) Bill - again, it is not very clear how the independent entities would deal with governance issues and proper financial management. I know the Honourable Attorney-General talked about that they are going to develop their processes and procedures for procurement, but it is not very clear how they are going to do that, whether there will be an oversight by the Ministry of Economy or the Auditor-General's Office which I understand should be. So, there is that clarification that also needs to be made.

Value Added Tax - Madam Speaker, we agree on clause 5 of the Bill which are shadow to the Act and which provides VAT on the supply of fish to PAFCO zero-rated. We understand why that is there and we do not have an issues with that.

Excise (Budget Amendment) Bill - Madam Speaker, when we raise excise taxes on what we call 'Sin' goods is alcohol and tobacco in particular.

Honourable Speaker, there is always this issue of where do we stop. In economics we say that the demand for these goods is inelastic, in other words if you keep raising the prices, it does not necessarily mean that the demand for those goods and the consumption of those goods is necessarily going to decline. I know the Honourable Attorney-General in his speech last year, he actually said "I believe we can stick to this rate for the next three years." So, when I heard that "stick to the rate", it did not exactly mean the rate of increase, if he had said "the rate of increase for the next three years", then I would have said, "Alright, you are going to increase it by 15 percent every year."

HON. A. SAYED-KHAIYUM.- You got it wrong!

HON. PROF. B.C. PRASAD.- This is what you said, "I believe we can stick to this rate for the next three years." Rate of increase would have been clearer, but whatever, Madam Speaker, I think it is important for Government to understand the context in which these increases are being made. As I have said, we all like people to give up smoking, we all like people to drink less alcohol, of course, there are issues of health....

HON. GOVT. MEMBER.- Domestic Violence.

HON. PROF. B.C. PRASAD.- Domestic violence, we understand all that. But, Madam Speaker, we also need to understand, as I said before that just increasing the price is not necessarily going to be a deterrent on the amount that people consume. And for low income people, I understand people with low income, they also want to go and have a bottle of beer at home. They cannot probably go to the club and buy a glass of beer. So, I do not think we are weighing the pros and cons of increasing....

HON. GOVT. MEMBER.- (Inaudible interjection)

HON. PROF. B.C. PRASAD.- I do not necessarily agree with the *talatala* or whatever on this issue but I think it is very important for us to have a balance, have an understanding of what we are doing in terms of the rate of increase of ....

The electronic fare ticketing, I am sure my colleague will talk about it but we support this. It is a win-win situation for both the bus operators as well as the people travelling and the Government as well.

Environmental Levy - Madam Speaker, we have a lot to say on this except that the reduction of STT to 6 percent and increase in the new ECAL tax, while it is neutral, it is in our view still not going to address the cost on the tourism industry. Madam Speaker, it is very important to realise, I hear the Honourable Minister for Industry, Trade and Tourism talk about from million tourists now they are talking about the earnings. That is fine, but the issue is that we may be and I think if we talk to the tourism operators they do not say it to Government Ministers obviously, but if you talk to them and I have talked to many of them, if you compare prices, we are actually pricing ourselves out of the tourism market. So, it is really just shifting reduction in STT to increase in Environmental Levy.

Accident Compensation Commission Bill - Madam Speaker, while no fault compensation is probably what the people would be happy with, but I think we still need to have details. It is not, we need to know what is going to be the levy or the rate; that still has to come. This Act, Madam Speaker, was very old – the Third Party Act. So, I am not sure whether the Government actually looked at the Third Party Insurance Act itself and whether instead of having the ACC, I know the New Zealand model, I am not sure whether it is a best model for us to get here in Fiji, I do not know, the jury is still out.

But the Third Party Insurance Act that we had, which is going to be replaced with this one is a very old piece of legislation and I am not sure whether the Government actually looked at amending that legislation and whether there has been a very, very clear analysis of how the ACC works in New Zealand in the context of the economy, in the context of what happens there and whether the ACC model in Fiji is going to be the best model. I think these are questions that are still there and the jury is still out whether the ACC model that we are getting from New Zealand is going to work very well in Fiji. So those are my questions on that, Madam Speaker. Thank you.

HON. SPEAKER.- Thank you. Do we have any other input? Honourable Minister for Fisheries.

HON. CDR. S.T. KOROILAVESAU.- Madam Speaker, I would like to make a short contribution in support of the Bills before the House.

Firstly, I would like to cover the Super Yacht Charter and clarify a few issues that have been raised by Honourable Ratu Naiqama Lalabalavu. I think the misinterpretation in this is, he is referring to an alternative fee structure. Basically what is in the Bill and the new levy that has now been levied is based on the Charter Fee.

In this respect, Madam Speaker, the charter is based on 10 percent of the valuation of the vessel which is being paid by the charterer and this is the levy (the 10 percent) that is being levied again. So if you are talking about the levies, it is basically 10 percent of the 10 percent of the levy fees. So it is very reasonable, it is quite low. In fact, I think in the tourism industry, the levy or the ECAL which is now being levied is quite a welcome because of the transparency the levy now has come under. Before it used to go to the Government coffers and the distribution in respect to this levy was not visible, but now that it has come under an organisation which has the responsibility of reporting back to Parliament to actually state what this levy has been used for is quite transparent and very visible.

Madam Speaker, the other issue that I wanted to raise is in regards to VAT especially VAT in regards to tuna that is being supplied to PAFCO in Levuka. This has been an issue that has been discussed a lot within the tuna industry and the vessels and the operators that operate in Fiji. One of the main stumbling blocks why Levuka has not had all the tuna that could be processed in Levuka was because of the VAT content. Now that that VAT content has been removed, the vessels that used to export the raw tuna overseas can now actually send their tuna to Levuka and improve the raw material availability for PAFCO to continue to operate in conjunction with Bumble Bee of Canada. That, Madam Speaker, are the two Bills that I would like to contribute on and clarify. Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. Honourable Ashneel Sudhakar.

HON. A. SUDHAKAR.- Thank you, Madam Speaker. I also would like to contribute to this motion and speak on the Bills that are before this House especially the Accident Compensation Bill 2017.

Madam Speaker, this is a Bill that I have practiced extensively in the area when the Motor Vehicle Third Party Insurance Act was in practice, which is still the case that this Bill comes into force. I also have to declare that when this Bill comes before us, it is going to hit my revenue as well because there will be a lot less fees for lawyers now in terms of litigation. So even though it is going to hit my coffers, it is a good Social Bill.

HON. MEMBER.- Declare your interest.

HON. A. SUDHAKAR.- Yes, I will declare it.

I will address the situation from what is the current position.

Madam Speaker, every person who owns a vehicle currently has to obtain a Motor Vehicle Third Party Insurance and those documents have to be in the vehicle all the time. If you turn the policy around, there are ten conditions at the back. Now those conditions involves situations like when someone is driving your motor vehicle under the influence of alcohol or drugs or without a valid driving licence, what those clauses mean is that if someone is driving your vehicle without a driving licence then causes an accident and as a result a person dies or is injured, the insurance company is not required to satisfy that judgement that the person may obtain in any court of law. The person who is injured or who was died is not at fault, he is a victim. But the law is such or the Policy Commissions are such that the insurance company does not need to satisfy the judgment just because the person was driving the vehicle without a licence or was under the influence of alcohol.

The second situation is, if the vehicle is being driven for a purpose it is not insured for; if you insure your vehicle as a private motor vehicle, this is the current situation I am talking about. If the vehicle is being insured under the third party as a private vehicle for your family or social purpose and you decide to use it as a hire vehicle or reward of fare and you have an accident with another vehicle or another pedestrian and the occupants of that vehicle (the passengers) or the pedestrian are injured or they die or lose a limb, an arm or a leg, the insurance company can deny the claim based on the fact that the vehicle was being used for a purpose that it was not insured for. Now while the insurance companies are correct in using the current law, what that means is that the person who suffered the injury or death or the family of that person are not entitled to anything; they lose the claim and there are two cases, in fact, on that that has already been determined by the Court. :

The first case was in case of Mr. Danford and Dominion Insurance. This case has been decided so I can speak on it. In that particular case, Madam Speaker, the situation was very peculiar. The vehicle was being owned by a fuel company and they had sold it off to another person by an internal agreement or internal arrangement. Now, the ownership had not transferred and that fuel tanker was being used on the road and it caused an accident injuring four people, even one death. When the people who were injured and the relatives of the person who died lost a claim against the company, and went to Court, the Court decided, the insurance company's lawyers thought that the vehicle actually was transferred so we are not responsible. The insurance company said, "We had insured the vehicle for this particular owner and it was transferred to someone else, so we are not liable." And that exactly was what was upheld in that one that the person who was injured is not required to be compensated because of the vehicle being transferred. There is no fault of the passengers of the vehicle which the tanker crashed into.

There is another peculiar situation that is currently in practice is that as soon as a claim is lodged or before it is lodged, so seven days after a claim is lodged or papers are lodged in court or anything before that, the plaintiff or the owner must inform the insurance company that an accident has occurred and injuries have happened. So, if by some inadvertent error the plaintiff or the defendant do not inform the insurance company that an accident has happened and three or four years

later a judgement comes out that “alright, it was the fault of the driver of the vehicle by which the pedestrian was injured and they should be compensated for say \$200,000 to \$300,000”, the insurance company can always come back and say, “we are not required to pay because you never informed us of the accident.”

So, it could be a case where unaware as to the plaintiff, the defendant has not informed the insurance company, the quantity of insurance is between the owner of the vehicle and the insurance company. If they do not inform on their part, that actually makes the defendant improve and the plaintiff does not get anything. So that is a very unfair situation and there was a case in fact on that on a similar ground that went all the way to Supreme Court, the case of Pranish Prakash and Sun Insurance Company. In that case, a particular carrier, a carrier was being used for hire or reward. The people had hired a carrier that they usually do in the Western part of the country; they hire a carrier then go to church and to social events.

That carrier was involved in an accident and a person who was an engineering student suffered extensive injuries. Now, that claim was denied on the basis that the vehicle which was a carrier was supposed to be a goods vehicle but was being used as a passenger vehicle. So, while the insurance company was correct by saying that my contract with this vehicle owner was to insure his vehicle just for goods delivery, not for passenger delivery.

Now, one particular point, the insurance claim was refused and it went all the way to Supreme Court. What the Bill intends to do now, is that it will be at no fault basis. Now, if a person is injured and the Bill requires that, if a person is injured in an accident or death has occurred, that person, his personal representatives or his family can come to Commission and the Commission must pay them a compensation, obviously based on assessment, everyone is not entitled to the same compensation. There are different cases, some people lose a limb, and there is a different rate on that. Some people die of accidents, there is a different rate on that. The Commission has to access that on a case by case basis.

Now, it does not mean that it ends there. If a claim is made to a Commission, it is open to the person under clauses 24 and 25 for the person to accept or refuse the Commission’s judgement. For instance, if a person is injured and has lost both arms and the Commission decides to award them \$80,000, it is upon the person whether he wants to accept that or he wants to go forth to the Common Law and attempt to have a higher compensation. So, once he refuses to accept that, it is open to him to go to a normal court, but the two cases that I have referred to went to the different stages of the court system for 10 years, so what that means is that the person was deprived of his money for 10 years.

With the Commission coming into the place under this new Bill, what the person can do is first he can go through the Commission and if he does not have any other means or does not have the means to hire a private lawyer, if he does not have the means to engage into litigation or does not have the time or the patience to engage into litigation, he can go to the Commission. The Commission will access his case and make an award.

If he is happy with that, he accepts that then that becomes the final decision. If he accepts that, takes the money, he then cannot go to the courts and say, “no, I want more” because that will be part of the proceedings which is a fair system. We cannot have a double dipping situation. But if the person feels that he was entitled to more than what he can do is just say under Clause 25, “I do not accept this compensation by the Commission, now I want to go to Court.” So, it is still open. The right to go to Court is the right of every Fijian, every citizen is not denied, they can go to Court. But it is making it easier for the people who cannot currently afford legal representation, legal counsel to go and have a go at the compensation in the Commission.

The other issue that currently exists, which is a bit unfair to the person injured, is that, if a policy is cancelled, for instance, if after the issuance of a third party insurance policy, some dispute arises between the insurer and the owner of the vehicle, and the owner says, "okay, I do not want your policy, let us have it cancelled", the policy is cancelled and that fact is only known to the owner and to the insurance company, even LTA will not know about that because LTA only sees your insurance policy when you go for vehicle fitness test, they will sight your policy. If the policy is cancelled in between, it is the duty of the vehicle owner to inform the insurance company. If he does not do that, he drives his vehicle around Fiji without having a valid insurance policy unless the Police or LTA catch him and charge him for driving a vehicle without a policy; no one knows. So, for instance, if a bus company decides to cancel his insurance policy and then goes down a hill with 60-70 passengers, none of those people will be covered under the insurance policy.

We have had cases where, after the insurance company refuses to pay, people decide to sue the bus company or the individual person to recover actually the genuine amount. But once you bring the case to Court, it is found out that the company is worth nothing, they have got no value, the person has got no money. So, what you have is 6 years or 7 years of litigation, a paper agreement, you will have a judgement and that is it. The judgement will say that you are entitled to \$200,000, but where do you get it from. So the policy behind this Accident Compensation Bill is that the money that we currently pay to the insurance companies, which is for some insurance companies of about \$4 million to \$5 million in revenue that will be lost, but then the issue here is to balance that with social philosophies. So the policy behind this is that when we go and have our vehicles insured, we will pay a certain levy to LTA, that levy will be collected, LTA will be the collecting agency and then they will take save that money in that fund, transferred to the Commission and for every accident, then that fund will be used to pay the compensation to the victims and that is again as I had mentioned is at a no-fault basis.

In conclusion, Madam Speaker, the current situation, while it is legally correct and in contractual law is correct, it is kind of unfair to the people who do not have the means for litigation or who are deprived because of policy, term and condition. The current Bill (Accident Compensation Bill), hopes to address that area and that adequate provisions there to fill in the blanks in that area to cover the grey areas. With that, Madam Speaker, I support the Accident Compensation Bill and thank you for your attention.

HON. SPEAKER.- Thank you, Honourable Member. At this time, we will break for refreshments, and therefore the sitting is suspended until 11.45 a.m.

The Parliament adjourned at 11.16 a.m.



The Parliament resumed at 11.47 a.m.

HON. SPEAKER.- Honourable Members, we will now resume from where we left off and the House is still open for debate and I invite input.

HON. P. CHAND.- Madam Speaker, I rise to make some contribution to the Bills. First of all, I would like to declare my interest, I am a bus operator.

On Bill No. 28 of 2017, the genesis of electronic e-ticketing started way back before 2010 when fuel prices and various other components of the bus industry were increasing drastically. So, the Fiji Bus Operators Association had made an application for fare increase but it was not granted as Government came in to get us other areas that we can look into and one of those was zero-rating VAT and the other one was, there has been a lot of blame on the bus operators and even the bus drivers in the country there is a lot of pilferage. We firmly believe that e-ticketing coming into effect will improve a lot of things, I think it was alluded to very well by the Honourable Attorney-General that we will be able to understand and know where a passenger boards and where a passenger gets off. The only problem I see is when the manual ticket system (leaf paper ticket system) was into effect. There was a condition in the road permits that the Land Transport Authority should be able to check these tickets, but it never transpired, they never did the policing on that and that was very difficult. I hope with the e-ticketing coming in too, there will be gadgets that can be used to monitor so that the drivers do not play and it is very, very important to have a very effective bus industry.

The bus industry in Fiji provides the cheapest fare in comparison to anywhere in the world. If you go to another country, bus fares by private entrepreneurs will never be as cheap as this. Mostly, state governments or federal governments run bus services, train stations, et cetera, and it comes at a huge cost. But in Fiji I am grateful to all the bus operators, I think we are third and fourth generation bus operators operating bus companies.

Many times we go through very rough roads, what I am saying are the situations and circumstances that prevail in this industry but thank God that we are still surviving and I believe the bus operators have done a great service to the nation and continue to do so. E-ticketing will definitely bring about a lot of changes. We are in the teething stage, there will be some problems here and there but definitely they could be ironed out.

The next one is the Accident Compensation Bill. Firstly, I would like to thank the Honourable Sudhakar who rightly said that a lot of lawyers might lose their jobs, and most of the time the major beneficiary in accident injury claims are the lawyers. A lot of time, even I had dealt with one or two cases where a huge compensation was given but more than 50 percent went to the lawyer but unfortunately that lawyer is no longer in Fiji now.

So, Madam Speaker, one or two concerns that I would like the Honourable Attorney-General to address, firstly, as the Honourable Minister for Economy, we are talking about the Accident Compensation Bill. When I was going through the section on Interpretations, I did not see anything in regards to the interpretation of the vehicles that would be used, I do not know whether it needs to be there or not, I think the Honourable Attorney General will be the best to answer this.

HON. J. DULAKIVERATA.- (Inaudible interjection)

HON. P. CHAND.- There is no interpretation of a “motor vehicle” in the list there, so I think it should be included because some people want to bring in *tuktuk* (auto rickshaw) and others, and if anything is driven on the road I do not know whether you can include bicycles or not but it is very important for even these small things be taken on board. Indeed the insurance companies have been

very bad, this legislation is very archaic and needed a repeal. I do understand that we have taken this from New Zealand but while we were having discussions with the insurance companies and other people from New Zealand during my Presidency at the Fiji Bus Operators Association, we found that they had a lot of difficulty and people were not happy so I would request the Government to see to it. They should have more clarifications as they face a lot of problems with the New Zealand one. A lot of people are not happy, what they said is that they are cut off, there are various systems to follow which is not very good, so if there is a good enquiry about this, it would really help.

The next point I have, Madam Speaker, is once a claim is paid, there are two kinds of things. Firstly, the Commission is there. The accident victim would go to the Commission and if they accept what the Commission has given, then they are barred from making any further court action and barred also from going to tribunal which I believe should be right because there will be people in the Commission who would be quite educated and will know about insurance, so this is important.

The next question that I want to ask or want to have clarified by the Honourable Attorney-General is, just like the third party, currently it had a limited compensation as I said earlier in Parliament. For a bus it is only \$40,000 for the passengers inside and people outside, and if a bus knocks someone outside, it was unlimited but the fault and all other things used to come in which used to delay the whole thing.

I would just like to know from the Honourable Attorney-General about the vehicle owners, will they have any more risk after we accept this Bill? You pay a hefty levy to LTA which means that the owner of the bus, truck, tractor, private vehicle or taxi does not have any more indemnity? That is something very important to clarify and ....

HON. A. SAYED-KHAIYUM.- (Inaudible interjection)

HON. P. CHAND.- Fault? Sorry, no fault. What I am saying here is that I hope the vehicle owners do not have any more responsibility after that which is very, very important because of small companies as alluded to by Honourable Sudhakar. If I remember in Labasa, there was a bus accident, a school teacher had both feet amputated and he could not get any compensation because the bus company just closed operation. The just removed everything, though a court order was there, they could not dispose the bus company but the bus company was very small and it just closed down operations.

So, this man went to get his feet medically examined overseas which cost him a lot of money. Accident victims have really suffered over the years in this country. This Bill, to my knowledge, should bring a great relief to the people of Fiji, to the accident victims and to the families of those who lost their loved ones or who lost their jobs because of accidents being paralysed or being incapacitated. This is very important.

Madam Speaker, the last one is on the Income Tax Act which has been changed to remove the 7-years. At the moment if you are a business entrepreneur, your tax account can be only visited up to the 7 years; that clause has been removed. So, basically it says that the prosecution of an offence under a tax law may be instituted at any time after the commission of the offence within 7 years is being removed. Firstly, I would simply say is wrong because there is a lot of administration costs in the operation of a business and then with compliance and cost of record keeping, having it in bulk, anyone, any company even for Government to keep books like that you might have to build so many storages. It is very difficult. Secondly, there is an annual audit on accounts and at any time and every time FRCA wants to they will go into it and find out.

So, Madam Speaker, in my opinion this should remain at 7 years. Once this Government will not be here, but any other government or FRCA could start doing a witch hunt on people. I firmly believe as an entrepreneur and also on behalf of the businesses people, sometimes business changes hands. Only shareholders change, a limited liability company, for example, Fiji Corporation Limited or someone else when the shareholders move out I do not know what the future....

HON. A. SAYED-KHAIYUM.- Tell them to do a due diligence.

HON. P. CHAND.- The new shareholders will not want to go through the burden of knowing all the problems of the previous owner because now there are many companies when they want to sell their businesses, the shareholders just change. For example, if you and I are shareholders in Parmod Enterprises Limited we can sell our shares to maybe Honourable Leawere and Honourable Gavoka, but what will happen is that, they will take on all the burden themselves and this is unfair. I think the law should provide for a lot of justice, there should be room for justice, there should be room for fairness. Sincerely I do not agree with this particular clause and I believe this should be reverted back to where it was. Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. I will now give the chance to the Government and invite the Honourable Minister to take the floor.

HON. F.S. KOYA.- Thank you, Madam Speaker. Madam Speaker, I will start with the Water Resource Tax Bill, Bill No. 16 of 2017.

One of the most important aspects to all Fijians is the protection of the environment, and with the Fijian Government, we are ensuring that the Fiji generation is able to enjoy the same privileges and live in a clean and safe environment. Therefore, Madam Speaker, it is important to ensure that our oceans are not polluted or the industries are not inappropriately disposing their waste into the waterways. We need to ensure that our ground water is not extracted at a rate that will cause irreplaceable damage to the environment.

According to the FAO Report, the Aquifer or Groundwater Status Reports from many parts of the world suggest that all is not well around the world with respect to our groundwater resources and symptoms of management problems, beginning with the pumping, where it actually exceeds the natural recharge and this leads to an exceedingly rapid exhaustion of groundwater stocks. And the consequent increase in pumping cost and the intrusion of poorer quality water into the deposit being exploited, and salt water intrusion from rapid pumping near sea coast, mineralised deposits and dispersed with better quality water.

Madam Speaker, we do not want Fiji to go through this particular fate. Therefore, Madam Speaker, the Fijian Government had introduced (this is another aspect of the tax introduced to Water Resource taxing in 2008) a tax charged on the amount that you were not expecting. This higher extraction amount and more tax accompanying, it just means that there is a little bit more tax that the company has to pay.

Madam Speaker, this acts as a deterrent for water companies as they will maintain their extraction levels below a particular amount, so this tax really also is to protect our pristine environment and obviously to avoid the exploitation of a scarce and vital resource and it optimises locally-generated revenue.

The revenue raised from these taxes, Madam Speaker, on the extraction of groundwater is not merely meant to raise a local income but more importantly is designed to conserve the environment and maintain the eco-system due to the use of groundwater. As we all know, the eco-system around the world

is very fragile and also the current amendments are increasing the penalties, Madam Speaker, for non-compliance, which is important to ensure it increase compliance with the law.

Madam Speaker, with respect to the Super Yacht Charter Bill, again I rise to support the change from the super yacht fee to the environment and climate adaptation levy will increase the contribution to the environment and Climate Adaptation Fund. Obviously, as mentioned before, it ensures great transparency and accountability to its purpose and its use.

The amendment to the Bill, Madam Speaker, also focuses on the increase in penalty to deter persons from committing offences such as breaching the Super Yacht Charter permit conditions and knowingly submitting misleading or deceptive documents and super yacht agents operating on behalf of vessel owner or assisting in the operation of the super yacht in Fiji waters without a vessel or Super Yacht Charter permit and non-compliance of the Act for recognising super yacht agents who advertise or engage in Super Yacht Charter.

Increasing the charge for offenders to the provisions of the Act helps minimise the wastage of time and resources dedicated to addressing misleading issues and also access or deterrent for potential offenders.

Madam Speaker, I support the promotion of super yachts as it brings much-needed foreign exchange and helps distribute tourism benefits right throughout Fiji, Madam Speaker, especially to the outer islands, and it provides also for tourism and trade and the decrease in fees from 12.5 percent to 10 percent, which is levy of goods charter fee. This will provide a tax break for vessel owners and encourage more people to cruise our beautiful waters.

Once again, Madam Speaker, the super yacht market is actually a growing lucrative market for Fiji and plays an essential part of the tourism industry and it is prudent that the super yacht market is monitored to ensure that all those involved adhere to the laws of Fiji.

Madam Speaker, with respect to the Service Turnover Tax (STT), again a reduced rate of 6 percent should have a more positive impact on many service providers in terms of offering more competitive prices and creating more business opportunities. The requirement for STT to be clearly displayed and separately shown on tax invoices and receipts, to ensure transparency and accountability on the part of service providers to the customers.

Madam Speaker, the amendment also ensures the STT is not paid, as mentioned by the Honourable and learned Attorney-General and Minister for Economy, more than once in relation to a prescribed service and this will be welcomed by users of the service that are usually outsourced by entities. For instance, any outsourced activities in the hotel would allow only the activities a company to charge STT and not the hotel. In this way, the tourist does not get charged twice on the same service.

Madam Speaker, just something that was raised by the Honourable Professor Biman Prasad with respect to the STT and the levies. This is something that needs to be done and it is not making Fiji an expensive destination.

I have something with me, Madam Speaker, and if you look at it, it is not the STT that actually creates sometimes an expensive environment. I have some prices on food items that actually form the part of many on Denarau, and if I could just tell you exactly what is done sometimes by operators. Before tax, Madam Speaker, unscrupulous operators, I think everyone in this House would have eaten Fijian chicken curry served with steamed rice and condiments.

I have here with me, Madam Speaker, for one plate of Fijian chicken curry served with steamed rice and condiments, \$FJ75 (before tax); local pumpkin curry, roti and coconut samba, FJ\$75"; Fijian fish, 200 grams portions of locally-caught fish served in one of three ways, whether it is simple, classic or Fijian, \$75 (before tax)." So, Madam Speaker, it is not always about blaming the Government in terms of taxes as to the high prices, there are some unscrupulous operators and that is a glaring example of what these people do.

One of the other issues, Madam Speaker, one must also remember when we talk about taxes, et cetera, is with respect to Fiji Airways. During *TC Winston*, Fiji Airways on its own subsidised the travel of tourists to Fiji. This was not a subsidy given by Government, so Fiji Airways reduced its prices and this was not subsidised by Government.

Quite a few tourism operators did contribute towards it but there were also quite a few that did not even bother to change their prices, so the cost should not always be blamed on the Government or the taxes that we impose on this particular thing.

Madam Speaker, with respect to the tax administration budget, again, the 2017-2018 Budget has introduced a number of new policy directions to improve and strengthen the efficient administration and the collection of tax. In light of this, the amendments to the current Tax Administration Act of 2009 are warranted, factoring these particular policy changes.

The Government is committed, Madam Speaker, to modernising and updating the Laws of Fiji and making it inclusive, robust and responsive to the current and future needs of its people. The proposed changes will harmonise administration of the environment and climate adaptation levy, the Super Yacht Charter Act, the Airport Departure Tax for consistency and coherence across the whole and entire legal spectrum.

The Government is also a merciful government in which through this Bill we are extending the amnesty period for Fijians to declare their foreign assets to register and file their tax return and pay their tax by 31st December this year for those who have not.

Madam Speaker, to all Fijian businesses and citizens, we must not think of the Fiji Revenue Customs Services as someone who we should be afraid of, he should be your best friend!

On the comment that was made by the Honourable Parmod Chand about the seven-year issue, if you are tax-compliant, there is no need for you to be afraid. That is something that everyone should aspire to do, to be tax compliant at all times. Turn FRCA into your best friend and you should not have a worry, Madam Speaker.

Amending the position of the Chairperson of the Tax Agents Board also to CEO FRCA eases the administration of tax issues and overall, I believe, these are positive changes to the administration of our tax system, and I therefore support the amendment of the tax administration budget.

Madam Speaker, with respect to the environmental levy, the extension of the levy to cover plastic bags, imported goods, as I said, is a much needed funding to assist Government's efforts and providing the necessary infrastructure to protect our resources and our island nation from the adverse effects of climate change and environmental changes. The protection of our environment, as I mentioned earlier, Madam Speaker, is crucial to Fiji and the amended Act is the mechanism in which the users of the environment also show no responsibility of protecting and conserving our natural and social cultural assets.

Environmental Protection Awareness, as we all know, climate change mitigation and adaptation issues have featured very prominently in the media around the region, especially with our Presidency of COP23, and the amendment is an encouraging mechanism to include a broader spectrum of users who in some way or another impact our pristine environment.

The use of plastic bags, especially by the retail outlets in supermarkets, convenient stores, hardware, Medicare and cosmetic stores, to name a few, contributes largely to plastic bags disposed at our landfills and 50 to 60 million plastic bags are used annually in Fiji. This is a major concern, Madam Speaker, as plastics take a longer time to degrade and also major visible environment polluting and causes plastic pollution. And it is quite common in public areas and throughout Fiji and therefore the charge of 10 cents in plastic bags we contribute to reduce in waste and landfill will sharply cut the other negative impacts of plastic bags, including that often fatal interaction with marine lives; something that are sometimes forgotten, Madam Speaker. This fee for the use of plastic bags will hinder and limit future use and there may come a day one day when we ban them altogether, Madam Speaker and I look forward to such a day. Today is undeniable that this Bill will drive the change to improve the environment.

The establishment of the environment and climate adaptation fund is a positive move, Madam Speaker, ensuring the levy is utilised in a manner that supports the Government policies in environment and promotes the sustainable development of the country as well as provides target and the assistance to projects and activities related to climate change. This move also ensures, as I said earlier, transparency and accountability in the administration of the levy.

Madam Speaker, with respect to the Fiji Revenue and Customs Authority, Bill No. 31, as per the amendment to the FRCA Act of 1998 allows the Authority to review its staffing structure to ensure that it is able to carry out its enforcement duties efficiently and effectively. It also encourages, (this is quite important) the sharing of relevant information between the Authority and the Fiji Commerce Commission, keeping both agencies informed of relevant tax issues and how best they can work together in addressing this.

In addition, Madam Speaker, the partnership between the two organisations working together as a watch dog on dishonest practices in the business community will work to the advantage of consumers and especially in cases where importers are exclusively supplies of certain items and tend to dictate prices in the market and prices sometimes remain high, even where there has been a decrease in duty alerted by Government.

Madam Speaker, stronger enforcement by the Authority will also help eliminate price fixing arrangements which burdens consumers and will promote a free economy where consumers actually get their monies worth and ultimately contribute to our work.

Finally, Madam Speaker, if the change to the name of the Authority to Fiji Revenue and Customs Service nearly aligns to Government's focus on service delivery and complements survey structure and way refocus of the organisation.

Madam Speaker, with respect to the Accident Compensation Bill, the Bill, as I mentioned earlier, established the Accident Compensation Commission and will make provision for compensation in respect of persons who suffer personal injury of death as result of an accidents or related matters.

Madam Speaker, families, again of those victims not only suffer emotional distress from the loss of their loved ones but also endure financial difficulties in obtaining compensation from these accidents and as highlighted by the Honourable Attorney-General, Minister of Economy during the

Budget Address, Madam Speaker, the current Motor Vehicles Third Party Insurance Act, 1940, not all victims in motor cycles accidents receive compensation despite third party insurance being compulsory through all registered motor vehicles.

Compensation for third parties involved in car accidents usually fall in the exclusion provisions within insurance contracts means they are not entitled to compensation and the claims for compensation are further delayed because of insurance companies were in the court, causing further distress for accident victims.

Madam Speaker, the Bill is intended to remedy this injustice by establishing a Commission and Fiji will provide again a “No fault Compensation Scheme” through which victims of accidents will be compensated a proof fault of negligence. So, anyone who suffers injury or death has satisfied with the requirements for compensation under the Commission. They will be provided a lump sum compensation in a timely manner without any delay whether it be court or insurance companies and accident victim also obviously will not have to be subjected to pay legal fees for lawyers to present themselves in court.

Madam Speaker, the other thing must be said, I know the people might say that all lawyers will be going to lose their whole lot of business. At the end of the day, we still have a choice.

Madam Speaker, the Bill will be more efficient than the current system as will be more efficient and will save cost and time, not prolonging the impact of traumas suffered by victims.

Madam Speaker, with respect to the Commerce Commission Bill, the Fiji Commerce Commission was established by the Commerce Commission Act of 2010 and as an independent statutory body to promote effective competition in the Fijian market and guard against restrictive trade practices and more investigative powers are needed for the Commission to ensure that all Fijians have a fair and competitive market.

Firstly, I would like to support the name change, Madam Speaker, of the “Fiji Commerce Commission” to the ‘Fijian Competition and Consumer Commission’. This name change is appropriate, Madam Speaker, reflecting the roles and responsibilities of the Commission. The Commission was established to regulate their competition and also to protect the interests of consumers, hence this name change actually clearly reflects this.

So far, Madam Speaker, the Commission has investigated close to 3,000 formal and informal cases under the Act and prosecuted more than a thousand cases since its existence in 2010 and the amendment to the Act will actually deter noncompliance traders and ensure that the Commission are given more teeth to fix the unscrupulous behaviour in the market sometimes and ensures consumers rights are protected.

In this regard, Madam Speaker, the amendments give the Commission more investigative and enforcement powers to ensure that all Fijians have a fair and competitive market. There is an increase in the penalty provisions from a \$1000 penalties to \$10,000, \$2,000, \$3,000 and \$5,000 increases to \$50,000 and increase in imprisonment term which is a very strong deterrent, Madam Speaker.

Furthermore, Madam Speaker, the Bill amends Section 5 of the Act, whereby regulative industries to include those industries that are engaged in the supply of goods and services were likely conduct of lessening competition is found.

Madam Speaker, the Amendment Bill allow for the formation of an Enforcement Unit as announced by the Honourable Attorney-General and Minister for Economy as a CEO can appoint additional enforcement officers. Again, we support this Bill also.

Madam Speaker, lastly, with respect to the Building Permits Bill, the building and construction sector is one of the fastest growing sectors in Fiji, Madam Speaker. Investment in the construction sector is high as we all know as indicated by the strong growth and new bank lending for building constructions.

Stakeholders have found it difficult, sometimes it take months for approvals to be processed and they have to submit the same information at numerous times as the Honourable Attorney-General pointed out. In order to streamline and fast-track the building permits and approvals for commercial and/or industrial buildings, this is why it is being done. They proposed that the committee, consisting of stakeholders, is formed and mandated by law.

The committee will set the timelines for the approval agencies to approve plan and will give directives to relevant authorities to issue the building permits provided all the requirement set up in the laws are complied with. The committee also will provide a single window for building permit application for the construction of buildings for use other than for private residential use.

Madam Speaker, what must be spelt out quite clearly that this will not by-pass the rules and regulations and standards set for the construction of buildings but will be an inclusive process that ensures in the future that potential bottlenecks are resolved before they actually arrive. The fast track process will bring together the relevant approval agencies, they are together to actually ensure that this is done within a strict timeline.

Madam Speaker, they receive the applications, assess and coordinate with the approval agencies for the relevant approvals and then we will coordinate with the authority that is responsible for the issuance of that particular building permits.

Basically, the functions of the Committee will be to receive and consider applications for building permits and expedite the process for obtaining building permits, coordinate with the approval agencies to ensure that the relevant approvals in relation to the issuance of permits are granted within the prescribed time, coordinate with an independent person to ensure that an assessment is carried out where the agency has failed to respond, and coordinate with the authority to issue the building permit within the prescribed time.

Madam Speaker, I support all the Bills that have been put forward today.

HON. SPEAKER.- Thank you. I now give the floor to Honourable Mosese Bulitavu.

HON. M.D. BULITAVU.- Thank you, Madam Speaker. First of all let me say, Madam Speaker, that these Bills could have been properly debated if it were to come one at a time. But given it is all in one motion, probably we will be limited to scrutinise Bill by Bill and clauses for the benefit even to the draft persons who will be eagerly or hearing us giving our opinions on the various Bills.

Let me begin, Madam Speaker, by saying, let me go into the Act to amend the Valued Added Tax, probably the Honourable Minister had talked about PAFCO and how that Zero VAT will help suppliers but again I see it inconsistent, Madam Speaker. Also its levy, which is there, about \$450 per tonne, which will discourage the importers, those who will be supplying tuna, not only in Fiji waters but the other operators from overseas who fish from international waters to come into PAFCO



The other issue I see, Madam Speaker, is the levy on rocks, gravel and aggregates. I see, Madam Speaker, that even Government is now going to tax 5 percent. We are still waiting for that fair share of royalty, the formula, in regards to our minerals too and probably if that could be done also, to be reflected given that royalties too, Madam Speaker, is a form of revenue for Government and probably the fair share of royalty. We urge the Honourable Minister if that particular Bill could be passed into the House soon so that the landowners too can have the benefits in regards to that.

For the Committee to coordinate and facilitate the process of obtaining buildings and permit for related matters. Madam Speaker, the only issue there is on operation given the turn over time. Will this particular Committee, which will be set-up, become a one-stop-shop? But again, given that the various agencies are all scattered around, what is the turn-around time in their service delivery? Will this reduce the time or whether people will still wait longer for approvals in regards to permits for building homes, Madam Speaker? Probably that could be looked into also, given the aspirations of this Bill.

Madam Speaker, on the Commerce Commission (Budget Amendment) Bill, I think there is an extra power that is now given to the Commerce Commission for them to assess and determine competition. How will the Commission do that and whether the Commission will also have a complaint mechanism within that will allow even the other operators who feel they have been cheated or there is unfair competition for it to be reported to the Commission?

Those are some of things that probably will come later, but again I urge the Honourable Minister for those procedures and available processes be made available to those who will be participating, who wants to lodge their complaints, in regards to certain industries where there is unfair competition.

Madam Speaker, on the Tax Administration Decree as has been alluded to by those speakers who have spoken before me, I think the penalty has now increased from 12 months to 10 years. Again, Madam Speaker, probably FRCA should be creating a conducive environment with taxpayers rather than having this big deterrent to be in place that does not work well with taxpayers.

Madam Speaker, with regards to that with the tax amnesty too, I think the Government has moved now through FRCA towards prosecution and again FRCA probably should be conducting more awareness to taxpayers in regards to what their roles are, how to comply with these taxes and the different compliance messages that are there that will be a more proactive approach than taking a very lazy approach, Madam Speaker, to run that on taxpayers who sometimes do not really know the existing measure is in place.

Madam Speaker, on the Tertiary Scholarship and Loans Act, I think, Madam Speaker, the key element there is the removal of guarantors from these current arrangements that we have, except for those former students who are leaving for overseas. But again, the removal of that, Madam Speaker, gives FRCA the power to collect debt. Probably it will be managed by a special unit to be tasked to collect those debts and follow students after they are employed somewhere. Again, Madam Speaker, in compliance on how these students will be monitored, on how they will comply, given at a point in time if they want to go overseas and how they will be monitored. Now that every student under the scheme will have a Tin Letter and a Tin Number, which will be a burden to them also, if they have already paid some, but again according to FRCA's records, there could be inconsistency in some of their payments.

Those are some of the teething problems that will arise later and probably the Honourable Minister would ensure that former students will not face those kind of problems.

The other issue, Madam Speaker, is on the 10 cents on plastic bags, that is on the Environmental Levy Act through the new ECAL. Again, Madam Speaker, this needs to be conducted through more awareness, given that our consumers really do not understand more of this. The only thing they know about, Madam Speaker, is to take 10 cents in every plastic bag that they will get from a supermarket.

I think there has to be more reasoning and more thought given into this kind of collection, Madam Speaker, given that that will be collected from the point of sale at the cashier, and whether that will be in the same cash register that will be used at the supermarket. Given that FRCA, as of last year, they still have not provided the software for supermarkets that should be entered into those cash registers. But again, this gives a penalty to customers, but why penalise them, Madam Speaker, when they are going out shopping? What will be their supplement that they will use instead of plastic bags?

On the other hand, Madam Speaker, other companies too. Plastic bags are biodegradable. There are other operators too, like plastic bottles, and what will be the stance that will be taken on them? Those are some of the decisions probably that could be reviewed and some other recommendations, probably the Government can consider that we have a fair environmental tax system available, Madam Speaker.

On the Customs Act, probably I see now that there is a shifting of burden of proof to the defendant, now shifts to the importers and probably used to be with the Customs Department to prove a particular case in regards to a particular breach conducted by an importer. Now it has shifted to the defendant and this cost will be paid by the defendant, Madam Speaker.

In regards to the Accident Compensation Bill, we agree that the loopholes are there in the current insurance laws in regards to drivers who do not have any licence or are drunk, they get away from paying third party insurance. But again, setting up a new unit at LTA and those victims will have to apply and get all the necessary police and medical reports to this particular committee, then to carry out investigations.

What will be the turnaround time? What is the amount that they can apply? What formulas will be used to compensate a particular injury or even death? That has to be made clear and there needs to be more awareness done so that those who will be affected will be able to know from point A to point B on how to go about claiming for compensation in regards to road accidents, Madam Speaker.

On the other issues of omnibus electronic fare ticketing, I think we concur with the Honourable Parmod Chand but I think more awareness needs to be done in regards to this, given if a machine fails in one of the buses, what will be the alternative and they cannot operate a card, what will happen to the passengers? Will the driver allow them to board the bus or whether the bus will be told not to service that route or trip? Madam Speaker, those are some of the issues that will be coming up as this particular Bill will be implemented in regards to real operations when it comes to the people who face this, who are customers on our roads?

Madam Speaker, in regards to the Customs Tariff Act, I think one of the issues there that I had raised in my speech was in regards to the prefabricated buildings increase of fiscal duty from 5 percent to 32 percent. I think prefabricated buildings are ready made, it is cheap, of good quality and most of our Fijians would like to get these prefabricated building materials. But again, those duties have now increased to 32 percent, which forces them to go for fabricated steel structures, which only will benefit our hardware companies and also these duties do not trickle down to the end user.

Madam Speaker, in regards to the zero percent fiscal duty on importation of new hybrid vehicles for taxi purposes, what about other non-hybrid vehicles who want to come and operate as taxis? I think there needs to be some fairness and probably for new hybrid vehicles to become taxis, I think there has to be proper assessment done on hybrid vehicles, given that they are too small. Also the issues that we have now that most hybrid vehicles are catching fire too, it is very light and most of the accidents that are happening now the issue of hybrid vehicles are coming up, given that there will be an influx of hybrid vehicles, Madam Speaker, coming into the country

(Honourable Member interjects)

HON. M.D. BULITAVU.- And again, Madam Speaker, they are limited also in going into certain routes like gravel roads and other areas.

These are some of the issues Madam Speaker, I would like to raise in regards to the motion which is before the House and also I do not see any benefit going to backpackers to eco-tourism, Madam Speaker. I think they do not enjoy the tax exemption enjoyed by Bistros and other outlets but again, they still pay environmental tax, STT, they will now pay ECAL.

Those are some of the decisions, Madam Speaker, that benefit the rural community and I do not see any tax incentives in regards to those activities that will really empower people in our rural areas.

With those words, Madam Speaker, I say that I do not support the motion given that a time should be given for these issues in this Bill to go through Committee stages, to allow for public input and consultation, for them to give their opinion and also for them to be aware and I urge the Government to create more awareness in regards to the changes that are coming as consequent to this Budget, that people are aware of the various tax that they will be paying on the tariff lines that come through on their vey products that will have impact on the prices of goods sold on the shelves of our supermarkets, and all other changes that are coming, Madam Speaker.

With that Madam Speaker, as I have said, I do not support the motion, given the various issues that I have raised.

MADAM SPEAKER.- Thank you. I now give the floor to the Honourable Minister, Honourable Parveen Kumar.

HON. P.B. KUMAR.- Thank you Madam Speaker. Madam Speaker, I rise in support of the Bill that is before us and at the outset, I need to state that we need to deal with all these Bills that are before us because these Bills directly relate to the Budget that we have approved last night.

Madam Speaker, I will briefly touch on Bill No. 25 of 2017 and in the morning, we have heard some technical terms on the “record”, “registry”, “registry”, “record”, and I believe the speaker himself was the architect of that Act and Madam Speaker, the beauty of this amendment is clause (3) and I will read that out: “Clause (3) of the Bill amends Section (64) of the Act to remove the requirement that an application for the renewal of a public service permit must be lodged 28 days before the date of expiry of the permit.”

Madam Speaker, what is currently happening is, if someone misses the boat, say he is late, if he is unable to go to LTA or if he is sick, then LTA will not renew. Then he will have to go to the Tribunal for the readdress and there is a lot of hassle and this will now be removed under this amendment.

Secondly, Madam Speaker, is clause 6 of the Bill amends section 113 of the Act to provide for the Minister's power in consultation with the authority to publish a service charter.

There has been no service charter, and while Government is continuing to give incentives to the stakeholders, unfortunately, they have not appreciated until now and I have not heard anyone giving, especially the bus industry on the incentives that they have given. But let me tell you something, Madam Speaker, while Government is giving these incentives to upgrade their bus service, we would like to see that this industry lifts up its standards. Simple as that.

HON. P. CHAND.- (Inaudible)

HON. P.B. KUMAR.- Madam Speaker,

(Chorus of interjections)

HON. SPEAKER.- Order! We would like to hear the speaker, please.

HON. P.B. KUMAR.- So, Madam Speaker, I have said just about the LTA operation in my debate yesterday. They do some talks about monitoring, if we are going to bring up the e-ticketing whether there will be monitoring or no.

Yesterday I said during my response that LTA is strengthening its Enforcement Department. The Government has given funds to intake more staff and you all can be rest assured that monitoring will be in place while the e-ticketing will come in place.

Madam Speaker, I would reckon this e-ticketing as a 'win-win' situation for all because for long all these, the bus industry has been saying that "three tyres belong to us and one tyre belongs to the driver." No, no, this is not what the bus industry has been saying, not the public, the public does not own the bus, it is the bus owners.

HON. MEMBERS.- Six tyres.

HON. P.B. KUMAR.- All right if it is six, then five is theirs and one is for the driver. This is what they have been saying. So, and not only that, Madam Speaker, they have also been saying the 25 to 30 percent revenue is gone. So with this e-ticketing, it is a win-win situation for the bus operators, the passengers and for the Government. This is a transparent manner of doing business.

HON. P. CHAND.- We are supporting it!

HON. P.B. KUMAR.- I will make sure you give a press statement on that.

(Laughter)

Madam Speaker, with that, I will just briefly touch on Bill No. 35 of 2017 on the building permit. We have heard in the morning and I ask; is there any building code in the villages or are there any regulations? Unfortunately, there are none, but they do take advice from the rural local authorities through the DO's Office if they wish. But if they do not want, they will just build the way they want to. During this week I have also mentioned that the Department of Town and Country Planning is going to visit all the villages and this is one of the issues that they will be talking about with the provincial councils and the Fijian Affairs as well. So, there will be a collective decision on that. We are not going to force any legislation on villages but this is what the awareness programme will be for the villages.

With that, Madam Speaker, there is a lot of misconception about this Bill but let me say this that nothing has been taken away from the Town and Country Planning. It is a choice and this Bill will basically assist my ministry, especially on the workforce – there will be a reduction on the workload, and now we have been seeing these talks have been going on for quite a while that we should have a set of tenets.

There are projects amounting to \$900 million, \$800 million and this will really fit in for what we have been talking about and I can assure the Ministry of Trade that my ministry will work very closely with. At the end of the day, what we want is best service given to our people and the investors.

With that Madam Speaker, thank you so much, and I support the Bills that are before us.

HON. SPEAKER.- Thank you. I now give the floor to the Honourable Salote Radrodro.

HON. S.V. RADRODRO.- Thank you Madam Speaker. I rise to make contribution to the Bills and first and foremost, I echo the concerns, the comments raised by previous speakers from this side of the House in regards to the limited time that we have been given to effectively scrutinise the Bills. And I would like to specifically speak on Bill No. 7, which is on the Super Yacht.

Madam Speaker, I recall clearly in my recent visit to Vanua Balavu that one of the elders after the meeting, approached me outside and asked me if Lomaloma was going to be a port of entry.

And I said as far as I know, I do not think so. I believe the port of entries still remain with Suva, Lautoka, Savusavu, Levuka, and Oinafa in Rotuma. Then I asked him, why do you ask? And he said, “It is because of these big yachts that are now very frequent in Vanua Balavu in Qilaqila. And those of us that are familiar with Vanua Balavu, Qilaqila is a very beautiful place. This Bill will attract a lot of yachts and just about three weeks ago, I got pictures and I tell you, Madam Speaker, these are huge massive yachts, beautiful yachts and I do not see that in Savusavu but these are the ones that are coming to Vanua Balavu now.

I quickly read the Bill and see that these super yachts are going to bring in a lot of revenue to the Government and it is directed to the Climate Environment Fund, which I believe supports COP 23, but my concern and I speak on behalf of the communities concerned in Vanua Balavu, we heard that it is going to benefit our tourism industry. It is going to greatly benefit the Government in terms of revenue collection, but how does this benefit the local community in Vanua Balavu? Particularly, I believe this belongs to Yavusa Waitui in Daliconi. And I see that the Bill does not say anything to ensure what percentage of this revenue trickles down to the local communities, or how are the local communities going to benefit in terms of this Bill. And if I may borrow Honourable Bala’s line, he said “you know, it’s got to be a win-win situation.”

And if it is going to be a win-win situation, then the local community has got to benefit from this revenue that the Government is going to get from this Bill, from these yachts, has got to translate down or trickle down to the local community in terms of visible development. How are these communities going to benefit in terms of that kind of development? And I recall in my Budget Address I had mentioned having to translate the GDP into real development, the visible and the actual developments that we see.

So that is the question I pose to the Government side. How does this Bill, with that revenue that is being collected, and I know it is going to be big revenue because even in the Budget Address, it was saying something like the Environment Climate Fund Levy targets to earn about \$94 million, if I am correct. And with that kind of big revenue, I wonder how much of it is going to come out from this Bill and particularly in Vanua Balavu. I know that the scenario has changed greatly now with those big yachts coming into Vanua Balavu. And I request Government to again consider what the Honourable Minister

Bala had mentioned that it has got to be a win-win situation; win-win situation for the Government; the yacht agents, the tourists that come in, and particularly so the local community because these are the resource owners. They are going to deal with the detrimental effects of all this at the end of the day. I mean they are the ones who are going to catch all this, Madam Speaker. So I believe it is really important that the Government do consider and must consider how they can bring in the local community into the equation so that they also benefit from this Super Yacht Bill.

On that, Madam Speaker, thank you.

HON. SPEAKER.- Thank you. I now give the floor to the Honourable Minister Jone Usamate.

HON. J. USAMATE.- Thank you Madam Speaker. Thank you for the opportunity to address the House on the Consequential Bills that have been put forward for the House. I think as I was reflecting back on some of the things that have been going through this House this past week, it brings to mind the fact that all these things that are happening in terms of the Budget, they are planned approach to the future that FijiFirst has for this country.

So, if you look back at all the Budgets over the past three years, you can see the consistency in their approach that comes through. That is also again reflected in the Bills that have come before the House because by addressing all these Bills, we allow us to give effect to the Budget, to make sure that the Budget will really take place.

Some of the comments that have been made this morning have been like irritating my ears. When people stand up on the Opposition side, for example, the Honourable Bulitavu has a habit of saying “most people, most people”. I am just wondering, where are the facts and figures? Anyone can say “most people” but if you really want to say that most people say something, where are the facts and figures that are attached to that? Is it just most people that you are drawing out from your imagination and coming up with this idea? One of the things that I would like to say that in terms of the Budget as a whole, there is a saying that I remember when I used to teach. There was a person that I met that talked about the different kinds of people that you have in the world.

Some people, they come up to a door and it is locked. They look for the key and because if they cannot find the key, they walk away. Other people come up to a door and they find that there is no key. They ask for the key and if no one gives them the key, then they walk away. Then there is the other kind of people who come up to the door, they ask for the key, there is no key, what do they do? They make the key. That is what the FijiFirst Government is.

(Chorus of interjections)

HON. J. USAMATE.-They are the group of people that when the doors are locked, they will make it and that is what these Consequential Bills are for.

(Chorus of interjections)

HON. J. USAMATE.- There are ways of opening doors to the future that we want for our country. Thank you.

All right, just a number of things that I talked about. I support the comments made by the Honourable Minister for Trade in terms of the Water Resource Tax. I think around the world today if you look at all the debates about the importance of water, there are people who are futurologists, they talk about the future. They talk about the big fights in the future will be about water and about the use of that water, and the groundwater that we have in our country is a limited resource. It is not

something that is unlimited. Yes, we do need to make sure that there are companies are able to export water but also make sure that they become protective of our future generations so that we do not run out.

I like, in particular the work that is being done in this particular amendment because it is also, if you look at that Bill, talking about being more efficient in the way that we manage the resources because the regulations, the changes to those Bills will now be made by regulations that gives power to the Minister concerned to be able to make amendments.

I also like the fact in the way the amendment has been done. It protects the local organisations that are also using our ground water resources as ways of employment and related to that is the issue of plastic bag. There are some negatives comments being made out about the points that we made on plastic. All of us have heard in the Oceans Conference the things that they have been talking about - the oceans. They are now talking about almost, I think in some oceans of the world, where up to 50 percent of the fish have plastic inside of them. I think this is something that is happening now in Fiji. A lot of the fish that we are eating today have plastic inside it. The health experts do not really know what the impact of that plastic is going to be on us.

As a country, we have to put in place these innovative measures to stop plastic from getting into the oceans. I think the concept that the Honourable Minister was talking about 'Ridge to Reef', that is something that we must do something about. We must create an environment in this country where we stop plastic from getting to the oceans. So, I am very glad that those innovative measures have been put in place and our focus on our environment is also now being seen in the development of a Ministry of Environment that brings all of these together and also the Ministry of Waterways that would make sure that we can have a stronger focus on the environment that we have.

Madam Speaker, the other one that I wanted to speak briefly about is the one on the Tertiary Scholarship and Loans Act, the changes that have been made there. I think Honourable Bulitavu mentioned this. The fact that we are removing the need for a guarantor. This has been a great stumbling block for a lot of families, a lot of the more poor people have an opportunity to go to an institute of higher learning but they cannot find someone to guarantee them. The fact that we are doing this is once again an example of Government of all of us in this House making sure that we can open up access education to everyone. The removal of guarantors will remove headaches for a lot of people, especially those who are outside urban areas and those who come from our rural and maritime areas.

The other aspect of this legislation that I like is the fact that now we have opportunity for people to just go up to Year 12 and then to be able to access the programme through TELS at the Fiji National University.

One of the things that we are seeing in the things that employers keep telling us is that there seems to be a mismatch. A lot of times there is mismatch between the kinds of people that we want to work in the world of work and what we are producing. There is a lot more need for people with trade skills. We have heard stories of, I think it is Nadi Airport, they had to bring in a tiling company from Samoa.

We need these measures so that we can have people coming out of Year 12; people who want to follow a vocation can have access to a training programme and get the loan that supports that. I think in the future you will see more of this taking place.

Our articulation between the programmes that they do at FNU and what is being conducted at the Technical Training Colleges, where they do Certificate 1 and Certificate 2 and obviously the

ones that they will be doing at FNU as a result of this programme is Certificates 3 and 4 that ultimately led to Diplomas and Degrees. So, that is something that I really anticipate will have a lot of impacts on the kind of skills that we are producing for the world of work and also the opportunities for those of our students who do not want to go to the whole 13 years of formal academic education before going into a trade or going into areas that they want to work in.

The third one that I want to talk about, Madam Speaker, to give my support is the impact of VAT adjustments for PAFCO and Levuka. I think Levuka has got a very special place in the hearts of all of us. It is our old capital and we know that that town basically survives on the money that comes from PAFCO, other than tourism, the *yaqona* industry and all the agro-processing that takes place there. Anything that assists PAFCO is going to assist the employment in Levuka and it is going to have an impact on the people of Lomaiviti, in particular the people of Ovalau.

The second last issue that I would talk about is that there are some comments made by the Honourable Biman Prasad about the taxation on the 'Sin' products, which are cigarettes, alcohol, sugar, sweets and beverages.

Madam Speaker, I think that we are going to be consistent if I am not mistaken that the 15 percent for all of these areas. All of us know the two biggest problems that face this country or in the Pacific; one is climate change and the other the Non Communicable Diseases (NCDs) and these three products; cigarettes, alcohol and tobacco are the biggest causes of NCDs.

If you look at the amount of money that Government spends in hospitals for inpatient, most of it is because people are taking too much of these things. What we need to do in our country is to try to create an environment where people are compelled to do the right thing. How do we do that? Firstly, yes, we promote; we have programmes with schools; and we get people to come out and do visits.

Secondly, we get things that are leading to these diseases to be more expensive. This is a proactive approach to try to combat NCDs. For someone to say that we should worry about the amount of taxation they pay, that person does not want people in this country to be well. When you do that, you are encouraging NCDs, so what are we here for? We are here for our country and its people.

In the workforce, I look after employment. One of the biggest problems that we have now is our workers, they have this 'Monday Disease'. You know the Monday Disease, people do not come to work and now we have a bigger, even bigger problem, not absenteeism but presenteeism. Presenteeism is when people are present but cannot deliver because they smoke too much or they eat the wrong food or all of these things.

HON. MEMBER.- Hangover!

HON. J. USAMATE.- Hangover – all of those things. In presenteeism, the cost is bigger, so we need to make sure that we can support those sorts of ideas that Government has to make sure that we have a healthier workforce. Hopefully, on that side, all of you can look at reducing our smoking and our drinking alcohol and these kind of things, so we can be healthy ourselves.

The last one that I will talk about, Madam Speaker, is the Accident Compensation Bill that gets rid of the old third party system. I think this is a brilliant innovation and it is something that this country looks at because when someone has an accident, whether it is related to vehicle accident or something to do with worker's compensation, the thing that is of essence is the speed with which they get the money because if it drags for two or three years, by that time, people have got into this poverty cycle that drags them further and further down. This particular programme gives you the



speed to give them that money so they can get on with their lives and because of that, I fully support this and I know that in my ministry, we will be also looking at 'a no fault system' to be considered for our workers compensation.

With those words, Madam Speaker, I fully support all the consequential Bills that are being presented before the House

HON. SPEAKER.-Thank you, Honourable Members. We will need to break for lunch but I will need your advice on whether, because today is Friday, we go for lunch for one hour and come back at 2 o'clock or at 2.30?

HON. MEMBERS.- 2 o'clock.

HON. SPEAKER.- At 2 o'clock. Thank you, Honourable Members we will now suspend for lunch and lunch is being provided in the Big Committee Room. Parliament is suspended and we will resume at 2 o'clock. Thank you.

The Parliament adjourned at 12.59 p.m.

The Parliament resumed at 1.59 p.m.

HON. SPEAKER.- We will continue from where we left off.

HON. CDR. S.T. KOROILAVESAU.- Madam Speaker, point of order.

HON. SPEAKER.- Point of order.

HON. CDR. S.T. KOROILAVESAU.- Madam Speaker, I wanted to raise a point of order under Standing Order 6(1) in regards to Honourable Salote Radrodro's comment before the break on superyachts. Irrespective of my long explanation to her and wasted all my morning tea time in explaining to her, she raised the issue again.

The whole issue is that the difference between what she is implicating and what is in the Super Yacht Bill are totally two different things altogether. And I have explained to her that the Bill actually is in two categories. One is paid by the yacht charterer to the owner of the vessel and the other is paid by the charterer to the agents in Fiji and that is service orientated. Instead of agreeing with me during morning tea that she understood the explanation update I made, she raised it again in the House this morning. That is my point of order, Madam Speaker.

HON. SPEAKER.- Can I make a ruling on that point of order? That really was not a point of order, you were referring to the content of a speech.

HON. S.V. RADRODRO.- (Inaudible)

HON. SPEAKER.- No because it was not ....

The only one that can respond to a point of order is the Speaker and no one else. Anyway, thank you. Honourable Prem Singh, you may have the floor.

HON. P. SINGH.- Thank you Madam Speaker, a very brief contribution. First, I start with the Accident Compensation Bill and I term it as a "no poll bill." It took a long time coming but we have embraced it.

Madam Speaker, this Bill gives a victim the choice of going to the commission, which may have a standardised compensation. He also has a choice to go to the courts to further pursue his claims. So, the choice factor is there, and as you know, it will also reduce the workload of the courts and of course, it will have some teething problems initially, but once the system is setup, we look forward to the old Act of 1948 being replaced.

Madam Speaker, this is why we support this. The Consequential Bills, Madam Speaker, apart from these Bills reflecting the changes and amendments to align the various changes through the budgetary allocations, I find that most of these Consequential Bills in respect of the Tax Administration (Budget Amendment) Bill and so forth, they have massive or very strong compliance measures in terms of penalties, charges, and of course imprisonments.

Madam Speaker, whilst these Bills give authority to FRCA and its CEO powers now to conduct searches through warrants, they go further. The Bill also says that they can even break down doors. So my concern is, Madam Speaker, in tax related matters, there are punitive measures in the Act. These are exorbitant and it is not taxpayer friendly. At the cost of repetition, may I say that Section 60(1) where the time bar of seven years has been removed, what would be the practical

achievement of this because the tax compliance has its own arms, own interventions, and I find this to be not taxpayer friendly?

Madam Speaker the Commerce Commission has been given extra powers. This would of course make it easier for them to access information from FRCA as a consequence of these amendments to carry out their work more efficiently.

Coming back to the increase in the alcohol and tobacco tax of 15 percent, Madam Chair, we have a social responsibility and whilst it is good for people who earn \$200,000, they can afford it, but what about the poor? You see - the social aspect of it.

A cane cutter or a farmer, a casual worker after hard weeks, they do not drink alcohol every day because they cannot afford it and these are the people who are most affected, there would probably be another increase.

So, I know Members on the other side, some of them who close the bars to get alcohol consumption until they are free, Madam Speaker, this is for the people as a whole, it is a detriment. Madam Speaker, I think the Government should be mindful that our people do not drink everyday as I say, but after weeks of hard work, they are entitled to a couple of bottles of beer as a social drink with their families. So you cannot be punishing the whole cross-section of the people on the basis of some who may not consume alcohol, who do not know, and they try and enforce the others the measures that have been put in this Budget.

So, Madam Speaker this is my contribution and thank you.

HON. SPEAKER.- Thank you. Honourable Anare Vadei.

HON. A.T. VADEI.- Thank you Madam Speaker. With my contribution to the Bills before the House, I agree with my colleagues on this side of the House on the processes of bringing some of the amendments in accordance with the Bills that are before us.

My comment is on the Bill regarding the Commerce Commission, the amendment relating to Fijian competition and Consumer Commission by instituting the change of name, it removes some of the jurisdiction of commerce in terms of intervening or contravening antidumping duties that captures the Commerce Commission in its context.

So, we can open up another office under the Commerce Commission to look into the Competition and Consumer Commission like the fair trading as it was before, as happened in other countries like New Zealand and Australia.

My second contribution is on the Omnibus E-ticketing, Bill No. 28 of 2017. It states that the minimum refunds to the consumers' need to be established in the Bill so that consumers can know how much of the refunds can be demanded to these solution providers, if bus cards had been used.

Secondly, regulations to state where the funds to go from the solution provider. It does not bring into this House those information where those refunds can go to by the solution provider as stated in the Bill.

Thirdly, the transport service by supervises to monitor bus operators, bus drivers, as well as the travelling public in regards to the use of e-ticketing machines so that we can have correct figures of the travelling public in that travelling hours, otherwise services will not be provided if those are not properly monitored or supervised.

Lastly, the solution provider to confirm to us consumers that constant providers of solution to be on par with the services that Government is intending to provide, like for the MPAiSA. Nowadays a lot of disconnect happens to rural and remote areas in regards to connectivity.

Additionally, to our municipalities, most of the parking meters are not working, solution providers need to upgrade those technologies so that consumers are not victimised. Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. I now give the floor to the Honourable Niumataiwalu.

HON. M.A. NIUMATAIWALU.- Thank you, Madam Speaker. I rise to add my contribution in support of the amendment to the Super Yacht Charter Bill 2017 before the House. This super yacht charter is something that islands like ours in the Lau group might want to look into holistically when you look at the tourism aspects of it.

There is huge untapped potential in our small islands and that we have in abundance with the sea around us. We were hoping that Vanua Balavu would be able to share some of those things that they are gaining so that small islands like ours can benefit as well, but since they are opposed to that, why not send them to small islands like ours?

The Honourable Minister of Economy has already highlighted the advantage. The super yacht industry brings a lot of potential, especially for smaller islands all around Fiji. Yesterday, we heard about a jetty to be built at Wainiyabia in Lakeba and it is very timely for what will come from the amendments to the super yacht charter and how we stand to gain from the Environment and Climate Adaptation Levy (ECAL).

The levy, through Government, will have villages like mine in Salia, Nayau in Lau which was one of the first to be relocated because of severe *TC Meli* in 1979 and Nayau and Vabea in Kadavu were badly affected by this cyclone, a total of 53 people died. So, for us in Nayau, we had to relocate to Lakeba for a couple of years.

Madam Speaker, we look forward to benefiting from this climate environment funds and the Honourable Prime Minister's presidency of COP23 is vital. For the Honourable Prime Minister, being President of COP23, it means a lot to small island nations or countries or places like ours.

Madam Speaker, the United Nations today released a statement that tourism is keen to fostering trade for Least Developed Countries (LDCs). A United Nations Bank Report released today in Geneva stresses the need for greater recognition of tourism as a key service export in order to attract technical assistances to the sector in LDCs. Although tourism represents 7 percent of all international trade and 30 percent of the world's services trade, it is often difficult to direct trade related technical assistance towards the sector because tourism and trade tend to fall under different line ministries, the report points out.

Produced by the World Tourism Organisation, the International Trade Centre and the enhanced integrated framework, the report titled "*Tourism for Sustainable Development in Least Developed Countries*" was launched on the occasion of the aid for trade review held in Geneva.

In LDCs, tourism accounts for 7 per cent of the total export of goods and services, a figure that stands at 10 per cent for non-oil LDCs. The report says that tourism can make a strong contribution to the economies of LDCs, but successful interventions in tourism requires strong collaboration across government agencies, as well as across different actors at the regional or local level.

The report also aims to increase the commitment and investment in coordination and raise tourism's prominence in trade related technical assistance as to ensure the sector delivers on its powerful capacity to create jobs and incomes where they are most needed and for those who are most vulnerable, including youths and women.

The World Tourism Organization, the International Trade Centre and the Enhanced Integrated Framework are working to contribute to this process of increased coordination and collaboration by joining forces in the design and implementation of tailored tourism technical assistance and tourism export strategies and leveraging resources. The reports launched coincide with the International Year of Sustainable Tourism for Development 2017.

The year aims to support a change in policies, business practices and consumer behaviours towards a more sustainable tourism sector that can contribute to Sustainable Development Goal. Goal 17 sets as one of the targets a significant increase of exports of developing countries, in particular with the view to doubling the latest developed countries share of global exports by 2020 to which tourism has service export can contribute. The FijiFirst Government is connecting the global to the local which 'leaves no one behind'.

Thank you, Madam Speaker, I support the amendment to this Super Yacht Charter Bill 2017. Thank you.

HON. SPEAKER.- Thank you. I now give the floor to the Honourable Viliame Gavoka.

HON. V.R. GAVOKA.- Thank you, Madam Speaker. I wish to contribute to two Bills, in particular, one is the Customs Tariff Budget (Budget Amendment) Bill 2017, the parts where the duty on prefabricated homes are increased from 5 percent to 32 percent.

Madam Speaker, I would wish that Government relooks at this because it is, in my view, one of the most ideal ways of developing housing in Fiji. Housing will continue to be a challenge for us and I think everyone in Fiji will want to own a home and indeed we must inculcate that dream into everyone to own a home. I think something that we see a lot is overcrowding at homes and families sharing one house. We must encourage people to build their own, and I believe prefabricated homes are a way to help in this development.

I do not know whether Government during its consultation heard from the villagers regarding Easy Built. Easy Built is very popular with people and ideally it is pre-packaged with a variety of designs and can suit any need, whether in the village, or anywhere else. For me, Madam Speaker, for one who lives in the village, I am always concerned at the way we build our homes. A lot of the homes, Madam Speaker, are built without any proper design, are very poorly painted and it is such a tragedy that so much effort goes into building a home that has a lot to be desired in the final outcome.

The benefit about prefabricated home is that they can be totalled. Totalled in the sense of the structure, the design, the rooms, the lighting system, even the kitchen, those can come in pre-package and I believe it is the way to go.

With Fiji's current situation, we have to insist that their compliance can withstand a Category 5 cyclone; that can all be done. But I think we should not make it difficult for those who may wish to have homes and have access to types of homes by increasing the duty.

We know that it is very hard getting carpenters, we heard this week that training is being conducted all over Fiji on how to train devoted carpenters. I know I live in a village, it is very hard

to find a carpenter let alone a joiner; joiners are very difficult to get. So, when you have a prefab home, fully packaged, nicely appointed in the inside, bathrooms, et cetera. It makes it a lot easier and raises the quality of the home to our people. I think we have all been to villages and I think we all know what I am saying here. People make the effort, but it is just that the finer details, the layout are badly lacking. It is easy for me to say it because I was a hotelier and I know what to put in a room and it is easy for me to do that, but the vast majority of the people would not know what to put in their rooms. So packaged prefabricated homes would be one of the way out for our people. So I would wish that that is reconsidered and that we do not increase duty from 5 percent to 32 percent.

Madam Speaker, on the Super Yacht, I support my colleague Honourable Radrodro on this issue. I know people say that my views on tourism are outdated but I do know that Fiji still needs to spread tourism from the heartland which is the Coral Coast, Denarau and Mamanuca; we have always tried in the past. Indeed there was a time a resort was built in Vanua Balavu, I do not think it did very well. So listening today, I have never been to Vanua Balavu but the song "*Lomaloma*"; that is a beautiful song and I believe those who have seen it have serenaded the beauty of that place, the words in the song do not do justice to how beautiful it is. So if that is the case and Super Yachts are already coming in there, let us improve on the infrastructure to make it viable in a big way. That is one way of spreading tourism across the country. It is not only through hotels, resorts but through Super Yachts also. So, I am happy that it came out that way and I think we should consider it very seriously and spread tourism to the far reaches of our country.

Madam Speaker, that is my contribution on the Bill. I know the Bills are specific on many area but we can also accommodate some of these dialogue to give breath to the Bill. Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. I now give the floor to the Honourable Veena Bhatnagar.

HON. V.K. BHATNAGAR.- Thank you Madam Speaker, I rise to contribute to the Bills on the floor.

In fact, Madam Speaker, all the amendments to the Bills will have a positive impact on majority of our Fijian people either directly or indirectly. In very simple words, Madam Speaker, whether it is an Accident Compensation Bill which will bring about a lot of relief to accident victims and their families, of course, in terms of running to court, paying hefty sums to the lawyers, waiting for years and of course the prerogative of the choice is, whether to go to a Commission or go to Court or the Turnover Tax which will enhance transparency and remove the burden of paying double the amount of tax for the special services provided.

Madam Speaker, the amendment to the Income Tax Act 2015 will benefit so many Fijians who receive one-of payments. Now they will enjoy their full packages. Also, Madam Speaker, through this amendment employers are given incentives to provide health insurance for their employees (win-win situation for both parties).

Madam Speaker, looking at the amendments to the Tertiary Scholarship and Loans Act, the removal of the requirement of guarantors will give a lot of relief to parents, who found it difficult to look for guarantors. Now, the parents will not to have stretch out their hands to their family members, supporters and their friends for assistance. The reality on the ground is, Madam Speaker, quite often these parents face a lot of embarrassment when they were turned down or turned away or when they asked for assistance.

Madam Speaker, at this juncture, I would like to share a small case. Recently in a convention in Nadi, a mother approached me, and she was practically begging saying, "Please, ask the

Government to do something.” She wanted the Government to provide assistance to her son who had unfortunately failed a paper. He was a third year law student, and he wanted to repeat but the poor mother could not afford. So what she was practically asking me was “please, can the Government do something to help my child because he failed but still wants to continue, he still wanted to pursue his education further.” At that particular time, the poor mother did not know that her problem had been addressed in the Budget Speech by the Honourable Attorney-General – Minister for Economy. When I relayed this particular message to the mother that she need not to worry as the child would be offered another opportunity to repeat, she was so happy. I could just see the tears of joy in her eyes and she was so thankful and grateful to the Government for giving her child another opportunity.

Madam Speaker, sometimes due to unforeseen reasons children fail and this opportunity given to them will see through to their education and they could be successful in life, but had we taken this opportunity away from them, they would end up somewhere else.

I applaud Government’s initiative to give this opportunity but with the same token, Madam Speaker, I would like to request the parents to take a healthy and keen interest in their children’s education because you are given this opportunity to repeat only once and they have to make most of it.

Madam Speaker, also quite a number of times we have seen students who are not able to make it to Year 13 and again what happens is that this amendment will benefit them because TELS will also assist children in Year 12 to further their education. So I believe this is one of the greatest gifts to the students of Fiji and I whole-heartedly support all the Bills on the floor. Thank you, *vinaka*.

HON. SPEAKER.- Thank you. I now give the floor to the Honourable Lorna Eden.

HON. L. EDEN.- Thank you, Madam Speaker.

Madam Speaker, I rise in support of all the Bills before the House today and I wish to speak particularly on Bill No. 29 regarding the amendment of the Environmental Levy specifically on the Plastic Bag Levy.

Madam Speaker, the 10 cent levy is meant is to act as a deterrent from using plastic bags, not a penalty as alluded to by Honourable Bulitavu. It is also an incentive to entice us to bring our own shopping bags that are reusable.

Madam Speaker, every responsible citizen worldwide is concerned about the detrimental effects of plastic bags and how they irreversibly damage our environment and our wildlife. I would like to share a few facts Madam Speaker which I am sure everyone will be interested in.

1. In Hong Kong back in 2005, 8 billion plastic bags ended up in land fields each year. In Canada, the figure was between 9 billion and 15 billion plastic bags every year and if those numbers are too big to think about, then picture this. If we tied 9 billion plastic bags together, they will circle the earth 55 times.
2. Plastic bags are made from non-renewable resources. Just 8.7 plastic shopping bags contain enough embodied petroleum energy to drive a car one kilometre.
3. Five minutes versus 1,000 years. The average plastic bag is used for five minutes to carry your purchases home. Yet these single used plastic bags can take up to 1,000 years to break down.

4. Plastics bags kill earth's wildlife and livestock. Plastic bags are known to kills sea birds, sea mammals and fish. Turtles, dolphins and whales can choke or starve by confusing these plastic bags with jelly fish. On land plastic bags kill birds and livestock.
5. Plastic bags block our drains and sewers which leads to flooding of our waterways.
6. Every piece of plastic ever made still exists. There are approximately 46,000 pieces of plastic floating in each square mile of the world's oceans. In some places, there is more plastic than plankton. Plastic bags are in the top 12 items of debris most often found in coastal clean-ups.
7. Plastic bags do not biodegrade, they photo-degrade. Photo degradation is a chemical reaction between plastic and sunlight. It means that the plastic bags break down into smaller and smaller toxic bits contaminating soil and waterways and entering the food web when animals accidentally ingest them.
8. Not all litter is deliberate. Up to 47 percent of windborne litter escaping from landfills is plastic, mainly plastic bags. This end up in our forests, grasslands waterways and oceans. Approximately, 80 percent of marine trash is spread by wind and rain of highway streets and landfill down streams, rivers and out to sea.
9. Reusable bags are the solution. A sturdy reusable bag will last for years and only needs to be used five times to lower environmental impact. Buy a bag today everyone.

Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. I now give the floor to the Honourable Ratu Kiliraki.

HON. RATU K. KILIRAKI.- Thank you, Madam Speaker. Allow me to contribute to the debate on the Customs Tariff (Amendment) Bill. Firstly, I join my colleagues and attempt to contribute. Decrease of duty is always welcomed, increase is always initiated. I will try to analyse and debate on this. So, it could have been much easier if we had gone through the Bills one by one instead of packaging the whole 20 Bills altogether because when we touch every Bill that consumes a lot of time.

Most of the Bills are good but for the purpose of debate, firstly I will comment a little bit on housing. Pre-fabricated homes have been there since 1970 and 1980. You will remember Union Marketing has gone through Housing Authority to build affordable homes especially in the rural areas. I am one who went through that and that house is still there with the hurricane relief architecture where you had steel rods going through the house from corner to corner and is still standing. So, through the hurricane relief supplies they build homes. The advantage of that is it resists hurricanes and most importantly is very quick, in one to two weeks you finish one house. It is all hurricane proof. In putting up the tax, it is a discouragement to those who want to build pre-fabricated homes as alluded to by Honourable Gavoka in the shortage of carpentry skills and the prolonged construction to address TC *Winston* rehabilitation homes. So, that is on housing.

On the environment levy, on the 10 cents on every plastic bag that you penalise the consumers who come into the shop to buy. For an average shopping, you go home with about 10 plastic bags every week. So, 10 plastic bags is about a dollar. What I am trying to say is that with the 10 cents that the consumer pays for each plastic bag that the consumer uses will not get rid of the problem.



The problem is with the plastics not the buyers or not even how they take back home and how they dispose of those plastics. The problem is with the plastics, either a total ban on plastics or you allow bio-disposable, degradable plastics so that it just degrades itself naturally. But unfortunately we have plastics that cannot be degradable. Plastics will be an ongoing problem. What should be the case is for Government, especially the rural authorities to place bins along the highways and regularly dispose of them because if you go up Princes Road, rubbish is picked up today by voluntary workers, next day you will see plastics, noodle wrappers and bottles every day. What really should be the case is not by imposing a levy but to find a way on how you we can get rid of plastics. From homes there must be an arrangement for the proper disposable of plastics by putting bins in allocated areas to be able to be got rid of them every day. So, 10 cents will not solve the problem, Madam Speaker.

In regards to the import of all new inter-island passenger cargo vessels, I would comment on why not reinstate the Government Shipping construction? Those vessels constructed before, they properly served the islands because they could manoeuvre themselves through the passages. We had the *MV Bai ni Takali* in Tubou while attempting to go through the passage, that kind of vessel will find it difficult. What happens is the calamity it is in is unfortunate. Before we had the Government Shipping construction, we had the Roll-on/Roll-off *MV Duiyabaki* and all those vessels that properly served the maritime islands of Lau and the outer islands of Vanua Levu. So, that is the way to go rather than buying multipurpose vessels. What if someone required medical attention in Rotuma and another one in Lau; how do we solve that? So that multipurpose one is so many expertise but master of none, so that is the purpose. It sounds alright but practically that is impossible because of the geographical constitution of the islands in Fiji.

The cargo vessels, well I sympathise with those because of the cost of the vessels and you know the used cargo vessels that come in, one is lying down in the Suva Harbour, two in Levuka and these are vessels which mostly are decommissioned in their countries and are bought and brought here after 20 years of services. They come here and this is what happens. They have a certain life of service in Fiji and they end up in scrap or in the sea hospital or the graveyard like we have in Suva.

In regards to fisheries, I commend the prawns and it is a positive allocation there but we must understand that we have about 3.4 million of imports for prawns, shrimps that caters for the hotel industry, that is very important. What I would think is the capacity building for those that are going to push this industry forward because we went to Galoa, as I had mentioned already, the skills and expertise that is lacking there, only two graduates with no straight science Degrees. I know that the Honourable Minister for Fisheries will be addressing that issue.

As for the fish levy, in 2011 it was \$350 and now it is \$450. The Fish Levy Policy is a part of Government's effort to promote the fisheries industry by encouraging value adding. Value adding is new because the fish just transits 450. For that purpose to encourage the fish boat owners to off-load in Fiji and be value added in Fiji. But they prefer to take it to their main countries or whatever company that is.

What I would like to point out, despite of these levies from 2015, the number of vessels that came through Fiji was 91. In 2016, it was 148, so there is no deterrent effect on that levy. What you can analyse from that the activity of the fishing industry out of Fiji. Probably, that addresses whatever type of fishing, over fishing that can be taken up to COP23, those are the basis of that.

But I commend the levy because \$1.3 million every year that comes into the coffers of the Government. But what I want to highlight is that in spite of that levy, the number of vessels did keep on increasing. One of the arguments by the agents was that, the imposition of this levy of \$350 in 2011 it was going to discourage but in fact the vessels still increasing. So what I am saying is that probably when you go to COP 23 that addresses the argument that overfishing or probably there are

so many boats in the Pacific. So with all that, Madam Speaker, I thank you for the time you have given. Thank you.

HON. SPEAKER.- I give the floor to Honourable Balmindar Singh.

HON. B. SINGH.- Madam Speaker, I rise to support the Bills before this august House. I have a short contribution towards Bill No. 23 of 2017, the Stamp Duty (Budget Amendment) Bill 2017.

Madam Speaker, the announcement is well received in the community as the Government passes the exemption of charges for stamp duty on a transfer through a Will or the transfer of a place of residence.

First, if it was done on the property, the interest in a capital asset or shares in a company between spouse, parents and children and grandparents and children, where transfer is done out of love and affection.

Madam Speaker, this news brings smile on the face of society at large and a huge sigh of relief, as this brings along many advantages. The first and foremost is the savings one would make financially. For grants, the exemption of stamp duty makes the whole process a lot less troublesome.

Madam Speaker, lastly, this will help keep corruption in check and lower the instances of harassment of the ordinary citizens through waste of time by dillydallying the procedure.

Madam Speaker, before I conclude, I would like to share the acronym “smile” which means, Society is Motivated and Inspired via Legislative Empowerment. Thank you, Madam Speaker, for your indulgence.

HON. SPEAKER.- Thank you. Before I call on the next speaker, I would like to welcome the students and teachers from St. Vincent College from Natovi, who are there in the gallery. Welcome to Parliament and thank you for your interest.

I now give the floor to Honourable Aseri Radrodro.

HON. A.M. RADRODRO.- Madam Speaker, I rise to join my colleagues in speaking against the Bill that is presented to us this morning.

Madam Speaker, I will start off with the Bill No. 24 of 2017, the Financial Management (Budget Amendment) Bill 2017, but before I do that, most of my colleagues have spoken on the respective Bills that are in front of us.

In summary, they are Consequential Bills to the pockets of the taxpayers. That is the summary of those 20 Consequential Bills because the changes that are being made here will be felt by the taxpayers' pockets, irrespective of the change in tax package from \$16,000 to \$30,000 tax free. But, of course, it will be financed somehow and these are the Bills that will finance all those losses that will be generated from the increase in the tax bracket, Madam Speaker.

Let me start off with Bill No. 24 of 2017. We note there, Madam Speaker, that this is relating to the Off-Budget State Entities. Clause 2 in particular, is authorising the Off-Budget State Entities to write-off their losses without going through the normal process. This is a very serious concern, Madam Speaker, so we would like to request the Honourable Minister to highlight to this House the intent of this change in the Financial Management Act. As we know, all the changes, all the writing-off of losses is supposed to go through the normal process but this one is an exception.

Also, Madam Speaker, on the similar clause, the reporting of the Off-Budget State Entities, it says that it will only report to Parliament through its Annual Report. The question is; why is it that this particular Off-Budget State Entity does not come through the Auditor-General's scrutiny? As we all know, the auditing of the entity will have to come through the Auditor-General's Report through the Committees of Parliament and the Annual Report does not go through the Auditor-General's scrutiny.

Similarly, Madam Speaker, I would like to speak also on the transitional tax that has been highlighted previously. We acknowledge that now the different taxation of 3 percent and 9 percent has been removed, but why continue with the 1 percent, it is 2017 now? You initiated this transitional tax prior to 2014 or from the last two years but it is now 2017. Why is it that you are still continuing and extending it to 30th September, 2017 for those taxes that were not appropriated prior to the introduction of this Bill?

The other issue, Madam Speaker, is the Government assisted projects. We commend that Government will assist co-operatives but I think that we also need to extend this assistance, not only limiting it to co-operatives but also to other organisations that will encourage growth in the economy.

Similarly, Madam Speaker, I think I have highlighted this previously, on the amnesty, on the declaration of undeclared foreign assets, income and also on general amnesty. The amnesty period has already started previously which is extended to 30th December, 2017. What is the reason behind this extensive amnesty? Perhaps, the Honourable Minister can inform this House, what is it that is behind the need to keep extending this amnesty period?

On the LTA Bill, Madam Speaker, I support my colleague, the Honourable Parmod Chand in terms of the need for monitoring, especially the e-ticketing. Madam Speaker, you know that it is all good and well if we plan out but the plan would not be a fruitful one if it does not work. So for it to work, we need people to monitor, especially in areas where there is reachability of network. If they do not work, the conditions of the road, the machine attached to the drivers' buses do not work, how will it be accounted for in terms of the purpose of e-ticketing?

We also need to remind the Honourable Minister that LTA needs a lot of staff and monitoring also. If you look back a few years ago on the death of University students along the Samabula Road, it was because there was no public service vehicle available on that dreadful morning and they had to hire the rental. They had to get in the rental which ended their lives on that dreadful morning.

So, Madam Speaker, that is basically my contribution on the Bills that are in front of us this afternoon, and I thank you.

HON. SPEAKER.- Thank you. I give the floor to the Honourable Vunivalu.

HON. S.B. VUNIVALU.- Madam Speaker, I rise to support Bill No. 21 of 2017, the Pensions (Budget Amendment) Bill 2017. I would like to thank the Honourable Minister of Economy for the change in pension in regards to the retired servicemen, especially for the ex-servicemen.

Madam Speaker, there is an increase of 15 percent and being a former military officer myself, I thank and welcome the increase in the pension that we receive. It started way back with the Solomon Islands campaign and the Malayan campaign. My dad also received the pension until he passed away last year. He was injured during the Malayan campaign. He was on a wheelchair all the time so I had to collect his cheque from Ro Lalabalavu House, take it to him for his signature, I then take it to the bank.

Madam Speaker, it is not an easy job, like some other kind of job. When a young person joins the Military, he/she is trained according to the Standing Order of the Military. Some even receive injuries during training, but once a person passed out from the Military, it is just like someone swimming in the deep sea after the boat capsized in the middle of the night, so it is not an easy thing. And I think most of us here are from the Military.

Madam Speaker, when a soldier is selected to participate in the Middle East, it is not like a tourist who normally goes out to Australia or New Zealand or even Fiji, just for a vacation. Military personnel normally go out on peace keeping duties. Some of them die and some do receive injuries and when they get old, they experience signs from those injuries. I am sorry, but I can see the Honourable Minister for Youth and Sports walking like that, the Honourable Minister for Fisheries buying tablets all the time, even the Assistant Whip is walking like that as well, and I am also walking like this.

(Laughter)

Madam Speaker, I am saying this because this is fact. So there are side effects to that. Some do speak louder and you can see the Honourable Leader of the Government in Parliament. It is like a symptom. When you go to the Middle East, you experience bomb exploding somewhere near our camp, so it happens, Madam Speaker.

Madam Speaker, I am saying this is because it happened to us. Some of us, our wives eventually go out, they are not faithful to us and that hurts us. This is a fact but we accept that. We accept them because they are our wives and with this increase in pension because most of us will die, our wives will receive the pension. They say that old soldiers will never die and they are always proud of their medal.

Madam Speaker, you may be laughing about this but it is a serious matter, so for the increase in pension of 15 percent, that will help the soldiers who, at their age, require special needs. A cost of living for them so that they are able to buy things, such as medicine and even food because they had served in places where not all of us can participate in, only those who pass the Military training, like those who are doing it now at Blackrock in Nadi. People coming from Vanua Levu, Lau and everywhere will be based at Blackrock, so that it is easier for them, from Blackrock to the plane and then straight to the war-torn areas.

Once they come back, some may retire this year or next year. So once they hear me, I will be rejoicing with them in their homes. All the people, the old soldiers, they normally hear this every time and they will be clapping their hands because they know they will be receiving an increase in their pension.

So, with that contribution, I thank the Government of the day for such a wonderful change.

Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. I now give the floor to the Honourable Dulakiverata.

HON. J. DULAKIVERATA.- Madam Speaker, I would like to contribute to the Bill before the House. I will speak on Bill No. 25, the Land Transport (Budget Amendment) Bill 2017.

Madam Speaker, there is an item in Bill No. 25, the insertion of a Service Charter on the Bill. This is a new item to be inserted in the Act and there is no definition of this Service Charter in Clause

2. Maybe, the Honourable Minister can advise the House on what this Service Charter is meant to address.

However, if you refer to principal Act in section (65)(3)(b), it deals with road contract licence, so I wonder if this Service Charter is going to address the same thing that the service contract is going to address, Madam Speaker. If that has been addressed already, then there is no need for this amendment. If the Honourable Minister wants to bring in a new issue, then it should be included in the regulations because it is already being addressed in there.

The other issue is on Bill No. 32, Customs Tariff (Budget Amendment) Bill 2017, rock, gravel and aggregates being natural resources. The catch words are “natural resources”, a 5 percent export. I wonder if this is charged on all other natural resources that are being exported...

HON. A. SAYED-KHAIYUM.- Yes!

HON. J. DULAKIVERATA.- like timber, pine chips, minerals, bauxite, gold, and if they are all charged, then it is alright but if it is only for rock aggregates, then it is not fair. I think that because this is a new export commodity, then they should be given incentives rather than being taxed more, to encourage people to export so that we do not import. So, Madam Speaker, I think some of these industries are over-regulated and over taxed. So, I hope this can be looked at, Madam Speaker.

That is my contribution on the Bill before the House. Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. I now give the floor to the Honourable Leawere.

HON. M.R. LEAWERE.- Madam Speaker, just a very brief contribution on these Bills.

Madam Speaker, I would like to speak in particular on the Water Resource Tax (Budget Amendment) Bill, 2017, Bill No. 16/2017. The previous speakers have spoken before me regarding these Bills. Even though they were passed in the Budget and are avenues to move the country forward, but I also echo the same sentiments expressed by our colleagues on some of these Bills, in particular as I had mentioned, Madam Speaker, on Bill No. 16/2017.

Madam Speaker, I just wonder about the tax concessions for small players in the industry in terms of this Bill. As we see in Clause 3(Section 13(3)) for non-compliance, it is quite severe in terms of the penalties that are being imposed but I think coming from the Bill, it is probably a way to safeguard the industry. Madam Speaker, I just hope that there will be a level playing field in as far as the Bill is concerned. So I would like to see that consideration is also given to landowners in terms of royalty, if they can be considered. Although Fiji Water is probably the major player as it is on government land but there are water sources in Ra, like Naseyani which can also enjoy some of the benefits from the use of their land.

Madam Speaker, the Bill as I had said, is just targeting major players in the industry but we should also be mindful of their contribution to the economy of this country, as well as marketing Fiji abroad. Some of these bottled water companies, Madam Speaker, we must ensure compliance as well, like this company in Yaqara.

Madam Speaker, this is just my simple contribution to the Bill.

HON. SPEAKER.- Thank you. I now give the floor to the Honourable Minister for Women, Children and Poverty Alleviation, the Honourable Vuniwaqa.

HON. M.R. VUNIWAQA.- Madam Speaker, I just have a very short contribution. Before I make my contribution, I would like to congratulate the 'Baby Pearls' for making it to the semi-finals of the World Netball World Youth Cup.

(Acclamation)

Madam Speaker, I believe it is the first time for our 'Baby Pearls' to be reaching that particular stage at netball championships.

Madam Speaker, I rise in support of the Bills that are before this House and I would like to make a very short contribution in particular to the Environmental Levy (Budget Amendment) Bill 2017.

Madam Speaker, I think we can all agree that we do not want plastics and the devastating effect it has on our environment. I think both sides of the House agree on that. There is differences of opinion on the way we should go about achieving that ultimate aim.

The levy of 10 cents per plastic bag, Madam Speaker, is a step in the right direction. I do agree with the opinions we have heard from the other side that it will not eradicate totally, this problem that we are facing in relation to the existence of plastic bags. But then we should ask ourselves; this is a decision that is being made by Government towards that ultimate aim but as shoppers, we are all consumers, so what are we doing personally as individuals to contribute to this aim that Government has for the nation and which I know everyone shares?

As shoppers right now, from the announcement of this particular initiative by the Honourable Minister for Economy, as a household, we have started to take our bags when we go shopping and that is something we can do ourselves without the need for laws. It really depends on how we value the initiative, the aim that is embodied in this particular Act, Madam Speaker.

Another initiative that arises out of this particular Act in which I am very thankful for as a Minister for Women, is the partnership with women's groups that has emanated from this. Madam Speaker, you have heard the Honourable Bilitavu when he asked; what is the alternative to plastic bags? I think he can answer that question himself without looking to Government for it. But from the Government side, Madam Speaker, there is partnership now with women's groups to come up with bags that are made by women and are sold by them.

At the moment, it is existing on a very small scale. I believe the Lautoka City Council, in conjunction with the Women's Group of Koroipita, they have been doing this for a number of years but it has not been highlighted on a national scale, like the Honourable Minister for Economy had announced at his Budget Address. As a Government policy, Government is working closely with women's groups through my Ministry, to tap into the bags that women are making as a source of economic empowerment for them. So, come 1st August, 2017 when this law goes into place, you will find alternatives to plastics bags in the supermarkets and I encourage all Fijians who are listening to this to please, when you see those bags, you buy them because you are empowering Fijian women.

Thank you, Madam Speaker.

HON. SPEAKER.- I give the floor to the Honourable Dr. Brij Lal.

HON. DR. B. LAL.- Madam Speaker, I would like to briefly contribute to Bill No. 28, the Omnibus Electronic Fare Ticketing (Budget Amendment) Bill, 2017. E-ticketing is one of the very

best and very good idea on which we had worked in the past. I am very glad that it is now coming to fruition and it will be implemented soon.

When something is to be implemented, we prepare for the worst and prepare for it. Once it is started, there may be some challenges that come up, and as challenges come up, we will prepare the solutions for it.

E-ticketing is good for our school children, senior citizens and all the citizens of this nation. Once those cards expire, there is also a provision that the money would be put into a special fund which can be used for other developments.

The introduction of e-ticketing makes the work easier for the bus drivers, bus owners and for the Government. It also allows to have a thorough check on the number of people who will be travelling, the destinations they have travelled and the amount collected. This will also allow the bus owners to make sure that they pay the drivers well so that drivers do not have to 'own the tyres'.

(Honourable Member interjects)

HON. DR. B. LAL.- Thank you.

The e-ticketing is something that will make work easier for everyone and for that reason, we are strongly supporting this.

HON. SPEAKER.- There being no other input, I now invite the Honourable Minister for Economy to speak in reply.

HON. A. SAYED-KHAIYUM.- I apologise, Madam Speaker, I did not expect you to finish so quickly.

Madam Speaker, I would like to thank the Honourable Members for their contribution. In fact, I would like to thank Honourable Members on the opposite side for their contribution, except the Honourable Professor Prasad, I think. His cameo appearances throughout this Budget consultations, I think, have been very disrespectful of Parliament. The fact is, that all Honourable Members of the Opposition have made time and effort to be here, irrespective sometimes may not actually affect them but the fact is, doing his cameo appearances, I think, is very unbecoming.

We have the Honourable Prime Minister who is running the country, he is here, he sat throughout the entire week, and he comes and makes his cameo appearances. And in fact, makes representations about what he had said in the media also, and I think it is very unfortunate about the comments he made about alcohol and cigarettes, just to cover his mistake that was published in the *Fiji Times*.

Of course, the Honourable Prem Singh has also come in a very cheap way to come to his defence. Everyone knows that cigarettes and alcohol is actually a luxury item, and they do not want these to be increased. If we look at every other single country in the world, every year, year in year out, they actually increased the excise duty on these products. We know that causes problems, yet they are standing there saying, "You should not do that", which is very unbecoming. The fact is, that the revenue we raise from this actually goes towards funding the Ministry of Health, to meet our expenses to be able to meet those medical expenses. If we go to the hospital, all the services are provided for free, except for a very small fee if you go to the paying ward.

Madam Speaker, I would like to very quickly just respond to some of the queries that have been raised in respect of the Bills. Again, I say this, I am actually quite embarrassed by the contribution by our Shadow Minister for Economy. It goes to show a complete lack of understanding and also one of the things that I have mentioned, Madam Speaker, was that, we need to have intellectual honesty, not dishonesty. I will give you an example.

He have talked about Bill No. 24/2017 (Financial Management (Budget Amendment) Bill 2017) and he mentioned the writing-off of losses by Off-Budget State Entities. He did not read the entire paragraph. It says in Clause 2 of the Bill, and I quote:

“Notwithstanding subsection (1), the responsible authority of an off-budget State entity may write-off losses...”

He stopped there because the Bill says, and I quote:

“...in –

- a) a manner that satisfies the requirements of the Finance Instructions; or
- b) such other manner as approved by Cabinet.”

He did not read that. He knows that, and he is sitting there and telling the people of Fiji as if the sentence ends there. That is what I call, “intellectual dishonesty”, Madam Speaker.

There is a difference between yachts and the super yachts. As you know, there are yachts in Fiji that can sail out for 18 months. The super yachts, as Honourable Salote Radrodro talked about, are the big yachts that people come in and spend a number of months in Fiji. Just so that I hope she does not go and misinform the people in Lau and say that we are making millions and millions of dollars from the Super Yacht Charter, let me tell you how much revenue we collected at 12.5 percent.

At 12.5 percent, we collected \$468,000 only, from the super yachts. The problem is and the reason why we brought up this law a few years ago is because when super yachts used to come to Fiji and when they come here, they stayed for about six to nine months because different people come from different parts of the world and sail around Fiji. One group leaves off and the other stays around, so FRCA used to charge them full duty. So in order to attract them to stay here, we charge 12.5 percent charter. We got rid of the charter fees, we are going to replace it with the 10 percent ECAL.

The environmental levy which is a different thing to the super yacht levy that we were collecting, collected \$71.7 million. That environmental levy major contribution comes from tourists who are actually staying in the hotel rooms, not from the charter of the yachts. So there is a point of difference. I hope she does not go there and say, “Government is collecting \$90 million, and where is your share of this?” Of course, the super yachts that will go to that part of Lau, if they are going to anchorage or have mooring down there, they will pay whatever *qoliqoli* compensation that needs to be paid, that is different to this, so I hope they do not mislead the people in Lau.

Honourable Karavaki, who unfortunately is not here, mentioned that we should not be calling the bill relating to the building permits as regulations. It is not regulations in the legal sense, they are regulating the building permit regime in respect of the permits, so we have to look at the substance of the law that is within the Bill itself to be able to know what is within the law itself.

I think Honourable Professor Prasad and some other Honourable Members also mentioned that all penalties are too high in respect of taxi permits. Madam Speaker, tax avoidance is a big problem. One-third of our economy, the value of our revenue, used to be in the black. We need to



have higher penalties. We have had in Fiji in the past few years, major business people, one of them is actually hiding overseas now, go to prison because of abuse of processes. They continue to hide overseas. We need these people brought to justice.

Tax avoidance is a huge black mark on our economy. If we collect all the taxes today, we could actually reduce our deficit, in fact, we do not even have a surplus. So people who actually do not pay things that they are supposed to pay, should be punished, and it is a deterrent. It must be a deterrent! Everyone complained about food prices, et cetera, we are trying to do the right thing. Therefore, those penalties need to be high.

The Commerce Commission is important in all of these, to be able to avoid anti-competitive behaviour or people taking advantage of their monopolistic position. In the same way today, if FEA wants to increase the tariff, if AFL wants to change the landing fees for aircraft because it is the only company that provides the service, they have to get permission from the Commerce Commission.

The same thing with the Fiji Ports Corporation, Honourable Bulitavu has got the wrong end of the stick. That is what the Commerce Commission does and we want the Commerce Commission as they do, for example, in Australia, to get more into the private sector. There are only five or six companies as highlighted earlier on, that bring or control about 60 percent or 70 percent of all the products that are sold in supermarkets. We do not want them to. You can, like I said, remove VAT as much as you like.

On the one hand, they talk about not increasing the duty on alcohol and cigarettes but they say “15 items will be VAT exempt”. We can do that but if the input pricing at the beginning is not something you control, the price of things will continue to go up because of the monopolistic position, basic commerce.

The taxi permit and bus permit, Madam Speaker, these are some of the things that this Bill does, freeing them up and making it available to ordinary Fijians who hold taxi permits, bus permits and Honourable Parmod Chand’s company, he knows that when they get their permit from the LTA, that can get up to five or ten years. The law says five or ten years at the moment, what we are saying now emphatically, it will be 15 years. From October, he will get a 15-year permit and he can use that permit as collateral, not only his bus but the permit. He can go to the bank and say, “Look, give me \$2 million, I want to buy 10 buses and here is my permit as collateral also.” He is a bigger operator but his fellow association members who have a gross turnover of less than \$1.5 million, they will actually get only a five percent interest on any loans that they have.

They also, Madam Speaker, will be able to import buses. The new buses is zero-rated percent. Now, fully made buses too are zero-rated and also if they bring a second-hand bus which needs a time requirement, five percent, so again, we are encouraging them. We provide the commercial impetus for that. The same thing with taxis and it bring about a lot of confidence.

On Service Charter, Honourable Dulakiverata got it wrong. The word “charter” is not charter in hiring something, but charter as in an agreement, a service agreement. Today, we have taxi drivers who sit in their shorts and singlet and drive in their taxi. There are bus drivers who may not be able to do the right thing, in terms of the bus companies, they are doing the right thing. Mini bus drivers, some of them are drinking whilst driving. All these, we need to have a particular level of service agreement to lift up the standards of public service transportation in Fiji because we want more and more Fijians to actually use bus services, mini bus services and taxis because as we all complain, there are too many cars in Fiji, so we want to make it a lot more attractive for people to use public transportation.

The will only find it attractive to use public transportation if the quality of the vehicles are good, and the people driving the vehicles actually adhere to a particular standard. Like I have always said, people in Fiji, if there are lawyers, there are lawyers in the office. You see how many lawyers dressed up in their suit, will actually take a bus home. They will not because they think it is below them to go in a bus, they will go in a taxi. In Australia, lawyers, politicians and everyone take the train and the bus. It is not below them because that is the way, it is a perception, so we are trying to change the culture. We want people to go and sit inside Honourable Parmod Chand's bus in their suits.

On third party insurance, I think there has been a lot of positive things said about third party insurance. Now, I just have to state for the record that Honourable Chand told half the story. When the fuel prices went up, bus companies met and want another bus fare increase. We said, no, because we do not want to burden the travelling public in Fiji. We said, "You have a VAT component, you keep the VAT component. Do not give it to us." What he has not told us is, since then, the price of fuel came down quite significantly but they still kept the VAT component. They have not reduced the bus fare.

(Hon. Opposition Members interject)

HON. A. SAYED-KHAIYUM.- That is the thing!

Madam Speaker, the other thing is the interpretation of motor vehicles. He said that there is no interpretation of motor vehicles. Yes, it will be in the regulations because there are certain motor vehicles that are not run on normal roads too. If you go to large hotels, you have golf carts too. There are people who actually have an interest, so we are currently working on that and the regulations will be fixed up.

ACC (Accident Compensation Corporation) New Zealand, it talks about how they have got issues. Yes, we had noted Dr. Brookline in ACC NZ. In NZ under the ACC if I am a thief and I enter the Honourable Leader of the Opposition's House in the middle of the night, I slipped and fell because may be there were some food left on the floor, I will get compensation in New Zealand because I broke my leg, even though I went into the house illegally. We obviously are not going to that extent, so there are some issues with ACC. We will start with motor vehicles and we are containing it.

(Hon. Opposition Member interjects)

HON. A. SAYED-KHAIYUM.- Exactly! We recognise that we have not adopted the problem, we have adopted the good things.

Also for the record, the lawyers, the Honourable Members may not also realise that we changed the law a few years ago where if a lawyer does actually take a case and say, "You pay me later and I get a certain percentage", the ability to charge the percentage of fees now is restricted to only 10 percent of the compensated amount. We have changed the law. Of course, now it would mean that only you will have to pay that 10 percent.

We have heard horrendous stories about lawyers in Vanua Levu, who take about 18 percent or 19 percent of the fees. I know some of the cases personally. The limitation period has been extended over seven years so it does not mean that you have to keep your records for more than seven years. All it means is that, if FRCA discovers that you have committed a fraud maybe eight years ago, they can charge you for that. The burden of proof is on FRCA.

We are now under the Whistleblowing Policy. There was a company that I talked about that got the \$53 million penalty, one of their staff or someone associated with the company actually came under the Whistleblowing Policy and revealed all this information to FRCA. They are now entitled to get up to 10 percent of the amount claimed by FRCA. So, if they recover \$100 million, they may get \$10 million or \$5 million. A lot of people are coming forward. So, sometimes these fraud are committed even though the tax assessments have already been done. If you have done your tax assessment, you pay for your taxes, you carried out a number of fraud, that is fine, you do not have to actually worry about it.

I will very quickly highlight what the Honourable Minister for Tourism also said, that the tourism industry is not being out-priced because of the taxes that Government has put in place. A bowl of rice at Denarau, and the Honourable Minister talked about curry chicken and roti at \$70, so a simple bowl of rice is \$20. Then you have the taxes. If you order room service, they will charge you \$15. They do not even pay the waiter \$15 an hour, who brings it to your room. They get paid about \$4 or \$5 an hour. He does not wait there all the time!

So this is the kind of ridiculous pricing that we actually have and that chicken is grown in Fiji, the *bindhi* is grown in Fiji, flour and pumpkins come from Fiji and the Reserve Bank of Fiji is now giving scholarships, if they use more Fijian fruits. So, the tourism industry should stop blaming Government but get their pricing right for themselves.

Plastic bags, I think the Honourable Minister has already commented on that. The reality of the matter is, we need to change the behaviour patterns of the consumer. There is no point in putting it at the input level, then when I go and buy some groceries and they say, "You have to pay 10 cents more now", I say, "Aah, I am going to pay 10 cents for this plastic bag", that is when you try and inculcate. If you do a complete bend, then they would complain.

The people in the market, at the moment, they can still use the plastic bags. We have to come up and inculcate that culture. Hopefully, when they buy the bags that are provided through the Ministry Women, when I go to Superfresh and buy my groceries I will have that bag. So, the next time I go to the market I will use the same bag, so that is what we are trying to do. It is the introduction of the new culture?

The fish levy, Honourable Kiliraki has actually blown away the myth by the Honourable Bulitavu, who sits behind him. The fish levy has not deterred mother ships from coming into Fiji. More companies are coming in. The reality is this, Madam Speaker, value adding is essential. The reality is that when ships used to come and dock at the Suva Harbour, they simply then transfer the ship onto the mother ships that took it off to Taiwan, China or wherever it is that processes the fish. It did not even hit our GDP.

So if that fish comes off and even goes into say, Honourable Kiliraki's company, and they may clean the fish and pack it differently he would still need to employ Fijians. He may do very minimum value adding, some of them may do maximum value adding, but it hits our books. It means that jobs are created. The truck that comes, the fuel, the charge you pay for it, and then they can take it off from some other ship, so it is very, very important to do that.

On gravel extraction, the reason why we are doing that is because there is actually a shortage of gravel in Fiji. In Kadavu, they are having problems to get the right aggregate to do the roads. So, we would rather get those companies that are already paying the royalty, so this is nothing to do with the royalties.

Now, there are a couple of sites in Tailevu. When the companies actually get to do gravel extraction, they actually pay to iTLTB whatever royalty is deemed to be paid. They are paying that. Once they process the gravel, now the choices is; do they sell it to Fijian road making or do they sell gravel to Vanuatu or Papua New Guinea wherever it is?

We are saying; “We rather they keep the gravel for Fiji, we required the gravel, the right aggregate.” But when you do, do that you have to pay a particular levy because you are exporting Fijian gravel. They have already paid the royalty to iTLTB. That is one thing also in order to discourage the export of that.

The timelines in building permits will be imposed by the committee and that is being done. In fact, the Commerce Commission is already assessing competition and in fact, we have already stated that. FRCA had highlighted that again, and I have said that in my response.

The Australian Taxation Office also collects tax payments, so that has been done, there is nothing sinister about that.

Now, Madam Speaker, I just want to very quickly highlight the tariff reduction and they need to look at that, they have not commented on that. On tariff reduction, we have reduced tariff reduction in the construction industry. We have a young population and 69.4 percent of the population is below the age of 40. In other words, there are healthy, young couple adults who are producing babies. We need more babies in Fiji also. During the past couple of years, we have reduced tariff on goods and items related to, for example, babies. It is helping families in the real way.

So the tariff reduction through that now highlighted things like, baby products, wipes and all those costs.

Spare parts for vessels, motor vehicles, maritime vessels, for bus operators as I have highlighted earlier on, also for the diving industry; all the duties have come down to help the tourism sector too. Port Denarau will also become a city.

The other things that I have highlighted, like the duty reduction on towels, very basic things like, men and women’s underwear, we reduced the duty couple of years ago, sanitary pads, all these things are day to day living things that we need, we do not necessarily talk about in public but has a huge impact on your cost of living overall because we do need these things, we simply do not just live on food, we also need to clothe ourselves.

The building code in villages, yes, the Honourable Minister for Agriculture and National Disaster Management had highlighted that. When the building code was introduced in the SVT Government days, they exempted the rural areas. But in the Help for Homes Initiative, we had distributed widely in the vernacular language also the basic building code that you can adhere to.

However, as announced in the Budget, we are working with the Insurance Council and we hope to actually have some very basic products available for cyclone cover for homes in the rural areas, doing external tie-downs. If you have seen in the Budget, Honourable Ratu Naiqama Lalabalavu, we have actually set aside some money for premium payments. For low income people, we will actually pay the premium to get a pool of people to get insurance cover.

ECAL, I have already spoken about that. Superyacht, I have already talked about the fees. Honourable Parmod Chand, I have got here Government cars. Of course, you will not get to drive a Government car. The Honourable Prime Minister will be driving a Government car because he is the Prime Minister.

HON. P. CHAND.- (Inaudible)

HON. A. SAYED-KHAIYUM.- You seem to be lamenting your fate.

I just want to talk about prefab homes. Prefab homes, sometimes called Kit Homes, if I individually bring in a prefab home from overseas for rehabilitation or individually for myself, the tax rate is 3 percent. This tax rate of 32 percent is because there are two local manufactures of prefab homes now in Fiji. To encourage them to do more local production in a large commercial scale, the rate has gone up to 32 percent - from 5 percent to 32 percent, to create local jobs. But if you individually bring a Kit Home or Prefab Home, the rate is 3 percent, so it is only for only commercial purposes, that people bring those in to create more jobs for Fijians.

Now, to talk about the Ship building yard, I have to remind them that it was the SVT Government that sold the Government Shipyard to a \$2 New Zealand company that failed, and then the Government had to buy it back. That was what happened. The Government Slipway and the Shipyard was sold to a \$2 New Zealand company and Government actually paid more money buying it back from them when it collapsed a few years later. This was done in the 1990s.

Madam Speaker, in respect of the Fiji Water, again, the water that Honourable Leawere talked about (Fiji Water), he said the company in Yaqara was the only company, I have to remind the House again, they did not pay taxes for 13 years, they want to carry forward their losses for the next eight years or so, they actually then were selling their product to a sister-related company, so when they had the transfer pricing issues, they then paid compensation to us, then we brought about water extraction levy that we charge.

Madam Speaker, that essentially, were some of the responses to that. Again, these Bills are directly relating to the Budget. Every single Bill that is here before us is a Consequential Bill, in the sense that the Budget address had addressed every single thing that is in the Consequential Bill and also part of the revenue measures.

If you look overall, Madam Speaker, it has put in place, like the income tax threshold, et cetera, has been increased, and I would like all Honourable Members in this House to look at the way in which these Bills will actually provide a very robust commercial environment, that takes into account the fact that we need to unlock some of the potential and how it will also affect ordinary Fijians, for example, by increasing the income tax threshold and continuing with the various measures. So I hope that when we do talk about these matters, there is a lot of intellectual honesty about it and then we spread the right information to members of the public. Thank you.

MADAM SPEAKER.- Thank you. Parliament will now vote.

Question put.

The question is:

That pursuant to the resolution of Parliament on Thursday, 29th June, 2017; Tuesday, 11th June, 2017; and Thursday, 13th June, 2017; that the following Consequential Bills be debated, voted upon and be passed:

1. Water Resource Tax (Budget Amendment) Bill 2017 (Bill No. 16/2017);
2. Super Yacht (Budget Amendment) Bill 2017 (Bill No. 17/2017);
3. Service Turnover Tax (Budget Amendment) Bill 2017 (Bill No. 18/2017);
4. Income Tax (Budget Amendment) Bill 2017 (Bill No. 19/2017);

5. Tax Administration (Budget Amendment) Bill 2017 (Bill No. 20/2017);
6. Pensions (Budget Amendment) Bill 2017 (Bill No. 21/2017);
7. Tertiary Scholarships and Loans (Budget Amendment) Bill 2017 (Bill No. 22/2017);
8. Stamp Duty (Budget Amendment) Bill 2017 (Bill No. 23/2017);
9. Financial Management (Budget Amendment) Bill 2017 (Bill No. 24/2017);
10. Land Transport (Budget Amendment) Bill 2017 (Bill No. 25/2017);
11. Value Added Tax (Budget Amendment) Bill 2017 (Bill No. 26/2017);
12. Excise (Budget Amendment) Bill 2017 (Bill No. 27/2017);
13. Omnibus Electronic Fare Ticketing (Budget Amendment) Bill 2017 (Bill No. 28/2017);
14. Environmental Levy (Budget Amendment) Bill 2017 (Bill No. 29/2017);
15. Fiji Revenue and Customs Authority (Budget Amendment) Bill 2017 (Bill No. 31/2017);
16. Customs (Budget Amendment) Bill 2017 (Bill No. 30/2017);
17. Customs Tariff (Budget Amendment) Bill 2017 (Bill No. 32/2017);
18. Accident Compensation Bill 2017 (Bill No. 33/2017);
19. Commerce Commission (Budget Amendment) Bill 2017 (Bill No. 34/2017); and
20. Regulation of Building Permits Bill 2017 (Bill No. 35/2017).

Does any Member oppose the motion?

(Chorus of Ayes and Noes)

HON. SPEAKER.- There being opposition, Parliament will now vote on the motion.

Votes cast:

Ayes	-	34
Noes	-	8
Not Voted	-	8

There being 34 Ayes, 8 Noes and 8 Not Voted, the motion is therefore agreed to.

Motion agreed to.

[The following Bills:

1. Water Resource Tax (Budget Amendment) Bill 2017 (Bill No. 16/2017);
2. Super Yacht (Budget Amendment) Bill 2017 (Bill No. 17/2017);
3. Service Turnover Tax (Budget Amendment) Bill 2017 (Bill No. 18/2017);
4. Income Tax (Budget Amendment) Bill 2017 (Bill No. 19/2017);
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13. Omnibus Electronic Fare Ticketing (Budget Amendment) Bill 2017 (Bill No. 28/2017);
14. Environmental Levy (Budget Amendment) Bill 2017 (Bill No. 29/2017);

15. Fiji Revenue and Customs Authority (Budget Amendment) Bill 2017 (Bill No. 31/2017);
16. Customs (Budget Amendment) Bill 2017 (Bill No. 30/2017);
17. Customs Tariff (Budget Amendment) Bill 2017 (Bill No. 32/2017);
18. Accident Compensation Bill 2017 (Bill No. 33/2017);
19. Commerce Commission (Budget Amendment) Bill 2017 (Bill No. 34/2017); and Regulation Building Permits Bill 2017 (Bill No. 35/2017).

enacted by the Parliament of the Republic of Fiji. Act Nos..... of 2017]

HON. SPEAKER.- We will move on to the next Item in the Order Paper. I now call upon the Honourable Leader of the Government in Parliament to move his motion.

### **2017-2018 CALENDAR OF THE PARLIAMENT OF FIJI**

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Madam Speaker, pursuant to Standing Order 22(1), I move:

That Parliament adopts the Parliamentary Sitting Calendar for the period September, 2017 to July, 2018.

HON. A. SUDHAKAR.- Madam Speaker, I second the motion.

HON. SPEAKER.- For the information of Honourable Members, the Parliamentary Sitting Calendar as earlier circulated is for the next session of Parliament, beginning with the Official Opening of Parliament on 4th September, 2017. These dates have been endorsed by the Business Committee.

The other dates are the weeks beginning:

- 11th September, 2017;
- 19th February, 2018;
- 19th March, 2018;
- 16th April, 2018;
- 14th May, 2018; and
- 9th July, 2018.

Please also note that the Budget Address date will be announced during the new session. I now call upon the Leader of the Government in Parliament to speak on the motion.

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Madam Speaker, very briefly, the Business Committee did discuss the Sitting Calendar for 2017-2018 Calendar Year on Monday, 10th July, 2017 during lunch break and has come up with the dates.

Madam Speaker and Honourable Members, we would all note that the new Sitting Calendar for the new year very much mirrors the Sitting Calendar for the current year, and I put it before this august House for our debate and, of course, to endorse the Sitting Calendar as highlighted by Madam Speaker.

Like we did this year, we will, through the Honourable Minister for Economy and Government, confirm the sitting date for the next Budget Address, and that will be brought again into the House and be confirmed and, of course, endorsed by this august House.

Thank you, Madam Speaker.

HON. SPEAKER.- The motion is before the House and I invite comments or debate, if any?

HON. V.R. GAVOKA.- Madam Speaker, surely they can do better than this. We will be going on a break from October, November and December, 2017, as well as January, 2018 (four months). I understand the Honourable Prime Minister will be chairing COP23 in November, surely the whole country will want his report when he comes back. We will want to know about COP23 and he should present that to Parliament, so why do we not sit in December?

There are huge expectations and we would like to know what happened. We would like to have dialogue on what happened in the COP23, so four months without any sitting is way too much for Parliament, when there is so much to be done.

We would like to see a legislative agenda set by the Government. In the previous Governments, there was a legislative committee that looked at Bills which they brought to Parliament. I believe with the SDL Government, there were a minimum of four Bills in every sitting of Parliament which was done properly, instead of the 51 pathways that is so popular with the FijiFirst Government.

Madam Speaker, look at the whole week, we did the whole Budget from Monday until today (Friday), and we rushed through Bills which have huge implications on the country and those should have been deliberated upon properly. It boggles the mind that we do things this way, when you have tradition that has been set in the past that would have given us two or three weeks to properly go through the Budget.

We do not know what is in with FijiFirst, whether they want to reduce the number of sittings or they want to fast-track everything. As we know already, some of the Bills that were passed in haste have had to be brought back here to be amended. That is all the result of this attitude towards this Parliament by the FijiFirst Government. I would hope that you can relook at this and bring in more to Parliament through proper ways so that we can deliberate on them properly as Parliamentarians, as we make laws for the country. It is always something that is introduced.

Madam Speaker, we even had a situation where it was introduced in the afternoon and passed in the same afternoon. Unheard of! So, Madam Speaker, we disagree with this. We hope that it could be done properly and give this House all the opportunity to deliberate on issues that are important to our country. As it is now, Madam Speaker, it is a very casual approach to our Parliament, very dismissive of this very important House and we would just wish that the FijiFirst Government who dominate the Business Committee and every Committee, to look at this properly and give the people of Fiji a proper Parliament with proper Parliament procedures.

That to me, Madam Speaker, captures the disappointment from our side regarding this Calendar that has been given to us for Parliamentary Sitting. Thank you.

HON. SPEAKER.- I now invite more comments.

HON. A. SAYED-KHAIYUM.- Madam Speaker, just for the record, this Calendar was agreed to by the Members of the Business Committee that had two NFP Members and two SODELPA Members. They were there and we had agreed, and you had chaired this, Madam Speaker.

The other issue, of course, Madam Speaker, is that the Honourable Prime Minister is the incoming President of COP23 so the actual formal Presidency starts in November. Then he has until



the next COP Presidency which is in November the following year, so in October this year, for example, we have the pre-COP meeting. In November, we have it in Bonn for two or three weeks. In December, the Honourable Prime Minister is off again to a major gathering where the French are hosting. We have various other commitments and we had clearly stated this to the Business Committee Meeting. Of course, the Parliament will be informed about the ongoing of the Presidency.

Madam Speaker, the other point and reality is, the various Committees have a number of Bills outstanding. It is not only about sitting here in this Parliament and making speeches and half of the contributions from the other side is completely misinformed. They read half of the sentence in a Principal Act in an amendment, not like they can complain about that. They have the ability to read, they read only half, yet the Business Committee has not finished most of the Bills. We have a number of Bills, I think a couple of dozens if I am not mistaken, and those are before the Business Committee. They need to get on with the job.

We have the Information Bill, and the people of Fiji are waiting for the Information Bill. When we bring about 51, they complained about it, but when we sent it to the Committee, they sit with it. The Committees actually have those Bills, Madam Speaker. The fact of the matter is, the various Committees should utilise those three months, get on with the Bills, bring them to us in February and let us debate the Bills. It is not only about question time, let us look at the various laws.

Just because the previous Government was completely inefficient and brought about four Bills in a year or amendments, it does not mean we have to follow suit. We are modernising it, Madam Speaker. The number of changes that have been brought about in this law and I will give you an example, the Domestic Violence Act. It was with the Government at that time in the 1990s. We brought it in 2010 and 2012. Today, it has liberated so many women from domestic violence, providing them with a form of recourse. People who are under duress would not appear and actually make those kind of allegations because they found that the law is very weak.

We have provided them with solace, that level of comfort. All of these laws need to be looked at within that context. So, Madam Speaker, I think it is completely misleading to say that they will all sit around for three months because we are not sitting. The Committees need to get on, bring the Bills before us!

We have the Accountability and Transparency Commission which is waiting for the Committee to come up with their views on the new Bill regarding disclosure by public officers of their assets. We are waiting for that. You talk about accountability and you talk about corruption, please, bring those Bills before Parliament, we are waiting for that!

Madam Speaker, I think it is inappropriate to say that three months we will be languishing. No, there is a lot of work available. We have also provided the additional funding for Parliament, so they can actually have those additional sittings.

Just for the information of Parliament also, Madam Speaker, we have a sitting from February, every month right up to June, where we have the Budget Address sometime in June, and then we have the July session and then we go on to September.

The Elections can be held until November of next year, so if the election is going to be held in November or September or after July next year, we can set the calendar for the following year again, starting in September.

Madam Speaker, I think we need to put this into perspective. I think it is a mockery of Parliament when half of the people disappear from Parliament, in particular the budget process. It is

a mockery of Parliament if we do not actually have intellectual honesty in our discussions, and it is also a mockery of Parliament, if the Bills that are presented by the Government of the day that is elected by the Fijian people, have their Bills stalling within the Committees. And if we have the Bills before us, then we can actually get on with making laws that are appropriate for our modern nation State. Thank you, Madam Speaker.

MADAM SPEAKER.- Parliament is still open for debate. Do we have any other input?

Honourable Kiliraki?

HON. RATU K. KILIRAKI.- Madam Speaker, I just want to comment on one of the points that Honourable Attorney-General said in regards to the Bills that go to the Committees. As far as our Committee is concerned, all our Bills are still being stalled with the Solicitor-General. We have been waiting and it is half of the year already, but what comes back is that, they are overloaded or maybe they do not have enough staff there. So the blame is not on the Committees, to be fair. Thank you, Madam Speaker.

HON. SPEAKER.- Do we have any other input?

HON. MEMBERS.- No.

HON. SPEAKER.- Since there are no other input, I now give the floor to the Honourable Leader of the Government in Parliament to speak in reply.

HON. LT. COL. I.B. SERUIRATU.- No, Madam Speaker, I will just put it to the vote. Thank you.

HON. SPEAKER.- Thank you. Parliament will now vote.

Question put.

The question is that pursuant to Standing Order 22(1):

That Parliament adopts the Parliamentary Siting Calendar for the period September, 2017 to July, 2018.

Does any Member oppose the motion?

(Chorus of Ayes and Noes)

HON. SPEAKER.- There being opposition, Parliament will vote on the motion.

Votes cast:

Ayes	-	31
Noes	-	11
Not Voted	-	8

There being 31 Ayes, 11Noes and 8 Not Voted, the motion is agreed to.

Motion agreed to.

HON. SPEAKER.- We will move on to the next Item in the Order Paper. I now I call upon the Honourable Attorney-General to move his motion.

### **REVIEW OF THE DOHA AGREEMENT - KYOTO PROTOCOL TO THE UNFCCC**

HON. A. SAYED-KHAIYUM.- Madam Speaker, pursuant to Standing Order 130(4) I move:

That Parliament approves Fiji's acceptance of the Doha Amendment to the Kyoto Protocol to the United Nations Framework Convention on Climate Change.

HON. LT. COL. I.B. SERUIRATU.- Madam Speaker, I beg to second the motion.

HON. SPEAKER.- I invite the Honourable Attorney-General to speak on his motion.

HON. A. SAYED-KHAIYUM.- Madam Speaker, the DOHA Amendment to the Kyoto Protocol, amongst other things, establishes a second commitment period for the Kyoto Protocol, extending from 2013 to 2020.

The Doha Agreement was referred to the Standing Committee on Foreign Affairs and Defence on 23rd May, 2017 and on Tuesday 11th July, 2017, the Standing Committee tabled its Report on the review of the Doha Agreement which all Honourable Members of Parliament had. In the Report, the Standing Committee recommended that Parliament accepts and ratifies the DOHA Agreement.

Consultations were undertaken with the Ministry of Economy, specifically the Climate Change Unit, the COP23 Office, the Ministry of Foreign Affairs and the Office of the Solicitor-General and, of course, the Committee extensively went through the Convention itself.

In brief the Kyoto Protocol, Madam Speaker, or the United Nations Framework Convention on Climate Change on the Kyoto Protocol shares the objective of the United Nations Framework Convention on Climate Change (UNFCCC) to establish greenhouse gas concentrations in the atmosphere level, that will prevent dangerous anthropogenic interference with the climate system. An intention of the Kyoto Protocol was to commit an extra one parties, which is developed countries and countries with economies in transition to the UNFCCC, to individual legal binding targets to limit or reduce a greenhouse gas emissions within a set period. The first set commitment period was from 2008 to 2012.

Countries that have verified the Doha Agreement include; Mauritius, Federated States of Micronesia, Solomon Islands, China, Singapore, Australia and the United Arab Emirates, to name a few. A total of 144 Instruments of Acceptance are required for the Doha Amendment to enter into force as of 6th July, 2017. Madam Speaker, 79 countries have ratified the Doha Amendment overall.

Madam Speaker, it is, of course, important for Fiji as the incoming Presidency of COP23 to verify the Doha Amendment. It also shows our commitment as party to the Kyoto Protocol, with the Fijian Government securing the Presidency as highlighted earlier on. Fiji in submitting an Instrument of Acceptance of the Doha Agreement, will send a very strong message of our commitment towards addressing climate change. Fiji's acceptance of the Doha Amendment expresses our continued support to the implementation of the Kyoto Protocol as demonstrative of our commitment that may persuade other States to ratify the Doha Amendments. Development partners, Madam Speaker, pay actual attention to the commitment that Fiji has made in respect to climate change and Fiji's acceptance of the Doha Amendment will need persuasive element in lobbying for

further climate change funds. In order for us to be able to access those funds, Madam Speaker, we will also need to show them that we abide by international standards.

I would like to just make those introductory remarks, and I would like to thank the Committee for their work too. It was a bipartisan recommendation, that Fiji actually ratify the Doha Amendments. Thank you, Madam Speaker.

HON. SPEAKER.- The motion is up for debate, and I invite input, if you ready.

Honourable Parmod Chand?

HON. P. CHAND.- Madam Speaker, firstly, I would like to say this that Honourable Professor Prasad is sick, he has been seeing a doctor and he has been forcing himself to come and attend whatever he could. He is not missing from action.

Madam Speaker, I rise in support of the ratification of the Kyoto Protocol, however, there are some caveats that we expect to see that it progresses nationally with regard to the obligations and commitments set out in this treaty.

In Part 4.3.4 of the tabled Report, it says that there will be no significant cost implications. This is not entirely true. Emission reduction in Fiji cannot depend on this same old argument that we are the least responsible because our historic law on emission is comparative to global emission. Our move to renewable energy needs to be accelerated and incentivised. Sadly, the Budget that was just passed did not capitalise on that opportunity.

Madam Speaker, our young minds are churning out radical innovations on renewable energy and low carbon approaches also need to be accelerated. These young radical innovative minds are not limited to tertiary institutions either. We must capture the depth and breadth of traditional knowledge and innovation that is bubbling out there among our people. We have many people who can do a lot of good.

As the Honourable Minister for Agriculture shared in this week about learning new things from Rotuma on clearing of land using pigs. It is that kind of ground up signs and knowledge that the Government fails to harness and protect through legislations, such as traditional knowledge and intellectual property. Although these people are living more than 300 miles away from Fiji, the mainland, they still have some good brains by using pigs for clearing up their land.

Madam Speaker, either can we continue to hide behind the narrative, the annex of one country needing to step up and shell out money. They are valid but ultimately a great major responsibility falls on us in Fiji to step up.

Prioritising climate financing is valid. It is important but there are other spheres that Fiji can add leverage on, otherwise we assume a position of subjectivity and conditionality.

Depending on REDD+ and carbon trading alone is not the way. Our adaptation approaches need to be strengthened and mitigation will need the private sector to lead the charge in reorientation.

Madam Speaker, we note that the PSID's recent outcomes from the meeting in Suva and the 10 Commitments agreed to, notably the upcoming Inter-Governmental Panel on Climate Change (IPCC) and the Special Report on Global Warming of 1.5 Degree Celsius. Hopefully, there are linkages there that we can capitalise on in relation to this Protocol.

Our COP23 Presidency, while it raises our profile will also raise expectations, Madam Speaker, in how we are doing things in Fiji that warrants our global authority and moral authority of which there will be many during the negotiations and doubling so far, the facilitative dialogue that the Honourable Prime Minister's Presidency will lead.

Madam Speaker, I do support this ratification, and I thank you.

MADAM SPEAKER.- Thank you. Honourable Jilila Kumar?

HON. J.N. KUMAR.- Madam Speaker, I wish to contribute to the debate on the proposed ratification of the Doha Amendment to the Kyoto Protocol in relation to climate change.

In 1992, countries including Fiji, joined the international treaty which is the United Nations Framework Convention on Climate Change (UNFCCC) as a Framework for international cooperation to combat climate change, specifically to stabilise greenhouse concentration in the atmosphere. The Kyoto Protocol is the international treaty that extends the UNFCCC that required developed countries to make commitments to reduce greenhouse gas emissions.

The first commitment period to reduce emissions on the Protocol ended in 2012. The Doha Amendment ensures the continuation of the commitment period of the Kyoto Protocol. The ratification of the Amendment is crucial to maintaining the momentum for global climate actions for the period leading up to 2020, after which the Paris Agreement will take effect. These international treaties are very important because they reflect the global cooperation and commitment to combat climate change. Climate change is real and threatens the longevity of this climate living in other words, Honourable Speaker, the lives of every human being living today and those yet to be born.

The Kyoto Protocol and Doha Amendment address the issue of emissions of harmful gases and the importance of greenhouse effect. It is equally important Madam Speaker to state the importance of greenhouse effect. It is a natural process by which some of the radiant heat from the sun is captured in the lower atmosphere of the earth, thus maintaining the temperature of the earth's surface. This absorption and radiation of heat by the atmosphere is beneficial to life on earth. If there were no greenhouse effect, the earth's average surface temperature would be very cold to humans, plants and other creatures to live comfortably because greenhouse gases trap heat in the atmosphere to keep the planet warm enough to sustain life.

The concern here, Honourable Speaker, is that greenhouse gases are produced both, naturally and artificially through human activity on earth, such as deforestation, carbon emission from vehicles and industries, to name a few. Through uncontrolled and irresponsible human activities, there is an excess of greenhouse gases present in the atmosphere, so the more greenhouse gases present in the atmosphere, the more heat is trapped on earth, and this is the cause of global warming and climate change.

Honourable Speaker, there is once a saying, "as strong scientific research that show an alarming built up and concentration of greenhouse gases in the atmosphere". Scientists had predicted that if nothing is done to climate change or global warming, a time comes when the President of United State of America will have to ride his speedboat from his home to the White House.

This treaty, Honourable Speaker, is part of the global effort to address this problem. Fiji needs to give its full support to the Doha Amendment and all climate change-related treaties and actions. So the ratification of the Amendment, Honourable Speaker, will cement Fiji's commitment

to global climate change action and also enhance our support to the Honourable Prime Minister in his capacity as President of COP23.

By ratifying the Doha Amendment, we are walking the talk and supporting the effort of like-minded countries to reduce emission of harmful gases from industries and other human activities. So the ratification of the Doha Amendment complements ongoing national and local actions to combat climate change and environment degradation.

This is my contribution, Honourable Speaker, and I have explained the reasons why I support the ratification of the Doha Amendment to the Kyoto Protocol.

Thank you for your indulgence, Madam Speaker.

MADAM SPEAKER.- Do we have any other comments?

There being no more comments, I now give the floor to the Honourable Attorney-General to speak in reply.

HON. A. SAYED-KHAIYUM.- Madam Speaker, just one point that I would like to make is that, Fiji along with the other Pacific Island Countries and this is in relation to what Honourable Pramod Chand did say, our carbon footprint is almost invisible. We have the Intended Nationally Determined Contributions (INDCs) and the Honourable Prime Minister gave a commitment that Fiji will reduce its carbon emissions by 30 per cent by 2030, and we have already have a number of policies in motion, including through this budget. You will see that we are also encouraging the purchase of a new vehicle within the system and we are also currently working with various development partners, including ADB, the Green Growth Institute, in respect of how we can reduce our carbon emission, in particular through the public transportation system.

We spent over a billion dollars as a country in buying fossil fuel over the years. A lot of it, of course, goes to transportation, some go towards generating electricity and as you know, the Fiji Electricity Authority has also stated in a number of occasions about its shift to use renewable energy.

Madam Speaker, you may recall that following the events of 5th December 2006, the World Bank actually decided not to fund at that time, through the lobbying of Australia and New Zealand, and ADB and the World Bank stopped giving us finance, and one of the agreement is for them to fund the Nadarivatu Dam. Notwithstanding that, we still went out and got Chinese funding for that and today, we have Nadarivatu Dam.

As a result of that, our footprint in renewable energy has actually increased. The number of pilot projects and indeed, the divestment of our shares in FEA, one of the critical reasons why we are doing that is to look for the right development partners, who actually have access to technology and cheaper technology, and good reliable technology for us to be able to get more renewable energy speed into our energy supply system.

Madam Speaker, the Climate Champion has also reminded us that there are no more funding benefits to developing countries, if we are able to ratify this Protocol. There are a couple of other protocols and the other one which is the International Solar Alliance, that has also been vetted by the Standing Committee on Foreign Affairs and that will also give us access, in particular that is driven by the Indians.

The Indians have actually really harnessed and upscale the technology regarding solar energy, and that will give us a lot of access into that particular partnership agreement. So, Madam Speaker, I wanted to highlight to the Honourable Chand that it is not just simply about the pigs clearing the land in Rotuma, it is a much bigger picture in respect of how they do actually reduce their carbon emissions, but more so to be able to use the funding that is available to make some very strategic inroads into this area.

Fiji, of course, Madam Speaker, through the Honourable Prime Minister's Presidency has the potential also to become a regional hub in this area. We are precisely looking for that purpose and as highlighted to this Parliament as well that we are looking at FDB becoming accredited in the Green Climate Fund. There is also what we are doing behind the scene, also looking to ensure that FDB perhaps, with the potential to become a regional institution that could provide this type of funding, receiving donations from other donors and channelling it through as a regional initiative. So, it is critical and very important, and I would like to once again thank the Committee for providing the bipartisan report for the ratification of this Agreement.

Thank you, Madam Speaker.

HON. SPEAKER.- Parliament will now vote.

Question put.

The Question is that pursuant to Standing Order 130(4):

That Parliament approves Fiji's acceptance of the Doha Amendment to the Kyoto Protocol to the United Nations Framework Convention on Climate Change.

(Chorus of interjections)

HON MEMBER.- (Inaudible)

HON. SPEAKER.- If I finish my reading then ....

So, does anyone oppose the motion?

HON. MEMBERS.- No.

HON. SPEAKER.- There being no opposition, that motion is agreed to.

Motion agreed to.

HON. SPEAKER.- I now call upon the Honourable Attorney-General to move his motion.

**ARTICLES OF AGREEMENT –  
ASIAN INFRASTRUCTURE INVESTMENT BANK (AIIB)**

HON. A. SAYED-KHAIYUM.- Madam Speaker, pursuant to Standing Order 130(4), I move:

That Parliament approves Fiji's acceptance of the Asian Infrastructure Investment Bank - Articles of Agreement subject to the declaration under Article 51(2).

HON. LT. COL. I.B. SERUIRATU.- Madam Speaker, I beg to second the motion.

HON. SPEAKER.- I invite the Honourable Attorney-General to speak on his motion.

HON. A. SAYED-KHAIYUM.- Madam Speaker, the Asian Infrastructure Investment Bank (AIIB) Articles of Agreement was tabled in Parliament on 23rd May, 2017, and referred to the Standing Committee on Foreign Affairs and Defence for consideration and review.

On Tuesday 11th July, 2017, the Standing Committee tabled a Report on the Review of the AIIB Agreement. The Report of the Committee provided a summary and examination of written and oral submissions made to the Standing Committee, with the bipartisan recommendation that Fiji signs the Instrument of Acceptance to the AIIB Agreement Reservation under Article 51(2). Consultations were held with the Ministry of Economy, Ministry of Foreign Affairs and the Office of the Solicitor-General.

By way of background, Madam Speaker, the final text in the Articles of Agreement of the AIIB was adopted on 22nd May, 2015, and entered into force on 25th December, 2015. The AIIB Agreement is a tricky level document, establishing a framework that guides the governance, finances and operations of AIIB and forms the legal basis for AIIB.

Currently, AIIB has 52 members. The purpose of AIIB is to foster sustainable economic development and to promote regional co-operation and partnership in addressing development challenges by working in partnership with other multilateral and bilateral development institutions. The AIIB similar to the other financial development institutions, such as the World Bank and the Asian Development Bank (ADB).

The implication under the AIIB Agreement, Madam Speaker, include:

1. Providing an agreed share of capital to AIIB both paid in and callable shares;
2. Not imposing capital constraints on AIIB's transactions;
3. Accepting decisions made in votes of the AIIB, with both share determined primarily by the size of the members' subscription as we have in other multilateral banks;
4. Accepting a decision to suspend a membership if we fail to fulfil our obligations; and
5. The extension of privileges, taxes and similar to those accorded to existing international financial institutions.

What are the benefits of joining the AIIB, Madam Speaker?

1. We will become a member of a multilateral development financial platform, community development in Asia, and when we say Asia that also means the Pacific.
2. Fiji will be able to tap into the US\$100 billion authorised capital stock of AIIB to finance infrastructural development projects, such as the construction of roads, jetties and bridges in Fiji.
3. In providing finance to members, only economic considerations that are relevant to AIIB decisions.



4. AIIB is not influenced by the political character of any member.
5. Becoming a member of AIIB also reinforces our constructive and positive relationship with the PRC.
6. It will enable Fiji to negotiate better terms for loans with the existing multilateral donors, such as ADB and World Bank, as AIIB will provide competition for this multilateral.

It is very important, Madam Speaker, that we need to understand this. When you get a multilateral development bank, such as AIIB, it also means we have increased competition between the World Bank, ADB and which obviously can always be good for the consumer.

The AIIB will also provide technical assistance and will work with its members to enhance services within the region. They will also recruit qualified personnel globally and the criteria for recruitment will be based on technical competence and experience with labour sectors. The above will give enormous support to our infrastructural development needs in the medium to long term.

The terms and conditions of membership, Madam Speaker; AIIB offered Fiji to subscribe 125 shares of capital stock of AIIB, of which 25 shares shall be paid in US\$2.5 million, equivalent to FJ\$5.2 million, and 100 shares shall be called upon US\$0 million, equivalent to FJ\$21 million. The power value of each share is US\$100,000.

The payment paid in shares will remain in five instalments of US\$500,000, equivalent to FJ\$1.054 million each. The first instalment shall be paid on or before the date of deposit of the Fiji Instrument of Acceptance of the Agreement, and subsequent instalments annually on or before each anniversary.

Madam Speaker, the Agreement will enter into force with respect to Fiji and on the date in which Fiji lodges its Instrument of Acceptance with the depository at the PRC, certifying that Fiji has undertaken all domestic legislative processes required to give effect to the Agreement.

Madam Speaker, it is, therefore, recommended that we ratify this particular Agreement in respect of the joint AIIB.

Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. The motion is open to debate and I invite the Honourable Lt. Col. Netani Rika.

HON. LT. COL. N. RIKA.- Madam Speaker, I rise to make my contribution to the AIIB Articles of Agreement. I will briefly touch on the membership requirement, conditions of membership and join in the constituency.

Fiji is required to accept the Articles of Agreement and terms and conditions of membership of AIIB is to:

1. Take necessary steps to make effective in Fiji the provisions of Chapter 9 of the Articles of Agreement of the AIIB:
2. Join a constituency in the AIIB and assign roles to an elected director; and

3. Designate a governor and an alternative governor.

After all conditions have been satisfied, a Certificate of Membership will be issued by the AIIB and Fiji will officially become a member of the AIIB. The condition of membership to become a member of the AIIB:

1. Fiji is required to make a capital contribution to the AIIB as premium for each shareholding;
2. Subscribe US\$12,500,000 which is equivalent to FJ\$26,360,186 of shares to the Bank;
3. Payment of paid capital shares shall be made in five instalments of US\$500,000 which is equivalent to FJ\$1,054,407; and
4. The first instalment shall be paid on or before the date of deposit of Fiji's Instrument of Acceptance of the Articles of Agreement and subsequent instalments annually on or before each anniversary.

The benefits of joining the Bank:

1. It will offer a new multilateral development financing platform committed to development member countries, including Fiji.
2. It will enable Fiji to negotiate an attempt for loans with existing multilateral donors, such as the Asian Development Bank and the World Bank, as AIIB will provide competition for this multilateral.

Joining Constituency: Fiji is required to join a constituency in the AIIB. The Republic of Korea has invited Fiji to join its constituency which comprises of Korea, Israel, Mongolia and Uzbekistan. Korea is the fifth largest shareholder in the AIIB and its proposal has stated that it will give its full support to Fiji on any assistance required from the AIIB. Korea has also maintained a close relationship with the AIIB which was shown through Korea hosting the AIIB Annual Meeting of the Board of Governors on 16th June to 18th June this year.

Fiji joining the Korea Constituency will also strengthen the bilateral economic co-operation between the two countries. Fiji and Korea have been expanding the scope of economic co-operation through the signing of a Memorandum of Understanding in areas including; health, national defence and sports development.

Madam Speaker, I support that Parliament approves Fiji's acceptance of the AIIB Articles of Agreement subject to the declaration under Article 51(2). I thank you, Madam Speaker.

HON. SPEAKER.- Honourable Prem Singh, you have the floor.

HON. P. SINGH.- Madam Speaker, briefly, I have no serious reservations about supporting this treaty. It is another avenue for Fiji to access funding for infrastructural development.

There is, of course, political movement towards the support to this AIIB. All that we caution is that, we do not hesitantly over extend ourselves in loans from yet another multilateral lending agency. Perhaps, one of the first priorities of our ratification would be, to request guidance on how we will realise our intention to progress our green bonds that is cited on Page 342 of the Budget

Estimates, as green bond are still fairly new approaches that even the World Bank only two years ago, began processing.

We note that the Committee's recommendation on Paragraph 4.32 would consider this as a challenge but an opportunity. This opportunity falls on the Ministry of Foreign Affairs to actively scout for this required talent or expertise which was not there before.

Paragraph 4.34 of the Report, stating that the ratification of the AIIB Articles of Agreement not having any cost implications is not entirely true, Madam Speaker. The Budget which was passed yesterday will make the first instalment of \$1.05 million towards this AIIB.

Madam Speaker, again, I thank the Committee for its extensive work in compiling this Report. Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. Honourable Viliame Gavoka?

HON. V.R. GAVOKA.- Madam Speaker, I rise to contribute to this, on behalf of my Party. At the outset, we fully support this wonderful initiative and just wish to highlight some of the positives that we should all appreciate.

One in particular, Madam Speaker, is the addition of another bank by which we can do business with. Take it at local level, you have a business and you have banks where you can raise finance. The more banks we have, the better it is for you, in that, they will be offering you all such terms. For us who have been in business can appreciate this, and this is what is happening with this now that this Bank, together with the Asian Development Bank and the World Bank, are now three big financiers and we can go to them and they will offer competitive rates or if they want to be donors.

So it is a wonderful addition to the choices of partners we can work with and, of course, the biggest player here is the People's Republic of China (PRC), who is now the second biggest economy in the world and still growing, and which we all know has huge plans for Asia and even into the outside world. So it is a wonderful development, and we are grateful to the Committee for their work on this, and we also support the recommendation that Fiji becomes part of this Bank.

Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. There being no other input, I now invite the Honourable Attorney-General to speak in reply.

HON. A. SAYED-KHAIYUM.- Madam Speaker, I would like to thank all the other Honourable Members for their contribution.

In fact, I would like to highlight on what Honourable Prem Singh said, that the allocation has been made in Head 50-1-1-6(8) of \$1.05 million. I think the Committee did state that it was not a cost. There is no cost involving in being a member of AIIB, there is no ongoing costs. The \$1.05 million, Madam Speaker, is actually your subscription as you actually become a member, it has a lot of shares and the cost per se, just to clarify that.

Of course, we are also in good company. We have actually chosen to be with the Korean Constituency. For those Honourable Members who may have not known this, even with the World Bank and the ADB, we have to get grouped with various constituencies so in our case, for example, with the World Bank, we have the constituency with New Zealand.

In this particular instance, Madam Speaker, we are with Israel, Pakistan and Korea, who has strategically chosen this Constituency. We have the leaders of various constituencies that actually asked you to join their constituency. We have done that for obviously strategic reasons as highlighted by the Chairman of the Committee himself.

Again, this does not mean that debt will be incurred. In fact, we are very prudent with debt, Honourable Singh, you should know that. You need to get off this rude way of saying about debt to GDP ratio.

Honourable Members, on the other day, I think the Honourable Leader of the Opposition and Honourable Gavoka when they talked about how the Parliament should be given more funding to set up more offices and they cited Canada, would you know what is the debt to GDP ratio in Canada? It is over 92 percent. Their debt exposure is \$1.2 trillion. They do not understand. They do not call it a 'failed State', they actually say something to aspire towards. Our debt to GDP ratio is 47 percent, US\$2 billion which means FJ\$1.2 trillion, and it really gets to be put into perspective.

As highlighted by the other side also and stated in the introductory remarks that by joining this multilateral development Bank, we will actually, Madam Speaker, be given the option to have another player in the market to source funds from. In the same way, for example, we have sourced funds not just from World Bank and ADB, but also from Exim Bank of Malaysia, Exim Bank of India and Exim Bank of China. These are also source financiers too.

So we look forward to our relationship with this. We have already had the Permanent Secretary for Economy, together with our representative in China and Korea to actually attend these meetings, and we look forward to becoming a member and I would like to thank the bipartisan support for us to join the AIIB. Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. Parliament will now vote.

Question put.

The Question is that pursuant to Standing Order 130(4):

That Parliament approves Fiji's acceptance of the Asian Infrastructure Investment Bank Articles of Agreement subject to the declaration under Article 51(2).

Does any Member oppose the Motion?

HON. MEMBERS.- No.

HON. SPEAKER.- There being no opposition, the motion is agreed to.

Motion agreed to.

I now call on the Honourable Attorney-General to move his motion.

**RATIFICATION OF FRAMEWORK AGREEMENT –  
ESTABLISHMENT OF THE INTERNATIONAL SOLAR ALLIANCE**

HON. A. SAYED-KHAIYUM.- Madam Speaker, pursuant to Standing Order 130(4), I move:

That Parliament approves that Fiji ratifies the Framework Agreement on the Establishment of the International Solar Alliance.

HON. LT. COL. I.B. SERUIRATU.- Madam Speaker, I beg to second the motion.

HON. SPEAKER.- I will invite the Honourable Attorney-General to speak on his motion.

HON. A. SAYED-KHAIYUM.- Madam Speaker, the Framework Agreement on the Establishment of the International Solar Alliance which establishes the International Solar Alliance (ISA) was jointly launched at the United Nations Climate Change Conference in Paris on 30th November, 2015 by the presence of us and the Prime Minister of India.

ISA is a multi-country partnership organisation with membership from solar resource rich countries between the Tropic of Capricorn and the Tropic of Cancer. The objective of ISA is to create a collaborative platform for an increased deployment of solar energy technologies to enhance energy security and sustainable development, improve access to energy and opportunities for better livelihoods in rural and remote areas, and to increase the standard of living.

The Framework Agreement was referred to the Standing Committee on Foreign Affairs and Defence on 23rd May, 2017 and on Tuesday, 11th July, 2017, the Standing Committee tabled its Report on the Review of the Framework Agreement.

In the Report, the Standing Committee recommended a bipartisan recommendation that Parliament ratify the Framework Agreement. Consultations, again, was held with the Ministry of Economy, Ministry of Infrastructure, Ministry of Foreign Affairs and the Office of the Solicitor-General.

The key focus of the ISA are to:

1. Promote solar technologies, enhance prosperity with new business models and invest in the solar sector;
2. Formulate projects and programmes to promote solar applications;
3. Develop innovative financial mechanisms to reduce the cost of capital;
4. Build a common knowledge e-Portal; and
5. Facilitate capacity building for promotion and absorption of solar technologies and research and development among member countries.

The advantage, Madam Speaker, of course, is the Paris Declaration of ISA. ISA allows countries to share the collective ambition to undertake innovative and concerted efforts with the view to reducing the cost of finance and cost of technology from the immediate deployment of competitive solar generation assets that would pave the way of future solar generation storage and better technology adapted to countries' individual needs. It also seeks joint efforts through innovative policies, projects, programmes, capacity-building measures and financial instruments to mobilise more than US\$1,000 billion of much-needed investment opportunities by 2030, for the massive deployment of affordable solar energy projects.

The ISA will provide a platform to collaborate, addressing the identified gaps where common agreed approach. They will not only duplicate or replicate the efforts of other international renewable

organisations, such as the International Renewable Energy Agency (IREA), Renewable Energy and Energy Efficiency Partnership (REEEP), International Energy Agency (IEA), Renewable Energy Policy Network for the 21st Century (RAM 21), United Nations bodies and bilateral organisations. Furthermore, it will continue to establish networks and develop synergies with these agencies in order to supplement the efforts in a sustainable targeted manner.

Through coverage for the implementation, Madam Speaker, on 15th November, 2016, Fiji along with 24 other countries, signed the Framework Agreement while it was opened for signature during the COP22 at Marrakesh which the Honourable Prime Minister did. Article 4 of the Framework Agreement relates to the membership of ISA for solar-rich countries that lie fully or partially between the Tropic of Cancer and the Tropic of Capricorn, which I stated earlier, and which are members of the United Nations.

In order to be a member of the ISA, Fiji will need to deposit this Instrument of Ratification with depository pursuant to Article 13 of the Framework Agreement. Of course, Fiji is one of the solar-rich resource countries located between the two Tropics. Membership to ISA gives Fiji access to policy, financial and technological assistance in terms of accessing alternative renewable energy sources. Fiji will be able to capitalise on the opportunities made available as a member of ISA in terms of a constructive and efficient national policy framework that could boost the implementation of renewable energy projects in particular, solar energy.

Furthermore, it will signal to the rest of the world the significance of Fiji's position of Presidency to the COP23 that will be held, of course, in November of this year. Madam Speaker, a bipartisan recommendation that Fiji ratifies the Solar Alliance is recommended to Parliament.

HON. SPEAKER.- The motion is open for debate and invite input, if any?

HON. RATU S. MATANITOBUA.- Madam Speaker, I support the ratification of the Framework Agreement on International Solar Alliance.

As an island State, Fiji is one of the solar-rich resource countries located between the Tropic of Capricorn and the Tropic of Cancer. Membership for the ISA gives Fiji access to policy, financial and technological assistance in terms of accessing alternative renewable energy sources.

Fiji will be able to capitalise on the opportunities made available as a member of the ISA in terms of a constructive and efficient national policy framework that could boost the implementation of renewable energy projects, in particular, solar energy, Madam Speaker.

Furthermore, being a member of the ISA reinforces, as the Honourable Minister had stated, Fiji's commitment towards climate change, and will reiterate the significance of Fiji's position of Presidency to the COP 23 in Bonn, Germany in November, 2017.

We support the motion, Madam Speaker.

HON. SPEAKER.- Thank you. Honourable Politini?

HON. H.R.T. POLITINI.- Madam Speaker, just before I go into my speech, I just want to take us on a little lesson on the reason why it is beneficial to Fiji to sign up to the International Solar Alliance.

First of all, Honourable Members, when the earth was created, it continued to orbit around the sun and there is a portion of the earth called the "Equator", which is regarded as zero degrees

which is the warmest. So back in the early days when the Europeans came on their quest for territory or new lands, there was a navigator called Mercator, who then divided the earth into what we call now “latitudes” and “longitudes”. Basically, this is just ensuring that we know what it means when I mention that Fiji is located in the Tropic of Capricorn - 23 Degrees South of the Equator and 23 Degrees North of the Equator. Therefore, we enjoy 365 days of sunlight or warm weather throughout the year, thus the reason why it is important for us to take advantage of solar energy.

Madam Speaker, the International Solar Alliance is the result of a proposal made by the Indian Prime Minister at a Congress in London in 2015 and is a Treaty based on inter-governmental organisation and is based in India. The Alliance includes 120 countries at this time, and most are located between the Tropic of Cancer and the Tropic of Capricorn which Mr. Modi referred to in his speech as the “Sun Belt”. Countries outside the Tropics though, are still encouraged to join and enjoy the full benefits of the Alliance, except they do not vote.

The objective of the Alliance is to actively promote the efficient exploitation of solar energy to reduce the dependence on fossil fuels in the generation of electricity. The Alliance has reached an agreement with the World Bank to accelerate the financing of solar energy projects where the World Bank will play a major role in mobilising a funding of US\$100 million. This is the estimated amount to be required by 2030 to meet the goals set for the massive deployment of affordable energy in States located between the Tropic of Capricorn and the Tropic of Cancer. For Fiji, solar power generation provides a vast amount of renewable energy and will move us away from the production of electricity using diesel generators which do serious damage to the atmosphere.

Madam Speaker, I fully support the motion put before the House that Fiji ratifies the Framework Agreement on the Establishment of the International Solar Alliance.

HON. SPEAKER.- Thank you. I will give the floor to the Honourable Parmod Chand.

HON. P. CHAND.- Madam Speaker, I rise in support of the ratification of this Framework. The challenges raised in the Report on points 5.3.21 on the challenges, are noted. That responsibility is to enable collaboration, information-sharing and harness energy between stakeholders to rapidly scale-up solar and renewable energy usage falls on the line Ministry to make good on. Hopefully, the Budget passed yesterday takes that into account.

There is a rich literature and case study available that proves that renewable energy is birthing a new wave of renewable energy, jobs and employment opportunities. Unfortunately, I did not see any genuine effort to scale-up and incentivise renewable energy in the budget that was just passed. There was an allocation of \$400,000 in Head 50 for Investigations for Development of Geothermal Power in Fiji, but that is all.

We note references in the Report of the Green Climate Fund and our NFP leader has already publicly said that if our priority on the UNFCCC is simply to access global climate change funds, it is a zero sum gain. Indeed, this is a common platform of co-operation consisting of sun-rich countries. This will, indeed, ramp-up massive solar energy and will help reduce greenhouse emissions, indeed, a way to cleaner and cheaper energy. When we can globally table Fiji-made ground-up home-grown innovation whether it is on adaptation, mitigation, science both, modern and traditional, we reset ourselves as global leaders but, Madam Speaker, ratification of this Treaty is a good start and I do support this motion.

HON. SPEAKER.- There being no other input, I now invite the Honourable Attorney-General to speak in reply.

HON. A. SAYED-KHAIYUM.- Madam Speaker, I would like to thank all the Honourable Members for their contribution. I think it is beyond doubt that we should ratify this as it will give us a lot of opportunities. It will also help fulfil our international obligations as far as climate change is concerned.

Thank you, Madam Speaker.

HON. SPEAKER.- Parliament will now vote.

Question put.

The question is that pursuant to Standing Order 130(4):

That Parliament approves that Fiji ratifies the Framework Agreement on the Establishment of the International Solar Alliance (ISA).

Does any Member oppose the motion?

HON. MEMBERS.- No.

HON. SPEAKER.- There being no opposition, the motion is agreed to unanimously.

Motion agreed to.

HON. SPEAKER.- Honourable Members, pursuant to the resolution of Parliament passed on Thursday, 13th July, 2017, the International Financial Organisations Amendment Bill 2017 will now be debated, voted upon and be passed. The time for the debate will be limited to ensure that the Bill is debated and voted upon today.

I now call on the Honourable Attorney-General to move his motion.

### **INTERNATIONAL FINANCIAL ORGANISATIONS (AMENDMENT) BILL 2017**

HON. A. SAYED-KHAIYUM.- Madam Speaker, pursuant to the Resolution of Parliament (in fact this has been approved yesterday), I move:

That the International Financial Organisations (Amendment) Bill 2017 be debated, voted upon and be passed.

This relates to the Treaty we had just agreed on which is the AIIB.

HON. LT. COL. I.B. SERUIRATU.- Madam Speaker, I beg to second the motion.

HON. SPEAKER.- I call on the Honourable Attorney-General to speak on this motion.

HON. A. SAYED-KHAIYUM.- Madam Speaker, this actually gives effect to our ability to sign with AIIB because we need to amend our local law, to ensure that we actually fit into the AIIB within the framework of the law. So, as highlighted earlier on, Fiji, of course, has now and Parliament has agreed, that we join the AIIB. As a requirement of that, we actually have to ensure that the various laws that are in the Bill actually captures that.



Clause 1 of the Bill, Madam Speaker, provided for the short title and commencement as approved by Parliament. The amending legislation will come into force on the dates appointed by the Minister responsible for finance.

Clause 2 of the Bill amends the long title of the Act by inserting, "Asian Infrastructure Investment Bank".

Clause 3 of the Bill amends the Preamble of the Act by inserting a recital relating to the establishment of the AIIB.

Clause 4 of the Bill amends Section 2 of the Act by inserting the definition "of AIIB and agreement" by amending the definition "memberships with resolution".

Clause 5 of the Bill amends Section 3(1) of the Act to authorise the Minister to sign and deposit the AIIB Agreement on behalf of the Fijian Government with the Government of the People's Republic of China.

Clause 6 of the Bill amends:

- (i) Section 4(1) of the Act to ensure that all payments required to be made to the AIIB under the provision of the AIIB Agreement will be debited from the Consolidated Fund.
- (ii) Section (4)(2) of the Act to allow the Minister to create and issue non-interest bearing and non-negotiable notes provided for under Paragraph 6, Article 6 of the AIIB Agreement.
- (iii) Section 4(3) of the Act to provide that any sum received by the Fijian Government from the AIIB, an account of the subscription to the capital stock, therefore, will be credited to the Consolidated Fund.

Clause 7 of the Bill amends Section 5 of the Act to provide that Article 45 to 52 of the AIIB Agreement are given the force of law in Fiji.

Clause 8 of the Bill amends Section 6 of the Act to allow the Minister to prescribe order as necessary for carrying into effect the provisions of the AIIB Agreement.

Lastly, Clause 9 of the Bill inserts a new Schedule 9 and a new Schedule 10 to the Act. New Schedule 9 sets out the AIIB Agreement. The new Schedule 10 provides for the resolution outlining the terms and conditions of Fiji's admission to the membership of AIIB.

Madam Speaker, this is essentially for us to be able to legally and locally ensure our willingness to join AIIB as soon as it is given full effect of the law. Thank you.

HON. SPEAKER.- The motion is up for debate and I invite input, if any.

There being none, Honourable Attorney-General, would you like to make concluding statement?

HON. A. SAYED-KHAIYUM.- No, thank you, Madam Speaker.

HON. SPEAKER.- Thank you. Parliament will now vote.

Question put.

The Question is:

That pursuant to the Resolution of Parliament passed on Thursday, 13th July, 2017, the International Financial Organisations (Amendment) Bill 2017, Bill No. 39 of 2017, be debated, voted upon and be passed.

Does any Member oppose the motion?

HON. MEMBERS.- No.

HON. SPEAKER.- There being no opposition, the motion is agreed to.

Motion agreed to.

[Bills for an Act to amend the International Financial Organisations Act 1971, Bill No. 36 of 2017, enacted by the Parliament of the Republic of the Fiji. Act No. ....2017]

HON. SPEAKER.- We will move on to the next Item in the Order Paper. I now call upon the Honourable Leader of the Government in Parliament to have the floor.

### **SUSPENSION OF STANDING ORDERS**

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Madam Speaker, I move:

That under Standing Order 6, that so much of Standing Order 34 is suspended so as to allow the Honourable Attorney-General to move his motions.

HON. A. SUDHAKAR.- Madam Speaker, I second the motion.

HON. SPEAKER.- I now call upon the Leader of the Government in Parliament to have the floor.

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- The request for the suspension, Madam Speaker, is that the Honourable Attorney-General has two Bills that need to be referred to the Standing Committee under Standing Order 51.

We would like to have that tabled by the Honourable Attorney-General before we have the suspension motion, Madam Speaker. Thank you.

HON. SPEAKER.- Do we have any comments on this motion?

HON. MEMBERS. – No.

HON. SPEAKER.- Honourable Leader of the Government in Parliament, would you like to make concluding statements?

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- No, thank you, Madam Speaker.

HON. SPEAKER.- There being none. Parliament will now vote.

Question put.

The Question is:

That under Standing Order 6 that so much of Standing Order 34 is suspended to as to allow the Honourable Attorney-General to move his motions.

Does any Member oppose the motion?

HON. MEMBERS.- No.

HON. SPEAKER.- There being no opposition, the motion is agreed to.

Motion agreed to.

HON. SPEAKER.- I now call on the Honourable Attorney-General to move his motion.

### **PERSONAL PROPERTY SECURITIES BILL 2017**

HON. A. SAYED-KHAIYUM.- Madam Speaker, pursuant to Standing Order 51, I move:

That the:

- a) Personal Property Securities Bill 2017 be considered by Parliament without delay;
- b) Bill must pass through one stage at a single sitting of Parliament;
- c) Bill must be immediately referred to the Standing Committee on Justice Law and Human Rights;
- d) Standing Committee must report on the Bill to Parliament in the September Sitting of Parliament;
- e) Upon presentation of the report on the Bill by the Standing Committee, the Bill must be debated and voted upon by Parliament in the September Sitting of Parliament, and the right of reply be given to me as Member moving this motion.

f)

HON. LT. COL. I.B. SERUIRATU.- Madam Speaker, I beg to second the motion.

HON. SPEAKER.- I call upon the Honourable Attorney-General and Minister for Economy, Public Enterprises, Civil Service and Communications to speak on his motion.

HON. A. SAYED-KHAIYUM.- Madam Speaker, given the time that we have been here, I will be very brief in respect of the introduction of this Bill, but essentially to say that this matter will be referred to the Standing Committee.

Fiji is one of the very few countries now in the South Pacific that actually does not have a law pertaining to personal property and securities. This essentially means that the right of prioritisation at the moment, for example, if we buy a vehicle or we have some tractor, there is a Bill of Sale, there are various other legal instruments that are actually put in place but there is no prioritisation on that. There is also a lot of services required, and what this essentially does is to summarise it.

It will mean that, there will now be a national register. For example, if I buy a vehicle, I will then need a Bill of sale that will cover the new Securities Bill. There is a national register so if, for example, I want to go and then get further loan on the motor vehicle itself, someone can do a search and find out exactly what is the amount of money owed on that motor vehicle, Then you may say, “Oh, the vehicle is actually worth \$100,000 but I only borrowed \$10,000.”

Given the fact that the value of that vehicle is \$100,000, the second lender can actually give me more money for that and borrowed another \$10,000 because you are actually ranking on low priority. So, this is actually opening it up, providing a lot more opportunities for people and also there are a lot of people, for example, who do borrow money and it protects lenders. So in a nutshell, that is what this Bill does.

Of course, this has been drafted in consultations with the Asian Development Bank and, in fact, the Reserve Bank of Fiji has been leading the charge in respect of this particular Bill that has been introduced and has had widespread consultations going on for quite some time. They talked to finance companies, law firms, licenced financial institutions, Government Departments, the sugar industry did also open up opportunities in respect of crops where you can now actually use that as collateral, there are other statutory bodies, like FNPF, and various other organisations, like the Credit Union League, Fiji Nurses Association Credit Union, the Associations of Banks, because as you know credit unions also lend money to people. So it also now gives them that level of security that they would not otherwise generally enjoy. So, this is actually opening up the financial system and gives people who lend money a better security but also for those people who actually have these properties, that gives them the opportunity to access more money also. So, it works really well but, of course, the Committee can have a look at this.

Of course, we will provide to the Committee the list of all the various organisations that met up with the consultative process and we look forward to the Committee coming back to Parliament so that we can debate this.

Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. Does anyone have any comment to make on the motion?

Since there is none, would you like to make concluding remarks, Honourable Attorney-General?

HON. A. SAYED-KHAIYUM.- No, thank you, Madam Speaker.

HON. SPEAKER.- Parliament will now vote.

Question put.

The Question is:

That pursuant to Standing Order 51, that the:

- a) Personal Property Securities Bill 2017 be considered by Parliament without delay;
- b) Bill must pass through one stage at a single sitting of Parliament;
- c) Bill must be immediately referred to the Standing Committee on Justice Law and Human Rights;

- d) Standing Committee must report on the Bill to Parliament in the September Sitting of Parliament;
- e) Upon presentation of the report on the Bill by the Standing Committee, the Bill must be debated and voted upon by Parliament in the September Sitting of Parliament, and the right of reply be given to me as Member moving this motion.

Does any Member oppose the motion?

HON. MEMBERS.- No.

HON. SPEAKER.- There being no opposition, the motion is agreed to unanimously.

Motion agreed to.

HON. SPEAKER.- I now call upon the Honourable Attorney-General to move his motion.

### **INTERNATIONAL ARBITRATION BILL 2017**

HON. A. SAYED-KHAIYUM.- Madam Speaker pursuant to Standing Order 51, I move:

That the:

- a) International Arbitration Bill 2017 be considered by Parliament without delay;
- b) Bill must pass through one stage in a single sitting of Parliament;
- c) Bill must be immediately referred to the Standing Committee on Justice, Law and Human Rights;
- d) Standing Committee must report on the Bill to Parliament in the September Sitting of Parliament;
- e) Upon presentation of the report on the Bill by the Standing Committee, the Bill must be debated and voted upon by Parliament in the September Sitting of Parliament, with the right of reply given to me as a Member moving this motion.

HON. LT. COL. I.B. SERUIRATU.- Madam Speaker, I beg to second the motion.

HON. SPEAKER.- I now call upon the Attorney-General to speak on his motion.

HON. A. SAYED-KHAIYUM.- Madam Speaker, recently Government has been doing quite a lot of work with UNCITRAL. As you know that we have recently also lodged a number of international Instruments with the Honourable Prime Minister when he was last in New York. We lodged that with the UN agency.

This particular International Arbitration Bill, Madam Speaker, in short, consolidates our position. The investments in Fiji have maintained a very strong positive position, approximately 25 percent of GDP over that last few years. During consultations on the Investment Policy, a legislative review by the Ministry responsible for industry and trade, in collaboration with the United

International Financial Corporation, it was recommended that the arbitration law that is more accommodative to foreign nationals have to be introduced.

The Convention on the Recognition and Enforcement of Foreign Arbitral Awards which is called the New York Convention, is rightly considered as the foundational instrument for international arbitration.

Fiji acceded to the New York Convention on 27th September. Fiji's existing Arbitration Act 1965, Madam Speaker, covers arbitration at a national level, recognising the need for better investment climate and to increase regional and international investor confidence, the International Arbitration Bill has been drafted according to the modern law on International Commercial Arbitration adopted by the United Nations Commission on International Trade Law or UNCITRAL on 21st June, 1985 and it was amended by UNCITRAL on 7th July, 2006.

Madam Speaker, the Bill mirrors the law in Australia, New Zealand, Singapore and Hong Kong. Hence, the Bill will provide uniformity in its application and observance of international best practices.

The Bill also recognises the importance of international arbitration as a means of settling international commercial disputes. It is envisaged that the Bill will contribute directly to economic growth by providing a gateway to increasing regional and international investor confidence which in turn will lead to greater economic development potential and, of course, jobs and contribute to our GDP.

Additionally, the Bill will provide an alternative cost effective and efficient means of dispute resolutions between parties, and is recognised in 157 countries which includes Fiji's major source of foreign direct investments, such as the People's Republic of China, Australia, United States of America and New Zealand.

By enacting and commencing the Bill, Fiji will have a modern legislation on international arbitration, with the potential for Fiji to become a regional hub for international arbitration, while complying with our obligation in the New York Convention. Madam Speaker, the potential for Fiji to actually become a regional hub for international arbitration if we actually adopt these laws. Thank you, Madam Speaker.

HON. SPEAKER.- Are there any comments on the Bill?

HON. A. SUDHAKAR.- Madam Speaker, just a clarification on the issue; according to the meeting that we had yesterday, your ruling was that the Committees are not to sit during the Prorogation and for the two weeks before Prorogation. There are six weeks on break so the two Bills that are referred to the Committee, I think the Honourable Attorney-General's motions that have to be reported back to Parliament by September, but there are only three days of sitting left.

HON. SPEAKER.- There are new motions that have been introduced, therefore, there will be some negotiation with the Secretary-General.

HON. A. SUDHAKAR.- After September, the next sitting will be in.....

HON. SPEAKER.- No, we are talking about what we discussed yesterday. These are new Bills that have been tabled, therefore, we will decide on the sitting of the Committee after this.

HON. A. SUDHAKAR.- Thank you.

HON. SPEAKER.- There being no other comments, Honourable Attorney-General would you like to make concluding statements?

HON. A. SAYED-KHAIYUM.- Thank you, Madam Speaker. We look forward to the report by the Committee.

HON. SPEAKER.- Thank you. Parliament will now vote.

Question put.

The Question is:

That pursuant to Standing Order 51, that the:

- a) International Arbitration Bill 2017 be considered by Parliament without delay;
- b) Bill must pass through one stage in a single sitting of Parliament;
- c) Bill must be immediately referred to the Standing Committee on Justice, Law and Human Rights;
- d) Standing Committee must report on the Bill to Parliament in the September Sitting of Parliament;
- e) Upon presentation of the report on the Bill by the Standing Committee, the Bill must be debated and voted upon by Parliament in the September Sitting of Parliament, with the right of reply given to me as a Member moving this motion.

Does any Member oppose the motion?

HON. MEMBERS.- No.

HON. SPEAKER,- There being no opposition, the motion is agreed to unanimously.

Motion agreed to.

HON. SPEAKER.- Lastly, I now call on the Leader of Government in Parliament.

### **ADJOURNMENT**

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Madam Speaker, I beg to move:

That Parliament adjourns until Monday, 4th September, 2017 at 10.00 a.m.

HON. A. SUDHAKAR.- Madam Speaker, I second the motion.

Question put.

Motion agreed to.

HON. SPEAKER.- I thank you all, Honourable Members, for your contributions to this week's Sitting. Once again, I congratulate you all for the passing of the 2017-2018 National Budget.

Parliament is now adjourned until Monday, 4th September, 2017 at 10.00 a.m., with the Official Opening of Parliament by His Excellency the President of the Republic of Fiji.

Thank you, Honourable Members.

Parliament adjourned at 5.00 p.m.