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THURSDAY, 25TH MAY, 2017

The Parliament met at 9.33 a.m., pursuant to adjournment.

HONOURABLE SPEAKER took the Chair and read the Prayer.

PRESENT

All the Honourable Members were present, except the Honourable Prime Minister and Minister for iTaukei Affairs, Sugar Industry and Foreign Affairs; the Honourable Minister for Health and Medical Services; and the Honourable Minister for Youth and Sports.

MINUTES

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

That the Minutes of the sitting of Parliament held on Wednesday, 24th May, 2017, as previously circulated, be taken as read and be confirmed.

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

Question put.

Motion agreed to.

COMMUNICATIONS FROM THE CHAIR

Welcome

HON. SPEAKER.- I welcome all Honourable Members to this sitting of Parliament. I also welcome the members of the public joining us in the public gallery and those watching proceedings on television and the internet, and listening to the radio. Thank you for your interest in your Parliament.

Health Screening

Honourable Members, the Ministry of Health Team will be conducting medical check-ups for all Honourable Members tomorrow. The Team will be stationed in the Small Committee Room and we are all encouraged to take advantage of this opportunity.

Amendment to Committee Report

Moving on to the business of the House, Honourable Members, it has been brought to my attention that there is an amendment to the Standing Committee on Foreign Affairs and Defence Committee Report tabled on Tuesday 25th April, 2017. The name of the Report is, "Review Report of the Committee on the Fiji Police Annual Report 2013".

For record purposes, Honourable Members are advised that the amendment is in the second line on page 4 of the Report. The words, "In April 2015" should be deleted and substituted with the words, "On 6th February, 2017". The correction will also be updated on the soft copy on the Parliament website.

Daily Hansard - Distribution

On the *Daily Hansard* of Wednesday, 23rd May, 2017; I have been advised that the *Hansard Reports* will be circulated to Honourable Members as soon as the Secretariat finalises printing the Reports.

Presentation of Papers and Reports

Honourable Members, I have been informed that there are no Papers and Documents for presentation today. Likewise, I have also been informed that there are no Reports of Committees for tabling today.

We will move on to the next Item and I invite Honourable Professor Biman Prasad to ask his question.

QUESTIONS

Oral Questions

Tenure of Employment - Civil Service Reform
(Question No. 166/2017)

HON. PROF. B.C. PRASAD asked the Government, upon notice:

Can the Honourable Attorney-General and Minister for Economy, Public Enterprises, Civil Service and Communications inform Parliament if a return to permanent tenure of employment instead of the current contract based employment, is part of the Civil Service Reform?

HON. A. SAYED-KHAIYUM (Attorney-General and Minister for Economy, Public Enterprises, Civil Service and Communications).- Madam Speaker, I rise to respond to the question asked by the Honourable Member.

Madam Speaker, it is indeed quite a surprise as the question coming from the Honourable Member who is probably more familiar than a lot of people in this Parliament about performance-based systems in employments contracts. By way of background, I would just like to very quickly point out a bit of contradiction.

In the Auditor-General's Report, Recommendation 26, which we debated on Monday, 22nd May, 2017, which was signed by the Honourable Professor Prasad and it says; "No more Repeats", the recommendation says that all future contracts of the employment for senior public servants, in particular Permanent Secretaries should include contracted agreement that the senior official will participate in all FMIS and Ministry of Finance's central requirements. In any breach of these requirements is then seen as a serious breach of performance contract. So obviously, he agrees that contract employment should be there.

He is saying that it should only be the senior, in any organisation. Madam Speaker, you should know that you need to have a consistency in terms of the employment arrangements. That is how good organisations work. As we have said, Madam Speaker, quite on a number of occasions, let us not try and use the Civil Service as some political point scoring for the next elections.

The reality is that, civil servants need to be answerable to the 900,000 Fijians. Those 900,000 Fijians require a particular level of service. Contract of employments are not peculiar only to the Civil Service; the organisation that he came from, USP, the private sector, at NGO level, the multilateral agency level and the multilateral organisations, international organisations, everyone has contract employment. It does not, in any way, diminish the responsibility nor does it, in any way, demean the employee.

We have, Madam Speaker, in place within Government systems now where you can have contracts of up to three to five years, employment contracts can be as long as that. Also as part of the reforms, we found as some of the Honourable Members on the other side of the House who have worked in the Civil Service, many Ministries use to have project officers and these project officers had only one year agreements, even in the so-called good old days of permanent tenure. Many of these officers did not know whether the following year they will have a job or not. All of this project officer position, many of them and year by year every budget if they had listened, we have been actually regularising. We had people in the Ministry of Agriculture, Ministry of Education, project officers for 10 to 15 years on a project supposedly not knowing whether they will have a contract next year or not. They all have been regularised, they all now have permanent security of a contract.

So, Madam Speaker, the reality is that, this question is very much out of context in terms of having a modern employment environment. It also, Madam Speaker, as highlighted yesterday in the response to Honourable Radrodro, that in terms of providing a good work environment, there are other factors that come into play. You need to know for example that in terms of not just your recruitment but also when you are in the service, when you apply for positions, where there is promotion or different positions, they will also be treated on merit, not just because someone is 10 years senior then you and maybe turning up to work only half a day, will get the job just because of the 10 years senior queue. We need to reward high performing employees. It is all part and partial of what we need to be able to recognise in terms of modern employment environment.

So, Madam Speaker, this question of course is a bit of a paradoxical question and I am being polite, it is an oxymoronic to say if the civil service reform will mean return to permanent tenure, obviously not. There are still about 25 percent of civil servants Madam Speaker, who are on permanent tenure because that is the basis on which they were hired. About 75 percent are on contract and with time that 25 percent will come down. Some people of course when they are on the permanent tenure will do go on to other positions, they go on contract.

Madam Speaker, the reality also is, and a lot has been said about those people who are at the retirement age. Let me also address that. We have a provision in the regulations that should that particular skillset that the particular individual has, if that is a scarce skillset relevant to the overall civil service, relevant to that particular Ministry, they have the opportunity to have their contracts renewed on a yearly basis because the whole idea is to ensure succession plan and the regulation does allow for that. If they read the regulation it says that you need to have succession planning. All of these have been refined, we have stated policies on this for quite some time, now been put in regulations.

HON. SPEAKER.- Professor Biman Prasad?

HON. PROF. B.C. PRASAD.- Now that the Honourable Minister has made it thetically clear that there would be no tenured contracts for employees in the civil service, can the Honourable Minister ensure that the so called open merit system will guarantee merit and whether that will be handled by a sample Ministry or public service or by individual Ministries?

HON. SPEAKER.- Honourable Minister?

HON. A. SAYED-KHAIYUM.- Madam Speaker, the OMRS as has been stated to this Honourable Parliament now on a number of occasions is actually mean centrally rolled out. I have given a report on this previously, we have said that literally 1000's of civil servants have been trained or are being trained and will be trained in respect of the OMRS system and of course, Madam Speaker, the OMRS has not been ever implemented in civil service in the manner in which it is currently been implemented. Honourable Prasad knows this very well, many people know this very well that in the civil service previously when we recruited people it was based on the number of factors, your ethnicity, your religion, your denomination whether you belong to Tovata, Kubuna or Burebasaga, all of these things were happening.

(Chorus of interjection)

HON. A. SAYED-KHAIYUM.- Of course, it was happening, do not deny it! They would like to hear the truth.

Of course whether you are all Indian, Fijian, part-European, we in fact had Ministries that used to do ethnic breakdown, they used to do that. In fact, the 1997 Constitution required that. He is asking, what is wrong with that? He does not believe in capability or capacity or merit.

HON. N. NAWAIKULA.- Give us statistics.

HON. A. SAYED-KHAIYUM.- Madam Speaker, this is the problem with them and unfortunately, the problem with Honourable Professor Biman Prasad, he is opening up the door to these things for political gain.

Madam Speaker, when we were appointed in 2007, there was a

HON. PROF. B.C. PRASAD.- Point of Order, Madam Speaker.

HON. SPEAKER.- Point of Order.

HON. PROF. B.C. PRASAD.- Madam Speaker, the Honourable Attorney-General should stick to the answer to the question.

HON. N. NAWAIKULA.- He has lost the question.

HON. PROF. B.C. PRASAD.- I think he is imputing motives which is not my intention, Madam Speaker. I asked a very clear question because even in the Open Merit Recruitment System (OMRS), Madam Speaker, if it is handled by different ministries, we know that there are already nepotism in different ministries because of the OMS.

(Chorus of interjections)

HON. PROF. B.C. PRASAD.- So, my question was, whether the OMRS would be centrally controlled so that there is actually merit- based appointment? That was my question, Madam Speaker.

HON. SPEAKER.- Thank you. The Honourable Minister was giving examples...

HON. A. SAYED-KHAIYUM.- Exactly.

HON. SPEAKER.-...of some of the things that have been happening previously. Thank you, Honourable Minister, continue.

HON. A. SAYED-KHAIYUM.- Madam Speaker, as I was saying when we were appointed, there is one particular ministry that we were given as a portfolio. The Permanent Secretary used to take a cut of the salary of people whom he recruited and some of the women had to sleep with him on a regular basis. That is what they want to go back to, this is the fact and those of you who worked in the Civil Service, in that ministry know about it, it is a fact. I do not want to stand here and lie about it as some people who have said they can lie say anything they like.

This is a fact, Madam Speaker, you see they want to obfuscate over that; they do not like to hear the truth; they do not want to deal with the history that they are trying to sensitise it, that is the problem. The sensitisation of history, we need to deal with the facts, we need to look forward.

The reality is Madam Speaker, that the OMRS, the guidelines, the policies, it is a public document. It is rolled out to all the ministries and under the OMRS system, each respective ministry has to follow those guidelines. If a particular applicant is not happy with the process, they have a redress mechanism, there is a recourse mechanism and the system allows for that, even an applicant who is not even a civil servant has the ability to apply for that.

We had of course, I know all of you want to target the Ministry of Education, we have an issue with the Ministry of Education where they have discipline issues. They did not go through particular procedures, we found out about that and we held it back. We said “none of the findings of that *ad hoc* body will apply”. We rolled it back, we identified the problem and we fixed it; that is how we dealt with it. No system or any new system in particular that is being implemented anywhere has a 100 percent chance of success. The idea is to mitigate your risk and the way you mitigate your risk is to say that as soon as a problem is identified, you fix it and you have the administrative and in this case, the political will fix it up ...

(Honourable Members interject)

HON. A. SAYED-KHAIYUM.- ... and we have that. We are not going to bury our heads in the sand. The Honourable Minister, the other day stood up and said ‘Look’ the process for example is delayed and we are now fixing it up. He has the gumption to actually admit it. They do not have the gumption to admit anything from the past. They do not have the audacity to do so - to tell the truth.

Madam Speaker, the fact of the matter is, the OMRS system is a good system, it is actually not only applied in the Civil Service but throughout outside the Civil Service too.

Madam Speaker, if there are problems identified, if a particular ministry may not be doing the right thing we have a centrally located administrative arm that actually oversees this and we constantly are trying to improve the systems and that is why that is happening. In fact, we are now training people who sit on the interview panel. We now have a system, Madam Speaker, if for example, a person say, a senior administrative officer interview is going to be conducted, they do not only have people from that ministry to actually sit on the panel, there are people from other ministries without any vested interest to come and sit on the panel. Is that not good?

We have lately in the Solicitor General’s office in the last three sets of recruitments, Madam Speaker, 85 percent to 90 percent of all the people who have been selected were women. If you look at the history of the Solicitor General’s office previously, you will see the gender proportion. None of these women have been appointed recently because they were women, they were appointed on merit. They would have never got a peek through the door before.

The Honourable Semesa Karavaki knows the gender composition of the AG’s office previously. These are smart, intelligent, dedicated women who have been appointed through OMRS and it allowed

that to happen. Now, some people may say “Oh in that particular recruitment they were all women, oh in that particular recruitment, all people who came were from Nadroga”, so what? So what, if they have been appointed on merit on their own capability, their own capacity, on their own intellect, on their own experience? That is good because that ministry or that department will perform to its best capacity and deliver the best services to the Fijian people. That is what we should be concerned about. They are obsessed with ethnicity and we are not. We are obsessed with people appointed on merit, on criteria and most of all, Madam Speaker, we are obsessed of delivering the best service to the Fijian people; that is what we do.

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

HON. V.R. GAVOKA.- Thank you Madam Speaker, let us just come back with some specifics. When civil servants complete their contract or are terminated; do they receive terminal payments or cash compensation? Thank you.

HON. SPEAKER.- Thank you. Honourable Minister.

HON. A. SAYED-KHAIYUM.- Madam Speaker, the way that these contracts operate like everywhere: private sector and everywhere else that you know or the term of your contract is, if you have three years or five year contract, prior to the expiration of your contract, you should know whether your contract will be renewed or not. There are some ministries that are extremely good. They actually are advertising those positions six months prior to the expiration of that particular person’s position, six months, some of them even nine months, some of them we found there has been a bit of laxity and they do advertise a bit later which is not a good system.

We have rolled up and we said ‘at least you must have those positions advertised six months prior’ everyone goes to the interview process so at least six months prior to the person’s contract expiring, they should know whether their contract will be renewed or not. So, that is how it works, you know that you have your contract for a particular period of time. Generally, Madam Speaker, you will find also together with this we are rolling out individual KPIs for each of the staff.

HON. V.R. GAVOKA.- No compensation?

HON. A. SAYED-KHAIYUM.- Compensation Madam Speaker, I thought you wanted me to respond to this!

(Laughter)

HON. A. SAYED-KHAIYUM.- Distracting my train of thought with respect.

(Laughter)

HON. A. SAYED-KHAIYUM.- Madam Speaker, so if your term of contract is for three or five years, that is the end of your contract, if it is renewed, you go along.

Madam Speaker, compensation of course comes in for example, if there is a redundancy; compensation comes on if there is some fault of the employer. Of course, contracts can be terminated earlier, for example as we saw in the PWD case recently where we saw collusion of some staff from the Ministry of Infrastructure that colluded in corrupt practices.

Now, for example, if that is found, they can be terminated before that. Now, Madam Speaker, also if you look at the regulations, in the regulations we have also said (and this is very important to note)

as you know before there were no specific rules. So, if for example, there is a disciplinary action against the staff, some of them are suspended without pay, some were suspended with pay, some suspended with half a pay, these were the different Ministries doing different things and then some people ask you to leave their quarters, if they were given quarters, et cetera.

Madam Speaker, under the regulation now, because this disciplinary process is taking place against you it does not mean you are still on full pay, until the matter is referred to the Public Service Disciplinary Tribunal (PSDT) that is an independent body made of the Judiciary. If for example the matter is referred to the PSDT then the Permanent Secretary can suspend your pay, and if they do, you can immediately go to PSDT and ask for it to be re-instated.

However, the regulations is quite specific. It says, even if the matter is before the PSDT and if your pay is suspended, they cannot ask you to evacuate your government quarters. They cannot stop paying you your housing allowance if you are not getting government quarters instead of that you getting housing allowance, they cannot do that because we do not want a person to be out in the streets with his family, so you are allowed to stay in the Government quarters even if the matter is before the PSDT unless of course someone makes an application otherwise. But as a right, even if you have been charged under the Public Service Disciplinary Matters you still have a roof over your head or you still get your housing allowance.

So, it is a very fair way and is also a compassionate way to deal with such matters. Before, it did not happen it was all willy-willy, now with this reform processes, we made it very abundantly clear: these are the processes to follow now, so therefore the issue of compensation does not arise unless there have been certain breaches. Thank you, Madam Speaker.

HON. SPEAKER. – Thank you. I give the floor to the Hon. Jiosefa Dulakiverata.

HON. J. DULAKIVERATA. – Thank you, Madam Speaker. Madam Speaker, you know the way this contract based employment had been handled, it is very in-humane because some of the staff when the time is up, they are told to go home when the process is not complete so they do not know they are not on pay. So the question I would like to ask the Honourable Minister is, has there been any comparative analysis on the performances of the people on long-term employment and people on the short-term contract, like what you are proposing?

HON. A. SAYED KHAIYUM. – There are all sorts of contracts, Madam Speaker, three to five years contract that is what happens in the private sector. You go to universities, institutions, everywhere it happens, three to five year contracts - very very standard.

What the Honourable Member is saying about some Ministries where there have been laxity, I have already said that. Some Ministries have dropped the ball no doubt whenever contracts have to be renewed some Ministries have dropped the ball and this is a matter mattered that we have urgently. In fact, we have had two rounds of discussions with the permanent secretaries because they are the ones with whom the contract is signed - between the permanent secretary and the employee. So we have raised this, we have raised this an issue, we accept that there have been certain instances that people have dropped the ball and in fact we have apologised to those staff, and I apologise again to whom we have not apologised, but if your particular permanent secretary has dropped the ball on that as Minister for the Civil Service I apologise to those staff.

However, going forward, as we have already said to the permanent secretaries, it is a mark against them if it happens again and in fact I have already spoken to the Chairman of the Public Service Commission, who is the employer of the permanent secretaries, they employ them independently and we have said, “we cannot tolerate any permanent secretary dropping the ball on them, however that does not

in any way undermine the contractual responsibilities and obligations and nor does it any way undermine the philosophy behind the contract of the employment that we put in place, because we have found on the flip side Hon. Member that a lot more people are performing a lot more better.

We have found also on the flip side, Madam Speaker, a lot more people who previously did not want to apply for positions are actually applying for positions both from within government and from outside. You will be surprised how many young people are now applying for positions in ministries they would not dream of applying for because they always thought it was a closed shop. In fact previously one of the criteria of selection was, they must have public sector experience. Wow can a person working in a private sector have public sector experience? That is one way of shutting them out, that cannot be only the criteria.

So, Madam Speaker we now have a good pool of people who are applying, people of different skill sets and government, as we know, the Ministers will tell you and the Honourable Members will tell you the type of transactions that are taking place in Government actually did not take place 30, 40 years ago, things to do with electronics, with technology with the type of problems, the types of issues the people are facing now are very different so we need to have the right skill sets in the civil service itself too Madam Speaker. Thank you.

HON. SPEAKER. – Thank you. I will now give the floor to the Hon. Alvick Maharaj.

HON. A.A. MAHARAJ.- Thankyou, Madam Speaker. Just like any private sector there are many advantages of having staff on contract basis, can the Honourable Minister elaborate on the advantage of having contracted staff in Civil Service in regards to non-performing staff and non-productive staff and how it is going to have an impact on service delivery?

HON. SPEAKER. – Thank you. Honourable Acting Prime Minister?

HON. A. SAYED KHAIYUM. – Just to reiterate Madam Speaker. I think the issue of course is that in respect of key performance indicators. We are now, through the Civil Service Reform Unit also sitting down with the Permanent Secretaries and HR people in fact talking about HR personnel, Madam Speaker. If you look at most the Ministries previously and some of the Ministries still now, the people who actually head the HR department are some clerk, who climbed up the ladder or some administrative officer just climbed up the ladder without actually having any specific training, exposure, qualification in Human Resource Management and how to nurture and cultivate in an environment where the human resources of that Ministry actually feels motivated.

So, the HR side of things in many ministries has been neglected, has been relegated and simply paper pushers, someone applies, they simply say “All right, maybe we will get this person in or someone wants to go on training they send them away on training. There is no professionalization of the HR department so that is very important as part and parcel of that. We need to have a very professional HR division in all the different ministries. They need to be able to talk to each other too across all the ministries. We are working with the respective Permanent Secretaries, the Ministers in terms of the KPI’s. The KPI’s must be tied in with the ministries objectives, and the ministries objectives of course must be tied in with the objectives of Government in terms of the output of the respective ministries.

It is very critical and one of the messages we always have, Madam Speaker, is that every single civil servant is as important as the other. Sometimes people sit around and complain about drivers not coming on time et cetera, or they do not treat them well. But the day the driver does not come to work everything stop stills and they cannot get from A to B so everyone in the Civil Service plays a pivotal role.

It is the responsibility and the challenge for every permanent secretary, every HR department to make every single civil servant feel very very important, to make them understand that if they are non-performers it can affect the entire ministry. If the entire ministry does not perform well it affects the service delivery. The culture, Madam Speaker, in the civil service for decades has been, they do not view the individual Fijian citizen as their client. They do not see them as their customer. In most instances, they just see them as a nuisance, “that fellow is again complaining about his application, or that fellow is always harassing me all the time.”

We have to change the culture, in the same way we have to change the culture in Parliament, and I know some of us are doing that of both sides of Parliament in terms of being responsive to the electorate. We need to be responsive to the electorate, in the same way the Civil Service need to see the citizens of our country as their clients. They are their bosses, they need to treat them well, and they need to answer the phone calls. Many ministries, before the phone will be ringing, you would not pick it up and you just walked past it and at lunch time, things shut down. We need to constantly improve that, so that requires a huge cultural shift and that goes towards in terms of what Honourable Maharaj was talking about, in terms of service delivery and how we actually measure the performance. One of the key ways of measuring performance is your ability to also know how you are going to provide service to the members of the public.

The last point, Madam Speaker, I would like to highlight is that, many ministries have operated in silos for decades. There is a lot of territorial warfare. Lands Department is doing this, Ministry of Agriculture is doing this, Titles Office is doing their own thing, everyone takes their own time and there is no collaboration. Honourable Professor Prasad talked about the ease of doing business. Yes, we admit. One of the reasons why the ease of doing business, at instances, have been delayed is because of the lack of collaboration between the different agencies; they have been operating in silos. And some of the laws actually unfortunately, force them to operate in silos.

We need to be actually currently looking at all the laws. For example, if I want to apply for a building permit, the application goes to NFA, Municipal Council, OHS, Town and Country Planning and also may go to FEA, so we need to get all of them together. They need to sit in one shop or one place and to give your approval but some of the laws actually, Madam Speaker, prohibits that so we have to relook at the laws too and that requires some revamping but we are working on it. Unfortunately that has led to a particular level of mentality, in a territoriality, in their different ministries. So, we need to get them to also change their culture to be able to have that level of output as required by the citizens of Fiji.

HON. SPEAKER.- Thank you Honourable Members, we will be restricting supplementary questions to only 4 today as well. I now give the floor to the Honourable Alivereti Nabulivou to ask his question.

Role of Forest Wardens
(Question No. 167/2017)

HON. A. NABULIVOU asked the Government, upon notice:

One of the training programmes that is undertaken now with the Ministry of Forests is the Forest Warden Training. Can the Honourable Minister for Forests explain to this House the purpose of such training and what will be the role of Forest Wardens?

HON. O. NAIQAMU (Minister for Forests).- Madam Speaker, I rise to respond to the question raised by the Honourable Alivereti Nabulivou with regards to the Forest Warden Training.

One of the key implementing priorities with the national forest policy is the need to build capacity and to support forest owners in sustainably managing their forests through the appointment of community based forest wardens to assist in the policing of the forest laws. The forest policy also mandates the Ministry to train resource-owners in environmental requirements of the Fiji Forest Harvesting Code of Practice and any other environmental protection requirement stipulated in the management and harvesting licences and where possible, engage these trained resource-owners to monitor environmental standards.

With this policy as a guide, the ministry, through the Forestry Training Centre, started the consultation and curriculum development in 2015, followed by recruitment and selection. The formal training for forest wardens started in 2016.

Madam Speaker, my ministry is currently training a total of 32 candidates that were strategically and geographically selected from throughout Fiji to undergo the Forest Warden Training Programme, which will be completed this year. The selection of the current warden is based on the following guidelines: hotspot forest harvesting regions including maritime islands; geographical location to the established forestry officers; community surround conservation and protection forest areas; fire risk and degraded forest areas.

Madam Speaker, these trained forest wardens will assist in the policing of all forest laws and supporting the Ministry at the community level and to work with our local conservations officers, *turaga ni koro* and other relevant stakeholders. The perspectives on the roles of forest to continue to change and broaden as a consequence of social, economic, environmental, cultural and political changes due to the increased demand for timber and other forest products we continue to see growing pressure on forest resources.

The resource-owners aspiration for increased benefits from the use of their land or other uses and the on-going conversion of forest land to other uses places a heavy burden on the current ministry staff to facilitate and monitor. The appointment of forest wardens will ease some of these workloads and through this training, they are expected to also play an extensive role in the conducting for awareness training to their communities in addressing some of these challenges.

The environmental services or forts which are the important concerns that forest performs in relation to biodiversity, soil and water conservation in ecotourism continue to be highlighted by the environmental organisations but have not been filtered down to the communities. Forest wardens will also play an important role in providing awareness on these issues.

In summary, Madam Speaker, forest wardens will assist in the policing of all forest laws, monitor forest harvesting operations in remote areas, including maritime islands, provide awareness on forest harvesting activities, provide awareness on environmental services of forest to communities, report on illegal forest related activities to forestry staff, and provide awareness on forest conservations activities. Thank you Madam Speaker.

HON. SPEAKER.- Thank you. Honourable Mosese Bulitavu.

HON. M.D. BULITAVU.- Thank you Madam Speaker, just a question to the Honourable Minister. What kind of resources are these forest wardens are equipped with, especially when they are located in the area?

HON. SPEAKER.- Honourable Minister?

HON. O. NAIQAMU.- Madam Speaker, the Ministry will work closely with the forest warden in their respective divisions.

HON. SPEAKER.- Thank you. Honourable Niko Nawaikula.

HON. N. NAWAIKULA.- As he had said that the programme started last year and this is to enable those who are trained especially in village communities to report back, so within a year what reports have you received from the wardens that you have trained in relation to illegal activities and disturbances?

HON. SPEAKER.- Thank you. Honourable Minister.

HON. O. NAIQAMU.- Madam Speaker, as I have mentioned the 32 they will complete their training this year, then we will implement the programme.

HON. OPPOSITION MEMBER.- Last year you started off with this.

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

HON. V.R. GAVOKA.- *Vinaka* Madam Speaker, would they be covered by workman compensation and the like, I mean they are fully employed with all those contracts that is normal with every employee. Thank you.

HON. SPEAKER.- Honourable Minister.

HON. O. NAIQAMU.- We need to thank the FijiFirst Government, that have taken the initiative to train the owners of the resources to look after their resources, to police their own resources, they own the resource so Government has trained them and equipped them with the necessities skills required to enable them to look after their resources.

(Laughter)

HON. SPEAKER.- Thank you, Honourable Jiosefa Dulakiverata.

HON. J. DULAKIVERATA.- Thank you Madam Speaker. Supplementary question.

HON. SPEAKER.- Supplementary question.

HON. J. DULAKIVERATA.- There has been a lot of illegal logging in our forest, is this part of the forest wardens duty to check on these people and report to the authority?

HON. SPEAKER.- Thank you, Honourable Minister.

HON. O. NAIQAMU.- Madam Speaker, as I have already mentioned, that is part of their role, the forest wardens.

HON. SPEAKER.- Thank you, I now give the floor to the Honourable Salote Radrodoro to ask her question.

Effective Implementation of the National Gender Equality
(Question No. 168/2017)

HON. S.V. RADRODRO asked the Government, upon notice:

Can the Honourable Minister for Women, Children and Poverty Alleviation inform the House on what new policies and programmes are in place to boost the effective implementation of the National Gender Policy?

HON. M.R. VUNIWAQA (Honourable Minister for Women, Children and Poverty Alleviation).- Madam Speaker, I rise to respond to the question asked by the Honourable Member and I would like to thank the Honourable Member for the question.

The National Gender Policy sits on the constitutional guarantees of equality and non-discrimination on the grounds of gender. It also sits on various international conventions and obligations that our nation has in relation to gender equality and empowerment of women and girls.

Madam Speaker, in relation to new policies and programmes in 2015 through the assistance of the Australian Government the Ministry has been able to engage a gender advisor who has is critical output the consolidation of an implementation framework for the gender policy. This is near finalisation while that is working progress there is also been work in relation to the implementation of the gender policy and I would like to point out a few of them one of them is in relation to the appointment of gender focal officers in the different Ministries in Government. The work of this gender focal officers is basically to consolidate what each ministry is doing in relation to the implementation of the National Gender Policy in the various ministries. Apart from that, they are also able to bring together and consolidate data that is relevant to the implementation of the National Gender Policy in the ministries.

If you would recall, Madam Speaker, that last year, there was also a policy dialogue from Members of Parliament. That was a new initiative and with the assistance of Parliament, that was able to be done. It is important that the policy and what is expected from the policy is known to Members of this august House. On that point, I would also like to point out that the National Gender Policy is available online and can be downloaded for Members who may wish to have a read of it.

Madam Speaker, I also reiterate what was stated here by the Honourable Acting Prime Minister and Minister for Civil Service about the OMRS process which has enabled qualified women to be able to vie for positions in Government, which they may not have been able to vie for before just on the basis of their gender. That in itself has created a great deal of impetus for the implementation of the National Gender Policy in the Civil Service.

Another initiative, Madam Speaker, is the male advocacy training in the Civil Service. It is in line with the main champion campaign done by UN Women worldwide, training of senior male civil servants in the issues pertaining to gender equality and the gender policy. They come from various ministries and they have undergone training. They meet frequently and one of the initial tasks is to see that there is a sexual harassment policy in the Ministries that they represent and that policy is actually implemented properly in those ministries.

We also had awareness sessions across Government departments and ministries on-going three hour sessions on the National Gender Policy just bringing awareness to the different ministries on what the policy is about.

Madam Speaker, there is also on-going work with the Strategic Planning Office in relation to the development of the National Development Plan to try and inculcate the National Gender Policy and

expectation therein within our National development Plan. Madam Speaker, we realise that there is still a lot of work to do and a lot of the work that needs to be done and implementing this requires a stronger partnerships with our NGO partners and also with UN bodies. That is another area that is also been closely followed and addressed to make sure that the work that we do in partnership with our NGO's partners does contribute to implementation of our National Gender Policy.

HON. SPEAKER.- Thank you. Honourable Jilila Kumar?

HON. J.N. KUMAR.- Supplementary Question. What does gender based violence service delivery protocol do? Thank you.

HON. SPEAKER.- Honourable Minister?

HON. M.R. VUNIWAQA.- Madam Speaker, under the National Gender Policy also, one of the bodies that was setup to look at aspects of the policy that address gender- based violence is a taskforce called Elimination of Violence against Women Taskforce. It includes various stakeholders, both from within Government and outside Government and UN bodies as well.

What they have come up with is the service delivery protocol in relation to gender-based violence. It is basically a guideline for all service providers that do come in contact with victims of violence to ensure that standard operating procedures make sense to the victim when they do come to report violence to these authorities. Victims of violence may call through helpline, they might go to the police station, they might come to us, and they might go to the Ministry of Health.

So, this service protocol, what it does is, it looks at the various mechanisms within these different authorities to make sure that they are similar and that they do not become a barrier to the reporting of gender-based violence. Again, that is in its final stages and should be published very soon.

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

HON. S.V. RADRODRO.- Madam Speaker, I thank the Honourable Minister for her explanation on this very important National Gender Policy. I recall quite clearly the Honourable Prime Minister in launching the National Gender Policy, he had said that the FijiFirst Government and Fiji holds the empowerment of women as a priority. So, can the Honourable Minister explain in the 2016-2017 budget allocation, only \$1 million has been allocated for the implementation of the National Gender Policy and yet \$3.6 million had been allocated for the free milk programme. So, how does that reflect the empowerment of women in terms of the allocation of our budgetary allocation?

HON. SPEAKER.- Thank you. Honourable Minister

HON. M.R. VUNIWAQA.- Madam Speaker, they are comparing apples and oranges here. Budget that has been giving to the ministry for the current fiscal year is based on a plan that is been put together by the ministry for the implementation of the National Gender Policy. The budget for the milk that she is talking about is based on the children that are there that need milk and Weet-Bix.

So, again, I repeat the money that we have for the National Gender Policy is for the current fiscal year, Madam Speaker, it is on a plan that we put together and we are implementing it. We are implementing it, we have few more months to do in the current fiscal year and as it is we are working very hard to make sure that by the end of the financial year, we would have met what we plan to do prior to the financial year.

Economic empowerment is very important, Madam Speaker, as the Honourable Member has stated and I am sure that she did hear about the Women's Expo that is coming, that is right at the other end of the spectrum. Apart from that the Honourable Member would also know that the income-generation projects that is done within the ministry from this budget, that is ongoing. Again, I would like to reiterate the budget that is given to us for the economic empowerment of women and the implementation of the gender policy is based on the ministry's plan for implementation for fiscal year.

HON. SPEAKER.- Thank you. Honourable Mosese Bulitavu?

HON. M.D. BULITAVU.- Madam Speaker, the National Gender Policy has got 160 activities and given here, \$1 million budget, it cannot fund all activities. What can the Honourable Minister say about the current activities which comes under the National Gender Policy, it is 160?

HON. SPEAKER.- Thank you. Honourable Minister?

HON. M.R. VUNIWAQA.- Policy, like any National Policy. This is not for implementation in one year, Madam Speaker, it will take years to implement a National Gender Policy and they know that. It is one year for the current financial year. We put together our plan and we are also going through budget consultation again for our plan for next fiscal year and we will get the money for the budget year.

Madam Speaker, again I reiterate, we have an implementation plan, it will be finalised pretty soon, it is that and it will be available online as well and we cannot do all that in a year. We have a plan for implementation, what is a priority for Government for the Ministry in the coming year and that we will deal with.

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

HON. A.T. VADEI.- Madam Speaker, will this policy be introduced to the private sector and when?

HON. SPEAKER.- Honourable Minister?

HON. M.R. VUNIWAQA.- I would like to invite the Honourable Member to download a copy and have a look. There are things for everyone. It is a National Gender Policy, it is for the entire nation, not only for Government.

HON. SPEAKER.- Thank you. I now give the floor to the Honourable Mataisi Niumataiwalu to ask his question.

World Bank & USAID Office
(Question No. 169/2017)

HON. M.A. NIUMATAIWALU asked the Government, upon notice:

The World Bank opened its South Pacific Office in Fiji last year for five countries - Kiribati, Tuvalu, Samoa, Tonga and Fiji. Last week was the opening of the United States Agency for International Development (USAID) Ready Project Office in Suva that serves 12 Pacific Countries. Can the Honourable Attorney-General and Minister for Economy, Public Enterprises, Civil Service and Communications explain to this House what it means for Fiji, having these Offices based here?

HON. A. SAYED-KHAIYUM (Attorney-General and Minister for Economy, Public Enterprises, Civil Service and Communications).- Madam Speaker, I rise to respond to the question asked by the Honourable Member and I would like to thank the Honourable Member for this question.

Madam Speaker, the USA Climate Ready Office actually opened its office last week, as the Honourable Member highlighted, it serves 12 countries. It includes of course Fiji, FSM, Kiribati, Nauru, Palau, Papua New Guinea, Republic of Marshall Islands, Samoa, Solomon Islands, Tonga, Tuvalu and Vanuatu. USAID has actually allocated US\$24 million to support the Climate Ready Office and this money will be applied across these 12 countries.

Madam Speaker, the Climate Ready Office, funded by the US, will actually help resource stakeholders to draft, implement policies to achieve national and adaptation goals, access and utilise international sources of climate financing and improve systems and expertise to better manage and monitor adaptation projects, which we have talked about in the past couple of days.

The objective of course for them is to help the Pacific Island countries become more climate resilient and safeguard the lives of livelihoods of their citizens. It also helps develop local partnerships and tap into international experiences. Madam Speaker, as we highlighted also at the opening that we need these offices to help us to tap into the private sector. A lot of private companies from larger countries do not necessarily see the Pacific as having large enough economies of scale to come and invest here. We believe that that should also be a focus too.

The World Bank has highlighted also as it opened its office, they have moved into newer premises, they will have about 25 staff.

The World Bank currently of course in Fiji specifically, we got a loan with them of \$5.9 million to connect Vanua Levu. We are building a spur out of a cable that is currently being laid between Samoa and Vatuwaqa. We are very lucky that the Southern Cross Cable lands in Vatuwaqa, so a lot of the Pacific Island countries want to connect to the Southern Cross Cable and use that so we have decided to build a spur to get people in Vanua Levu and of course other outer islands in that path to be better connected. We have infrastructure loans with them and also the post cyclone *TC Winston* rebuilt.

Madam Speaker, all of these things, including all the other agencies that are here: ADB, the UNDP, UN Offices, UNSCAP, UNICEF, UNFPA, WHO, FAO, PIFTECH, ILO, PIFS, SPC, SPTO and many other organisations are actually positioning themselves or have positioned themselves in Fiji because of the fact that Fiji actually offers very good connectivity. It was very interesting just even listening to one of the owners of the *Crusaders* at the last week's games and he was saying that if you compare Fiji to many of the other Pacific Island countries, we are streaks ahead in respect of the maturity of our infrastructure, the connectivity, our ability and to cater for overseas visitors. So, it also helps us position well.

We also as Ministers, all the different Ministers when they go off shore, we market Fiji too to say, "with international organisations, if you are based in Fiji, you get better connectivity to the rest of the Pacific Island countries, plus you can actually cooperate with the other international and multilateral organisations." It means that quite a significant boost for us, of course. It lifts up our profile when these companies come in or these organisation come in, they of course hire offices as in physical office space; they also recruit officers, local Fijians; they also of course go and buy properties, rent properties; and they hire personnel for their homes. So, it increases lot of economic footprint for us and lot of them also now are hosting regional meetings too as a result of them being based in Fiji.

We are not simply doing lot of infrastructure spend just for the sake of it but of course there is a rational behind it. As we speak today, the Indian Government is hosting a regional meeting on sustainable

development. We have the President of Nauru and various other people are here to have this two day workshop and conference on sustainable development.

Again, this sort of builds a footprint and by having those organisations based here, we will be able to better market our country and be able to position ourselves for the future. Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. Honourable Aseri Radrodro?

HON. A.M. RADRODRO.- Thank you, Madam Speaker. Just a question to the Honourable Minister. Can he inform the House, what is Government's obligation now that the office been set up here?

HON. SPEAKER.- Thank you. Honourable Acting Prime Minister?

HON. A. SAYED-KHAIYUM.- We are not funding them in any way. We are going to have an agreement with them in respect of their status as international organisation and that is done under Diplomatic Immunities Act, relevant law. Apart from that, they obviously will carry out their own work. Sometimes these organisations of course apply for things such as when they bring in equipment. If it is for example, for renewable energy purposes, they may want duty free, and of course a lot of them apply for VAT. We do not give VAT Exemptions but we get the relevant agency to pay for it. So for example, we have the Minister for Women, she talked about a particular bus being donated so if the Japanese or JICA donates the bus, we get the Ministry to pay for the VAT but we allow that vehicle to come in duty free. Those are the kind of things that we do on an *ad hoc* basis.

HON. SPEAKER.- Honourable Samuela Vunivalu, you have the floor.

HON. S.B. VUNIVALU.- Thank you, Madam Speaker. Supplementary question. After all these years, we never dreamt that all these international organisations such as the World Bank and the Climate Ready Office to be in Fiji. I know that only during the FijiFirst Government, we have seen this. My question is; why did they choose Fiji? Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. Honourable Acting Prime Minister?

(Laughter)

HON. A. SAYED-KHAIYUM.- Madam Speaker, I thank Honourable Member for the question. I think for a number of reasons. There is no doubt some of these international agencies were in Fiji prior to 2007. The agreement between the UN was signed between the Ratu Mara Government and the then UN agency, there were various obligations. In fact in that agreement if you look at it, Fiji had even agreed to pay for the office setup, et cetera.

Some of those obligations signed in those agreements until today but not been fulfilled on our part. Of course, those agencies did exist in Fiji but we have seen an escalation of an interest and indeed new offices being formed in Fiji, like you rightly pointed out, the World Bank. Their regional office is always based in Sydney to service the rest of the Pacific, but I think because of the Fijian Government's desire, as the Honourable Minister for Defence highlighted even when he was Minister for Foreign Affairs the desire to broaden Fiji's footprint internationally. That of course has resulted in some interests in Fiji.

Also, the fact that Fiji is very well connected. The slogan that we do use unofficially is that Fiji Airways now flies to every single continent that rims the Pacific Ocean, except South America. We fly

now to San Francisco, LA, Hong Kong, Singapore and of course Australia and New Zealand - their cities. Next month, Madam Speaker, we are having direct flights to Adelaide. These things all actually play very pivotal role.

It is very interesting when Fiji was suspended from the Commonwealth a few years ago. The Commonwealth had decided to set up a Regional Youth Office for the Commonwealth Secretariat and they had set it up in Solomon Islands as a result of our suspension. The office no longer is operational from what we understand but there is a consultant that had done an analysis for them and they found that the best country to have regional meetings is Fiji, for a number of reasons.

Firstly, the infrastructure is very good and of course the rebuild and the revamping of the infrastructure. Secondly, in terms of connectivity because the most inexpensive place to actually fly to and get other Pacific Island countries to come to Fiji. Thirdly, we have a mature tourism industry and therefore, the quality of accommodation, the quality of conferences, et cetera. Fourthly, security - law and order situation, the environment is good.

All of these combined, they say Fiji is the best place. The next best place they say if you want to have regional meeting is Brisbane. So you can imagine how far down the other Pacific Islands rank. For these reasons, because lot of these regional organisations of course also look at the costs involved to set up regional office. The Honourable Minister has also just reminded me that the Korean International Cooperation Agency (KOICA) which is an Aid Agency for Korea, is going to set up its regional office in Suva, so there is another agency that is going to do that, so all of them are going to fit in.

One of the countries that are manning in the South Pacific Island country, one of the Ministers just recently mentioned to me, he said that he wants to have his country open up their High Commission in Fiji, and one of the reasons why they want to do that, so they can very easily access all these multilateral agencies, so we should be able to take advantage of that. Similarly, we have now for example a lot of the investors who are saying to us, "Look, the fact that we can lend in Fiji, you have four lane roads, and we can come down to Suva very quickly and see my manufacturers."

We now have call centres set up, one of them said to me, he is from Australia, "Look, I like the fact that I can fly in to Fiji, I can go and see my business and see the people who are dealing with my call centres and fly back out the next day," So, these are the kind of advantages that we are pulling upon and of course infrastructure development connection to utilities, all of these things do matter. Thank you.

HON. SPEAKER.- Honourable Viliame Gavoka?

HON. V.R. GAVOKA.- Madam Speaker, I thank the Honourable Minister for his replies and the question from my colleague, Honourable Vunivalu. It is good to know that this is a process that started during the days of the Alliance Party, continued by SVT, Labour-Coalition and SDL and we appreciate that, and we will continue with that. However, hopefully, Madam Speaker, can we ask the Honourable Minister that now, with all the assistance such as these, setting up in Fiji, people who are coming in from free society and all that, will this help motivate the Government to remove those draconian laws that are now part of our life in this country?

HON. SPEAKER.- Acting Prime Minister?

HON. A. SAYED-KHAIYUM.- Madam Speaker, like I said, I think a couple of days ago that I am going to lend some for credibility to the question lies with answering it.

Madam Speaker, I do not know which draconian laws the Honourable Member is talking about. There are no draconian laws. We talk about the Media Industry Decree; tell me one person who has been

charged under it? Which person has been charged under the Media Industry Development Act? Which person? No one. So superfluous, there has already been one company because of the ownership issues and they admitted to it. Only one company, nothing to do with expression of the freedom or freedom to express themselves, nothing to do with that, absolutely not draconian. They need to go and read the laws in some of the other Pacific Island countries.

The fact of the matter is, if you look at the calibre, quality and the direction of the questions coming from the other side, they are very desperate. They are trying to clutch at straw, they want to tell the public of Fiji, there is something wrong in Fiji. All draconian laws, all civil servants are not getting treated well all as long as I have been there, they are clutching their straws.

Unfortunately for them, it is geared towards the Elections now, and they want to find something to clutch on to. It is absolutely incorrect to say they are draconian laws. Madam Speaker, the reality is this; if these international organisations thought that Fiji was such an oppressive country, oppressive society, oppressive laws, oppressive Government, they will never come here. In fact, many of them would have withdrawn from Fiji, those ones that he said to be with the past governments would have withdrawn, and none of them have withdrawn. In fact, they enhanced, they build their capacity, they moved in some of the other regional office they have had in other countries and actually beefing up their positions here.

You see, Madam Speaker, these are unfortunately the quality of questions coming out from them. They are extremely desperate and the fact of the matter is, that the Fijian society today has been none more freely than before.

(Chorus of interjections)

HON. A. SAYED-KHAIYUM.- The level of discussion, philosophical debate we are having now, the supposed taboo areas that no one could ever talk about is now being freely spoken about. Our youths, women, are talking freely about the subjects that was used to be the purview of only the elite which is what they are concerned about. That is why they talk about all these draconian laws because they actually are frightened of this laissez-faire regarding ideas. They do not like new ideas, they do not like people thinking outside the box. They are just contained in the containerised way of thinking; anything outside that is somehow or the other recalcitrant; anything outside of that is somehow or the other being renegade; they do not like that. This is why they are trying to flip it around and say, "Oh, this is a draconian society." There is nothing draconian about that. They can go now and speak to anyone they like outside. They can speak and make any comment they like within the bounds of the law which is defamatory provisions, they can say whatever they like. No member of parliament in this Parliament can say that they are somehow or the other being suppressed.

HON. S.V. RADRODRO.- We are!

HON. A. SAYED-KHAIYUM.- How are you being suppressed? Ridiculous? What a ridiculous proposition, Madam Speaker ...

(Chorus of interjections)

HON. A. SAYED-KHAIYUM.- ... and this is the kind of obfuscation, misrepresentation, lack of intellectual power being applied to the ground realities in Fiji. They are, Madam Speaker, I actually sympathise with them at times because I know they do not have much to go on about. They are just simply floating along the way and looking for some desperate measures. Thank you, Madam Speaker.

(Chorus of interjections)

HON. SPEAKER.- Thank you. Despite all the interjections, no more supplementary questions?

We will move on to the next question, I will give the floor to the Honourable Aseri Radrodro.

Women's Resource Centre - Nasalia Village, Naitasiri
(Question No. 170/2017)

HON. A.M. RADRODRO asked Government, upon notice:

Can the Honourable Minister for Women, Children and Poverty Alleviation give us an update on what has happened to the Women's Resource Centre in Nasalia Village in Naitasiri which Government provided close to \$50,000 funding to generate cassava flour?

HON. M.R. VUNIWAQA (Minister for Women, Children and Poverty Alleviation).- Madam Speaker, I rise to respond to the question asked by the Honourable Member.

The Nasalia Project was initially meant to be a Women's Resource Centre, so a building was built for that particular purpose. After that was done, there was a request from the community, which was considered by Government and approved, to establish there a cassava flour processing machine. The machine was brought in and it was not approved by the Ministry of Health to use that particular premises for the purpose of cassava flour making.

So what happened was, the Commissioner Central's Office, in conjunction with my Ministry and the Ministry of Agriculture, is looking at the requirements of the Ministry of Health to extend the particular centre and make it compliant to the Ministry of Health requirements. There has been some work done and needs to be finalised for the extension before the machinery can be moved in. At the moment, the machinery is at the Koronivia Research Station and we will move in once we have completed the necessary works on the building to meet with health requirements.

HON. SPEAKER.- Thank you. Supplementary question, Honourable Ratu Nanovo.

HON. RATU S.V. NANOVO.- Madam Speaker, I do thank the Honourable Minister for the reply given but my question to her this morning, was there a feasibility study carried out to set up the centre over there due to Nasalia's remoteness from the centre of activities around Naitasiri? Was there a feasibility study done?

HON. SPEAKER.- Thank you. Honourable Minister?

HON. M.R. VUNIWAQA.- Madam Speaker, I understand that this particular project is supposed to serve not only Nasalia Village but the surrounding villages as well. I was not in office at the time that this particular project was first conceived but I can see the merit in the idea behind having a cassava flour production lying there. As it is, we also believe that consultations with the community needs to be ongoing just to update them about the requirements for this particular project and to again get the commitment of the community to this particular project whilst we finish the extension works. Thank you, Madam Speaker.

HON. SPEAKER.- Honourable Anare Vadei?

HON. A.T. VADEI.- Thank you, Madam Speaker, I just want to ask the Honourable Minister whether the machine was donated or bought by Government and secondly, whether training was given to the ladies in those rural areas?

HON. M.R. VUNIWAQA.- The machinery was bought by the Ministry of Agriculture and yes, training will be done, has been done before production starts. Thank you, Madam Speaker.

HON. SPEAKER.- For the clarification of the House, there was a person from Nasalia that went to Indonesia specifically to be trained in the production of flour. Thank you. Honourable Kiliraki?

HON. RATU K. KILIRAKI.- This type of programme, Madam Speaker, it has to be sustainable. In terms of cassava, you have to have enough supply of cassava and to be consistent; whether there was any consultation around Naitasiri for the supply to this Nasalia flour cassava machine? Thank you.

HON. SPEAKER.- Honourable Minister.

HON. M.R. VUNIWAQA.- Madam Speaker, the very fact that this project was initiated shows that a level of consultation was done for it to be established there, otherwise Government would not have supported it in the way it came.

HON. SPEAKER.- Thank you, Honourable Jiosefa Dulakiverata.

HON. J. DULAKIVERATA.- Thank you, Madam Speaker. It is really unfortunate that the women of Naitasiri are faced with this problem ...

(Honourable Members interject)

HON. J. DULAKIVERATA.- ... and the problem that they cannot operate the machine because of the lack of consultation with the relevant ministry to have all the relevant approvals. The question is, was all these necessary requirements applied before this machine was brought in?

HON. SPEAKER.- Honourable Minister?

HON. M.R. VUNIWAQA.- Madam Speaker, I think in my first answer I had explained. There was a resource centre there. They requested for this project which Government conceded and the machines were brought for that purpose but it is the Health Ministry's requirements which did not, was not given because of the existing structure which is why Government has gone ahead to extend the building, to enable the implementation of the project. Thank you, Madam Speaker.

HON. SPEAKER.- I now give the floor to the Honourable Ashneel Sudhakar to ask his question.

National Occupation Health and Safety Services
(Question No. 171/2017)

HON. A. SUDHAKAR asked the Government, upon notice:

The National Occupational Health and Safety Services is responsible to ensure safe and productivity driven workplaces for all employers, workers and the public. Can the Honourable Minister for Employment, Productivity and Industrial Relations highlight the activities that the National Occupational Health and Safety Services provide to ensure a safe and productive driven workplace and at the same time ensure that the employers and workers comply with the relevant legislation?

HON. J. USAMATE (Minister for Employment, Productivity and Industrial Relations).- Madam Speaker, I rise to respond to the question asked by the Honourable Member and would like to thank him

for his question on the issue of Occupational Health and Safety and what the Ministry is doing to make sure that we can achieve this goal.

Firstly, basically the goal of making sure that whoever works in a place where they are getting employment that they are working in a safe and healthy environment? I think everyone has a fundamental right to that.

Secondly, the right for protection for everyone who comes to that workplace; whether it is the employees, his visitors from outside, other stakeholders they have the right to work or enter a workplace and to ensure that they are safe and healthy while they are in that workplace.

Thirdly, the other focus of the Occupational Health and Safety, in terms of workplaces, is to do as much as possible to prevent ill health that is caused by the working conditions. In other words, protecting workers from the risks that they might face in a workplace.

Fourthly, my ministry is always trying to do is to reduce injuries that can happen in the workplace because injuries lead to cost also for the business. The cost for the person getting injured and it also a cost to the business in terms of perhaps medical cost, absenteeism or presenteeism, when people are actually present in the workplace but cannot deliver their 100 percent of what they need to be able to do. Any injury in the workplace can have a devastating feedbacks not only on the workplace itself but on the family for a long time.

The basic philosophy of Occupational Health and Safety is very simple. This is the philosophy. Those who create the risk, the risk that can take personal risk and those who work with them have the primary responsibility to solve the risk. That means the primary responsibility for resolving risk lies in the workers themselves and those that manage that workplace. So, the primary responsibility is not the ministry to come in and wave a big stick and start beating people on the head. The primary responsibility of the people that are in the workplace to make sure that it is safe. So there are three units and three major activities that the ministry does to try to do this.

Firstly, the activities carried out by the unit that is called the TACH Unit. This is the unit that is responsible for training accreditation, chemical and hygiene. These are the issues that they look after. Basically this unit, its primary responsibility is to make sure that workers in Fiji are provided OHS training, different types of training, but it also has the responsibility for promoting OHS Committees and representatives in the workplace.

The law in Fiji is such that in any workplace, where there are 20 or more workers, that workplace must have an OHS committee. It is mandatory that you must have an OHS committee. The responsibility of this OHS Committee is to look at the things that are happening in the workplace; things that might injure workers or lead to poor health or safety that they need to work with management to address those things. This committee comprise of reps from the management and others who are elected by the workers in that ministry. So, you can see that there is a focus on pro-active approach to reduce OHS issues from happening. That TACH Unit is also responsible for chemical assessment and control.

We know that in the world today there are so many different chemicals that are coming out. Some of these have poisonous fumes, if you touch that, you could get sick. So, this unit, the TACH Unit also looks at all of these things. How do we assess different chemicals and look at their impact on people's lives?

The assessment and control of chemicals including pesticides in the workplace. I think one of the things that has had an impact on a lot of places in Fiji has been the issue of asbestos and all of these are the things and how it impact on us. So, that is something that we look at.

The Unit also conducts occupational hygiene audits to make sure that workplaces are hygienic, and as I mentioned before, the unit is also responsible in training workers involved in asbestos removal and disposal. Many, many years ago we still have buildings in Fiji that have asbestos but you have fibre of asbestos which gets into your lungs but when you breathe it in, it can lead to cancers and all these sort of things, so people have to be trained on how to remove asbestos from the workplace.

The other thing that this unit does, it has a lot of focus on prevention activities, so responsible for training employers and workers on preventative actions to avert occupational deaths, injuries and diseases related to HIV and AIDS in the workplace, while respecting the fundamental principles and rights at work.

Secondly, we have a National Code of Practice in relation to HIV and AIDS. The thing that in Fiji, while we have HIV and AIDS, it seems to be a slowly climbing, it is not reaching the proportion that we have seen in other countries around the world. There are some other countries in the Pacific where it is really risen very rapidly and we know that there are some countries in Africa where HIV and AIDS is having a very strong impact on GDP because it is affecting the quality of the lives of the workforce that they have. So, there is a lot of emphasis on that.

OHS training on HIV and AIDS; we help companies develop their own HIV and AIDS workplace policies, procedures and guidelines to turn those policies into actual action on the ground, assist business to set up their workplace health and safety programmes, develops partnerships with stakeholders, promote safe and productive workforce by administering compliance with all the regulations and reach out to workplace communities, especially in the most at risk industry classification. So that is the first unit that we do first set of activities that are undertaken for OHS.

The second unit, Madam Speaker is what we call the Risk Engineering and Capital Projects. So there is a team in the ministry that vets all the plants and machinery designs. I think similar to what they have done in Nasalia, they will look at perhaps the hygienic way in which that food is processed. If you buy a new plant, if you are going to build a new building, we have people that are trained that look at the plants, that look at the designs of the machines to make sure that lives of the people who will be working in that building or the lives of the people that will be using those machines are safe. As part of this, the ministry also does non-destructive testing of things that have high cancer route structures, such as tanks services, pipelines, building steel structures with special emphasis to welding.

We need to make sure that if there is welding, especially for things that take a lot of pressure, for instance in the Fiji Sugar Corporation, where they have all those boiler tanks, people need to make that the welds reach the level that they should be so that they do not explode and so forth. So non-destructive testing is something that is undertaken. Here we use things like x-rays and a whole of host of other different techniques to make sure that people are kept safe. So that is the risk engineering and capital projects.

Thirdly and last unit that we have in the Ministry is the Field Operations Unit. These are people who are located all around Fiji and deliver these occupational health services within the various sectors that we have in Fiji. They are focussed on making sure that our OHS standards are met by all the organisation by all the workplaces that provide effective emergency OHS response service.

If something happens, if someone dies in a workplace, someone dies in an organisation, this team can go in and assess and make recommendations and see what can be done to try to prevent that from happening again. Provide assistance to workplaces in the setting up of OHS Committees to encourage employers and workers to consult with each other safe work practices and advise employers and workers in meeting their obligations under this legislation.

It also undertakes investigation, enforcement and where necessary prosecution. The focus is always on prevention and if that does not work, the unit will also prosecute those who have done something that is contrary to the requirements of this legislation.

The unit also audits OHS management systems, inspects workplace plants and machinery and the registration of workplaces, plants and hazardous substance and chemicals, in accordance with the legislation, and where necessary, the unit will also to resolve conflicts between parties when it is between the workers and management and so forth in issues relating to OHS.

So at the end of the day, Madam Speaker, the whole focus of Occupational Health and Safety that all workers in Fiji should have the right to work in a workplace that is safe, that is healthy for them.

The primary responsibility to do this lies in the hands of the workers themselves and the owners of these workplaces where they are employed. The ultimate intent is to enhance productivity because we know if we have a knowledgeable workforce, one that is health and safety that will have a great impact on the productivity on the places that they work and ultimately the productivity and competitiveness of Fiji as a country.

HON. SPEAKER.- Thank you. Supplementary question, Honourable Sudhakar.

HON. A. SUDHARKAR.- Can I ask the Honourable Minister if this National Occupational Health and Safety Services Unit is also responsible of looking into cases of bullying or abuse at the workplaces or discrimination?

HON. SPEAKER.- Thank you. Honourable Minister?

HON. J. USAMATE.- I think the bullying and anything to do with harassment that comes under the purview of the other unit that we have, which is the labour service or the labour sort of issues. I think I answered that question yesterday when people have grievances, you can bring grievances on the basis of discrimination, sexual harassment and so forth. So those are the things that will be handled by our Labour Compliance Unit.

If there is bullying, it could be contrary to the requirements of the Employment Relations Act, which governs how people should work in the workplace, if there are grievances on that, it can be brought to our Labour Compliance Unit.

HON. SPEAKER.- Honourable Parmod Chand?

(Honourable Members interject)

HON. P. CHAND.- Thank you, Madam Speaker, supplementary question. The recent disaster at the Vatukoula Gold Mine is a sorry tale and we feel for the family who lost their loved one.

Does the Honourable Minister believe that the OHS monitoring for mines that currently fall under the mandate of the Department of Mineral Resources is appropriate, or should it fall under his ministry to ensure cohesiveness in upholding OHS protection nationally?

HON. SPEAKER.- Thank you, Honourable Minister.

HON. J. USAMATE.- Thank you, Madam Speaker, I thank the Honourable Member for that particular question. Currently at the moment, the OHS legislation does not cover the mining industry. That is not something that is a decision of this Government but something that came about as a result of

the discussions on the enactment of the original legislation, the Health and Safety at Work Act. But in terms of the lives of the miners now, as you mentioned, it is currently under that legislation. It is something that we have been discussing, whether it is under the Ministry of Mineral Resources or the Ministry of Employment, there will still be a strong focus on the lives of the workers.

Madam Speaker, whether it needs to come under in this set of legislation or that set of legislation, the focus of the health and safety of workers will still be there and Government is committed to making sure that people have the right that wherever they work, they work in a safe environment. That is still will be the focus, whether it is part of this Ministry or part of the Ministry of Mineral Resources.

HON. SPEAKER.- Two more questions, so I will give the question to Honourable Mikaele Leawere, who has not asked a question this morning.

HON. M.R. LEAWERE.- Thank you, Madam Speaker. Given the nature of the work carried out by the ministry officials, are they also covered under insurance when they go out and do inspection on out-dated machines and buildings because of accidents? Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. Honourable Minister?

HON. J. USAMATE.- In all workplaces in Fiji, if someone goes during a work time and something happens to him, he will be covered by the workers compensation. So that is the mechanism that is currently in place that looks after our workers if we are going to invest and look into a particular place or if something happens to them, I think that will be able to look after them is the workers compensation. However, that is something that happens at the end. It is something that you do after the fact. The more of the emphasis of everything we do is prevention, that is why our workers from the OHS will go and work with these employers to try to make sure that they lift their standards so that accidents do not happen, so that risk is reduced. If something does happen, they will be covered by worker's compensation.

HON. SPEAKER.- Thank you. Most of you who stood up have asked two questions but Honourable Nawaikula, you have only one question.

HON. N. NAWAIKULA.- Thank you, Madam Speaker. Can you please elaborate further on the National Code of Practice and how effective it has been in taking to task those who are in breach since its inception?

HON. SPEAKER.- Honourable Minister?

HON. J. USAMATE.- I am not too sure of which Code of Practice he is referring to, whether it is general OHS or HIV?

HON. N. NAWAIKULA.- General OHS.

HON. J. USAMATE.- Well I think it is important when you think about occupational health and safety to think about the importance of the philosophy. The philosophy of OHS is that those who create the risk should have the primary responsibility for resolving that risk. That is why there is a lot of emphasis on prevention, training people on what OHS needs and then establishing these OHS committees.

So to my mind, if that philosophy really works, the number of injuries that take place at the workplace will reduce. I cannot give you the comparison figures now in terms of whether workplace injuries have declined or not, but when we have the annual reports that will be able to show you the trends. I believe that it has had a good impact but I do not have the data at hand. It might be good if the Honourable

member might pose a written question so I can dig up the facts on the trend on the data and I can provide that to him, Madam Speaker.

HON. SPEAKER.- Thank you. Parliament will now adjourn and we break for refreshment. In that respect, visitors in the gallery are also invited to share with the refreshment and have an opportunity to meet with the Honourable Members. We will resume at 11.30 a.m.

Thank you Honourable Members.

The Parliament adjourned at 11.03 a.m.

The Parliament resumed at 11.32 a.m.

HON. SPEAKER.- Thank you, Honourable Members, you may be seated. We will continue from where we have left off and I now give the floor to the Honourable Ratu Suliano Matanitobua to ask his question.

Regional Water Scheme
(Question No. 172/2017)

HON. RATU S. MATANITOBUA. - Madam Speaker, I wish to enlighten the House that the Wainadoi and Nabukavesi region is a developing area and with the proposed development now shifting within Suva to Nausori and Suva to Navua....

HON. SPEAKER.- Honourable Member, would you like to read the question as is?

HON. RATU S. MATANITOBUA.- No, I just enlighten the House, Madam Speaker.

HON. SPEAKER.- No, no. You only ask the question that has been submitted.

HON. RATU S. MATANITOBUA asked the Government, upon notice:

Would the Honourable Minister for Local Government, Housing and Environment, Infrastructure and Transport inform this House if Government has any intention to commission the development of a Regional Water Scheme for the Wainadoi/Nabukavesi areas, given the water problems faced by the residents of these areas?

HON. P.B. KUMAR (Minister for Local Government, Housing and Environment, Infrastructure and Transport).- Madam Speaker, I rise to respond to the question asked by the Honourable Member and I thank the Honourable Member.

Madam Speaker, our intention of goodwill on this Water Scheme Project was also met with some challenges. The Water Authority of Fiji (WAF) has identified water source that can supply water to an estimated population of 5,630 residents residing in and around that area. The identified source has a minimum dry weather yield of 10 million litres per day while the projected demand for the existing population is only 1.5 million litres a day. Madam Speaker, so the identified source is more than sufficient to cater for the existing demand and future development as demands require.

Madam Speaker, I would also like to inform this august House that talks are underway with the respective *mataqalis* in terms of the location of the source and I would also like to inform this august House that after the agreement between the parties, I will come back to this House with the estimated cost and when this project will commence. Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. Supplementary question, Honourable Parmod Chand.

HON. P. CHAND.- A supplementary question, Madam Speaker. As noted, Wainadoi is an untapped area for climate resilient agriculture and there have been some very excellent initiatives, like the Wainadoi Spice Farm. But in order to encourage such niche markets, clean running water is essential. My question; is the Honourable Minister synergising with the Honourable Minister for Agriculture in this regard, as he is the Climate Champion for COP 23?

HON. SPEAKER.- Thank you. Honourable Minister?

HON. P.B. KUMAR.- Do you want me to answer that? Can you repeat the question?

HON. P. CHAND.- Wainadoi is an untapped area for climate...

(Chorus of interjections)

HON. P. CHAND.- Wainadoi is an untapped area for climate resilient agriculture. There have been some very excellent initiatives like the Wainadoi Spice Farm but in order to encourage such niche markets, clean running water is essential. Is the Honourable Minister synergising with the Honourable Minister for Agriculture in this regard as he is the Climate Champion for COP 23?

HON. J. USUMATE.- Always synergise.

HON. P.B. KUMAR.- Thank you. Now, I am bit clear on this. Of course, Madam Speaker, as whole of this week we have been talking about climate change and this is what this Government is doing and that is also part of our programme. Thank you.

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

HON. A.A. MAHARAJ.- Madam Speaker, once again the question is driven to a specific place. Can the Honourable Minister explain to this House if such a scheme are also in the pipeline for other remote places where clean drinking water is a problem?

HON. SPEAKER.- Honourable Minister?

HON. P.B. KUMAR.- Madam Speaker, I did say yesterday when I was responding on the road issues that we in Government, do not concentrate in any particular area but throughout the country we have water problems, we have road problems and we are addressing that. So all in all, I can say that this Government is going to look after the interests of all the residents throughout the country.

HON. SPEAKER.- Thank you. I give the floor the Honourable Ratu Suliano Matanitobua.

HON. RATU S. MATANITOBUA.- Madam Speaker, I thank the Honourable Minister. My question is; what *mataqali* have you been discussing with?

HON. SPEAKER.- Thank you. Honourable Minister?

HON. P.B. KUMAR.- Madam Speaker, as I have said, talks are underway with the respective *mataqalis*. There has not been any deal struck out yet, and I am not going to disclose the names of *mataqali* now. Once we have a successful discussion and negotiation with respective *mataqalis*, then we will come and inform the House because I am a bit worried, worried in a sense that they say something here, they go out and do something else.

(Laughter)

So we will keep that and once there is an agreement, I will definitely come back and inform you which *mataqali* we are talking about.

HON. SPEAKER.- Honourable Prem Singh?

HON. P. SINGH.- Madam Speaker, I commend the Honourable Minister for that answer where he says that the Government is looking at all the areas in terms of providing clean drinking water. Just

last week, the Honourable Minister was in a place in Votualevu, Olikea Road, and I believe he is quite aware of the situation out there.

The residents have been complaining for the last 10 years and there were many project papers down by WAF. My question to the Honourable Minister is; while the initiative is going, its good, commendable; why does the implementation programme takes 10 years?

HON. OPPOSITION MEMBERS.- Yes.

HON. SPEAKER.- Honourable Minister?

HON. P.B. KUMAR.- Madam Speaker, the Honourable Member is quite right that I was in Olikea in Nadi, but he is incorrect in saying 10 years. That problem has been there for hundred years.

(Laughter)

HON. P.B. KUMAR.- But I know why he is so selective, just to brand this Government. That is not the truth, and the truth is, that problem has been there for hundred years. But coming back to his question, Madam Speaker, there is a real issue in that particular area in terms of the reservoir being placed at a lower area and houses are in the upper area. So we had a very successful meeting with the WAF and the residents and in the interim, we are going to provide them with a borehole. I have also spoken to WAF whereby they have agreed that they are going to put a booster pump, to pump the water to those residences.

HON. SPEAKER.- Thank you. That was the fourth supplementary question, we will now move on to the next Oral Question and I invite the Honourable Samuela Vunivalu to have the floor.

Number of ECE Centres, Infant, Primary and Secondary Schools
(Question No. 173/2017)

HON. S.B. VUNIVALU asked the Government, upon notice:

Can the Honourable Minister for Education, Heritage and Arts update the House on the number of Early Childhood Education Centres, Infant, Primary and Secondary Schools established over the past two years?

HON. DR. M. REDDY (Minister for Education, Heritage and Arts).- Madam Speaker, I rise to respond to the question asked by the Honourable Member and I thank him for asking this question.

Madam Speaker, the establishment of new schools over the past two years has been one of the key strategies of the Ministry of Education, Heritage and Arts to take education to the people. As you know, Madam Speaker, our geographical landscape is quite different from larger countries. We have got communities scattered right in the deep interior and maritime division, and we need to ensure that they have access to education. Therefore, I thank the Honourable Member for asking this question.

Furthermore, Madam Speaker, accessibility to education is enshrined in the SDG which is the benchmark to educational progress and perhaps, one of the key indicators of national progress. We have identified the gaps that existed in some communities and as such, strategically established either Infant Schools, ECE Centres, Primary or Secondary Schools.

Madam Speaker, the Ministry of Education, Heritage and Arts continues to encourage communities, organisations and managements to construct ECE Centres and Infant Schools within the

existing Primary School setup because it allows sharing of resources in the early stage until such time, the ECE Centre can stand on its own and have all the required basic infrastructure.

Madam Speaker, over the last two years (2015 and 2016) until now, we have established 190 schools which includes 175 ECE Centres. Madam Speaker, you may note, I mentioned that following the announcement of provision of grants so that children do not have to pay tuition fees to access ECE education, as well as provision of teacher salaries, there was a huge demand for ECE Centres. It is in this regard that we have seen over the last two years, 175 new ECE Centres coming up, five Infant Schools (Infant Schools are schools where we offer Year 1, 2 and 3 years of education), two Primary Schools and eight Secondary Schools.

Madam Speaker, the ECE distribution is as follows:

District	2015	2016	2017	Total
Ba /Tavua	8	4	2	14
Lautoka /Nadi/Yasawa	9	5	2	16
Nadroga/Navosa	8	2	2	12
Ra	3	1	4	8
Cakaudrove	10	6	1	17
Macuata/Bua	25	12	5	42
Eastern Division	14	3	6	23
Suva	11	7	3	21
Nausori	14	6	2	22
Total	102	46	27	175

Madam Speaker, with respect to Infant Schools, distribution is as follows:

District	2016	2017	Total
Nadroga/Navosa	1		1
Ra		1	1
Macuata/Bua	2		2
Nausori		1	1
Total	3	2	5

Madam Speaker, in respect of Primary Schools as I said alluded to earlier on, there are two new Primary Schools, one in Lautoka/Yasawa and one in Macuata/Bua, both of them were established in 2016.

Madam Speaker, with respect to Secondary Schools; distribution is as follows:

District	2015	2016	2017	Total
Lautoka/Yasawa	1	1	1	3
Cakaudrove		1		1
Eastern Division		1		1
Suva	1	1	1	3
Total	2	4	2	8

Madam Speaker, out of those eight Secondary Schools, three were in the urban area, one in the rural area, one in a very remote area and two in the maritime division.

Madam Speaker, these establishments have breached the accessibility gap that existed before. Schools and ECE Centres have been established in the rural, remote and maritime areas, so that students do not have to travel long distances or stay away in boarding facilities to get educated.

Madam Speaker, with regard to Infant Schools, we may have more because we want to ensure that these little children do not have to travel too far or we want to avoid them from staying in boarding facilities. That is why we are looking at, at least, where numbers are low, so that we can, at least, establish an Infant School, even though we may have to offer composite class as we want to avoid those little children, the five-year olds, six-year olds and seven-year olds to attend boarding facility or travel long distances.

Madam Speaker, in the urban areas, the only reason we are constructing new schools is, you would know very well, that we have got depth of households from the rural interior to urban area, and it is in this regard that every year around this time (May/June), that we do a small kind projection of what would be the population and potential, new demands for new places in Primary Schools, as well as in the High School. It is in this regard that we have begun establishing new High Schools and Primary Schools. Not only High Schools and Primary Schools but we are also working very closely with existing schools from the Lami to Nausori corridor to construct new classrooms, in particular, and as we speak, there are constructions underway of new classrooms in a number of schools in the Suva Nausori corridor.

Madam Speaker, we are cognisant of the fact that in some areas, there is a huge demand and to avoid large class sizes, we are constructing new classrooms in existing schools, as well as have established new schools in this corridor.

The two high schools, Madam Speaker, you would have read in the papers, and they were opened in January this year for Year 9 and Year 10. At the moment as we speak, the construction of three new classrooms, staff room and ablution block is underway at Tacirua Primary School, past the Tamavua Primary School, where there is a lot of space. So next year, Madam Speaker, we can offer Years 11, 12 and 13 there as well. Then we will also look at constructing a science block so that we offer science classes as well.

There are additional classrooms being constructed to cater for students at CMF High School, off Khalsa Road. There are plans for expansion of the new Methodist Primary and High School in Davuilevu, Madam Speaker.

HON. SPEAKER.- Honourable Professor Biman Prasad?

HON. PROF. B.C. PRASAD.- Madam Speaker, I have already praised the Honourable Minister for his efforts in Early Childhood Education but can I ask him, why is he casualising the employment of ECE teachers? Is it providing more employment with lower salaries? Teachers are very important. So, I want to find out from him why he is casualising the appointment of ECE teachers, teachers who have been working for seven hours, now work for four hours. They are getting \$1,400 per month, now they are getting \$800 per month. I mean teachers are very important and I want to know from the Honourable Minister why is he casualising their employment?

HON. SPEAKER.- Thank you. Honourable Minister?

HON. DR. M. REDDY.- There are two parts to his question, one is casualising and the other part was about moving from seven hours to four hours.

(Hon. Member interjects)

HON. DR. M. REDDY.- Yes, I will answer both. I am just trying to make sure that we answer clearly to and responsive questions. The first part, Madam Speaker, is about casualising the teachers. We did not casualise, actually to the converse we are recognising them. You would note, Madam Speaker, that sometime back they were treated badly by the Management because they were not paid on time. The Management were paying them, so the first thing we did was, we started giving them teacher grant.

It was 70 percent, then we raised to 100 percent. Secondly, again, Managements were struggling because the children were not able to pay. Some of them were not paid, some of them dropped out, et cetera, so we said; "Alright, we will pay the students fees of \$50 per term."

Then, Madam Speaker, we also looked at the huge irregularities in respect to pay structure. Certificate holders were getting more pay than Degree holders. Now, we fixed that, Madam Speaker, last year when Government increased the ECE grant. We restructured the whole thing so that one-year Certificate will be paid a particular rate per hour, two-year Diploma will be paid a particular rate per hour and the three-year Degree holders will be paid a particular rate per hour. This anomaly was there for a long time, for some reason or the other.

Madam Speaker, the second part of the question that the Honourable Member is asking is about the reduction of hours. No, there is no reduction in hours. What we are saying is that, because of our recognition of ECE teachers, there is huge demand for ECE teaching jobs and a lot of teachers have started going to universities and coming up with qualifications.

Madam Speaker, there is one stream and as you know, ECE is four hours of teaching. So, we will allow teachers to take one stream and we will give opportunities to those teachers who hold a qualification, staying at home and are looking for a job. In the same play, the second stream, we will give it to the other teacher so that the other teacher who holds qualification are teaching in the afternoon stream. So, in that way, we were able to address those teachers who are sitting at home, doing nothing and no means of employment. They had obtained a qualification Madam Speaker.

In cases where there are no other teachers available, then we allow this teacher to take both the streams. So I do not think we politicised this, Madam Speaker.

HON. PROF. B.C. PRASAD.- (inaudible interjection)

HON. DR. M. REDDY.- No, no, you should have asked me outside, I could have answered that.

HON. SPEAKER.- Thank you. Honourable Anare Vadei, you have the floor.

HON. A.T. VADEI.- Madam Speaker, I thank the Honourable Minister for the establishment of 14 ECE Centres in the Eastern Division, especially in the Lomaiviti Group but the concern is, the landowners gave the piece of land where to build the ECE Centre. Unfortunately, the contractors built it on a high risk area in contrast to the landowners' approval, which is near the river and electricity lines above the Centre. So my question to the Honourable Minister is, did he monitor all the ECE Centres on the ground?

HON. SPEAKER.- Thank you. Honourable Minister?

HON. DR. M. REDDY.- Madam Speaker, the Honourable Member knows very well the situation. It was brought to my attention. This is the internal village community dispute. There is an ECE Management Committee and there are the villagers. They should settle their dispute. We do not decide, Madam Speaker, where they construct their ECE Centre. It is a standalone ECE, we do not decide. We only decide on primary schools where we want to attach an ECE block. For that community, they should

solve their dispute. It is a dispute between the community and the Management and the landowners. They need to come up and tell us where they want the ECE Centre and we will provide the grant, Madam Speaker.

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

HON. M.R. LEAWERE.- Madam Speaker, these teachers are receiving pay well below the tax threshold. They are just being paid grant but the question I would like to pose to the Honourable Minister is, in terms of recognising the hard work being contributed by the ECE teachers, are there provisions for these teachers to be provided with staff quarters because when they are out in remote places, there are no provision for quarters for these teachers?

HON. SPEAKER.- Thank you. Honourable Minister?

HON. DR. M. REDDY.- Madam Speaker, we have encouraged Management of ECE Centres to employ teachers from nearby villages. Just recently, I think it was in Nadrala School where I opened their ECE building about three weeks ago and the teacher that was there was from Nadrala Village. We said; "Look, she may not have a Diploma or Degree, that is perfectly fine, but we will upgrade her qualification during the breaks."

Madam Speaker, that is to ensure that immediately as we opened an ECE Centre, we do not struggle to look for or construct quarters. At the moment, we are looking at ensuring that our primary schools and high schools in the interior and maritime islands where quarters is compulsory, Madam Speaker, because without that, we cannot post a teacher out there. We are ensuring that they have adequate number of staff quarters.

For ECE, Madam Speaker, we have encouraged the Management to look for teachers within the community but despite that, there are some places where we have provided grants to construct ECE quarters where there is no other alternative and where we need to get the teachers from some other place.

HON. SPEAKER.- Thank you. There being no other supplementary question, we shall go on to the Written Questions for today. I now give the floor to the Honourable Aseri Radrodoro to ask his Written Question.

Written Questions

Update on the 200 Percent Employment Taxation Scheme (Question No. 174/2017)

HON. A.M. RADRODRO asked the Government, upon notice:

Can the Honourable Attorney-General and Minister for Economy, Public Enterprises, Civil Service and Communications provide this House an update of the 200 percent Employment Taxation Scheme, as follows.-

- (a) How many employers have benefited from the 200 percent taxation scheme since it was introduced;
- (b) How many people have benefitted from the taxation programme;
- (c) How many private sector employers have benefitted from this programme; and
- (d) The total amount of tax rebate paid out to employers?

HON. A.SAYED-KHAIYUM (Attorney-General and Minister for Economy, Public Enterprises, Civil Service and Communications.- Madam Speaker, I rise to respond to the question asked by the Honourable Member, and I will table my answer at a later sitting date as permitted under Standing Order 45(3).

HON. SPEAKER.- Thank you before we go on the next Item in today's Order Paper, I will your indulgence that we break for one minute for Speakers to change.

Thank you, Honourable Members.

(The HON. SPEAKER retired to her Chambers and the HON. DEPUTY SPEAKER took the Chair)

HON. DEPUTY SPEAKER.- Honourable Members, we will move on to the next Item in the Order Paper.

MINISTERIAL STATEMENTS

HON. DEPUTY SPEAKER.- I have been advised that the Whips have agreed to allow the Minister for Forestry to make a Ministerial Statement, instead of the Minister for Defence and National Security. Therefore, the following Ministers will be making Ministerial Statements under Standing Order 40, as follows the:

1. Two by the Minister for Industry, Trade and Tourism, Lands and Mineral Resources;
2. Minister for Forests; and
3. Minister for Local Government, Housing and Environment, Infrastructure and Transport.

Each Minister may speak for up to 20 minutes. After each Minister, I will then invite the Leader of the Opposition, or his designate to speak on the statement for no more than five minutes. There will also be a response from the Leader of the NFP, or his designate to also speak for five minutes. There will be no other debate.

I now call on the Minister for Industry, Trade and Tourism, Lands and Mineral Resources to deliver his Statement.

Update – Ministry of Lands and Mineral Resources

HON. F.S. KOYA.- Honourable Deputy Speaker, the Honourable Acting Prime Minister, Honourable Ministers, Honourable Leader of the Opposition and Honourable Members of Parliament; my ministerial statement is an update with respect to the Ministry of Lands and Mineral Resources.

Honourable Deputy Speaker, at the outset, I wish to make mention of the work of the Ministry of Lands and Mineral Resources as being the administrators, developers and managers of all State land initiatives, as well as facilitators of the country's mineral sector and ground water resources.

To put this into perspective, Honourable Deputy Speaker, we look after 18,000 State land leases, covering about 4 percent of the land mass in Fiji which equates roughly to 730.79 square kilometres and the benefits derived from that to the 48,000 ordinary Fijians, who are direct beneficiaries throughout 18,000 lessees.

Honourable Deputy Speaker, further to this, the Department of Mineral Resources of the Ministry, our statutory functions through the Mining Division regulates the Mineral Sector and is

inclusive of all minerals whether of high or low value, also covering minerals that are terrestrial or offshore, and not exceptive of extractive activities like quarrying, while also managing the effective development of groundwater resources and the provision of clean safe drinking water.

Honourable Deputy Speaker, in our collective attempts to build a better Fiji where development is carried out without bias, the Ministry continues to conduct its service to realise one of Government's promises, that is, of regularising informal settlements for the issuance of lease titles thereby, giving them security of tenure for informal settlers. And this is carried out through one of the Department's many roles of cadastral surveys in developing State lands.

However, Honourable Deputy Speaker, to-date the Ministry has issued 238 Approval Notices, regularising the occupancy of these families in informal settlements in which 72 was issued for the Western Division, 77 for the Northern Division and 89 for the Central Division.

For the information of this august House, I wish to elaborate further on the procedures followed before any Approval Notice for informal settlements are issued. The reason I am saying this, Honourable Deputy Speaker, is because on the last occasion, I think Honourable Dulakiverata had misinformed the House on the processes undertaken for the issuance of Approval Notices and this, coming from a gentleman would had served the Ministry of Lands for more than 30 years.

However, Honourable Deputy Speaker, Approval Notices are only issued after the Scheme Plans for Subdivisions are approved by the Department of Town and Country Planning. Informal Settlement Subdivisions are classed as Residential Upgrade Zones by the Department of Town and Country Planning and the requirements or conditions of approval are set out by the Department in the Scheme Plans. It is in this respect that I inform this House, Honourable Deputy Speaker, that the Lands Department only issues Approval Notices given the prior approval of the Department of Town and Country Planning.

Furthermore, Honourable Deputy Speaker, the Lands Department has also requirements laid down in its policy for all types of leases, which are to be met before vacant lots are allocated to the successful applicants. With the above-mentioned operating procedures, I am pleased to mention that 13 Approval Notices for Naqoro and Waimari Settlements in Rakiraki have been registered out of the 26 forecasted for the Western Division in my last statement, and a further 12 Approval Notices registered for Vitadra Settlement in Macuata, out of the 61 forecasted up in the North, with the remaining 101 Approval Notices for all Divisions earmarked to be handed out in the next financial year.

Honourable Deputy Speaker, this month alone (and this is quite an important aspect) saw the issuance of 80 renewed agricultural leases in the Western Division in the areas of Ba, Lautoka and Nadi, with the breakdown of 43, 22 and 15 respectively. A further 71 renewed agricultural leases are also ready to be issued and was earmarked to be distributed to their holders on the 11th of this month as well but due to *TC Ella*, this did not eventuate but it will be handed out in the forthcoming months. These, Honourable Deputy Speaker, are the first renewed leases to be issued in batches, and it was evident on the faces of the recipients that their restlessness and uneasiness with the prospects on the renewed leases was finally put to rest.

Honourable Deputy Speaker, contrary to the bleak picture painted by the Opposition, especially the National Federation Party, This Government is doing something about our farmers and their future. Once again, I would like to categorically state that this was a problem that was created by a particular gentleman on the other side.

Honourable Deputy Speaker, the term of the leases being given to these particular farmers are for 99 years but taking that into account, Honourable Deputy Speaker, we will continue to pursue the renewal of all expired leases with the knowledge and foresight that it is not without its hindrances. In my last

statement, I made mention of the number of leases that had been renewed as 788, to-date the number has now increased to 874. Though progress is coming along at this stage, slowly we remain committed to getting all issues resolved in an amicable fashion and as previously stated, the Ministry has vigorously working towards renewing all expired leases by the end of the next financial year.

All of the aforementioned is part and parcel of the work conducted by the Ministry of Lands and I now wish to update this House on the progress of Fiji's Geodetic Datum. In our proactive stance, the Ministry has initiated the upgrade of the National Geodetic Framework and in comparison to international standards, Fiji's Datum requires an upgrade and this timely upgrade is necessary for all the current work that Government does when associated with lands and all relevant ministries.

The upgrade of the country's Datum relates to our national policy as it underscores Government's commitment to nation-building through the modernisation of surveying infrastructure. Honourable Deputy Speaker, further to that the strengthening of the Geodetic Network, the Ministry has been instrumental in matters relating to national interest, in accurately demarcating the boundaries of the different land tenure systems. The National Geodetic Control Survey would assist the whole nation in planning and development, as an extension of this provides investor-confidence in these new areas once the registered leases or titles are issued.

Honourable Deputy Speaker, for the information of the House, there are currently also two existing continuous operating reference stations in the country, one at the GeoScience Australia Office in Lautoka and the other one situated at the GeoScience Division of the Secretariat of the Pacific Community in Nabua. On that note, eight Continuous Operating Reference Stations (CORS) are to be built across Fiji to strengthen our Datum capacity, and the areas where these new stations will be established are Lakeba, Labasa, Nabouwalu, Kadavu, Koro, Rotuma, Taveuni and Ono-i-Lau. The technical evaluation of these sites have all been completed with the tender of five of these already being advertised, and the remaining three sets of CORS equipment are being provided for by our development partners.

Let me say quite clearly, Honourable Deputy Speaker, that Government's ambition and intention are to achieve and secure the best possible deals for all landowners also with respect to landuse in the Land Use Division. So we will try and achieve the best possible deal for the landowners who have voluntarily deposited their land for investment purposes through the Land Use Act. The intent to secure best deals for the land designations lease have yet again thrive for the year 2017 for about 36 landowning units and the total payout is \$1,341,682.15.

The tangible benefits directly promoting investment opportunities for investors and the landowning units through the survey of their land prior to leasing is one of the benefits and unprecedented opportunity for the landowners to ensure best land management practice is realised. Also a total area of 1,497.86 hectares of *i taukei* land was surveyed between April 2016 to 2017.

One of the highest priorities of the Department is to ensure the benefits of the Land Use Act, also, Honourable Deputy Speaker, that this is actually communicated widely and cascaded to all landowning units in Fiji. In this regard, the Land Use Division of the Department in collaboration with various Government institutions conducted 107 consultations and landowner awareness throughout Fiji. The Division will continue to engage relevant stakeholders to strengthen the institutional arrangements in achieving the objectives of the Land Use Act. Our position is also that we will expect to negotiate with resilience to refute to numerous negative portrayals already made about that Department's Land Use Division.

Honourable Deputy Speaker, as we venture into sustainably utilising our nation's resources, in particular our Mineral Sector and its huge economic potential, I am endeared with the knowledge that the Mineral Resources Department has implemented measures to ensure the protection of the environment

and the sustainable development of our mineral resources. For example, river gravel extraction application process now requires the applicant to submit a Rock Resource Assessment, which will have to comply with the quality standards that is required, for example, by the construction industry. And to ensure sustainability, these rock assessment will define the volume of resources resulting in sustainable methods of extraction.

This is an aspect of our work that I can confidently say, will feature prominently as the Department is currently reviewing the Mining Act and the Mineral Policy. On that notion, Honourable Deputy Speaker, please allow me also to provide clarifications on the bauxite extraction currently being done in Nawailevu in Bua.

This year, there has only been one shipment of bauxite to China, and that was in March. The nature, Honourable Deputy Speaker, of the mining business is well known to be one bordering on volatile market prices. Taking into account the fluctuating prices of bauxite on its market, mining activity will continue and will be exported as and when suitable. The Ministry is also closely monitoring these works so that the benefits and impacts are felt and experienced by all for the duration as well as after the completion of mining works.

Honourable Deputy Speaker, just a quick update on the Vatukoula Mine Safety Audit that is currently being undertaken by the Mineral Resources Department, as of now, Honourable Deputy Speaker, those work areas that have been found to be safe as per standards have been opened for re-entry, and those that need to be improved to comply with standards, these are continually being addressed by the company with the continuous monitoring by the Mineral Resources Department. This shutdown, Honourable Deputy Speaker, has been favourably received by the workers and also the communities concerned, which reflects how much the Ministry values the safety of workers who are involved in such high risk operations and something which I know the Honourable Minister for Employment and Industrial Relations, the Honourable Usamate, will attest through his portfolio.

Honourable Deputy Speaker, also, just a quick update on the groundwater reticulation work that has been completed around the country. For those in the North, we have had five which are on progress and about to be completed, and four and in the Western Division.

Honourable Deputy Speaker, last but not least, I would like to highlight to this august House a very serious issue about the extraction of gravel resources from our rivers. I would like to emphasise that the Lands Department is the only department responsible for the issuance of River Gravel Extraction Licences and for the benefit of this House and the general public, there is a ministerial taskforce on the ground, weekdays and weekends, who are out monitoring river gravel extraction activities. This shows our commitment to ensure the sustainable development of river gravel, as we are currently seeing a boom in the construction industry and infrastructure development. So, those that are caught, Honourable Deputy Speaker, extracting river gravel illegally and extracting beyond their legal licence areas, will face the full brunt of the law as this tantamount to theft of State resources.

In conclusion, Honourable Deputy Speaker, this is but a speck of the work that the Ministry of Lands and Mineral Resources conducts on a daily basis, and I reiterate that we will not compromise our standard of service to deliver to the ordinary Fijian extraordinary and exceptional of public service to ensure a secure and better future for our generations to come. I thank you, Honourable Deputy Speaker.

HON. DEPUTY SPEAKER.- Thank you, Honourable Minister. I now call on the Leader of Opposition or her designate.

HON. J. DULAKIVERATA.- Thank you, Honourable Deputy Speaker, I thank the Honourable Minister for his Ministerial Statement and I would like to respond to some of the issues raised.

Honourable Deputy Speaker, the issuance of Approval Notices, I thank the Honourable Minister for his explanation but unfortunately, not all Approval Notices are issued on Subdivisions that were pending the approval of being approved by the Department of Town and Country Planning. In some cases, leases are being issued on an *ad hoc* basis and they are also issued with Approval Notices.

Approval Notices, Honourable Deputy Speaker, are issued because the land had not been surveyed. Once the land is surveyed, then they will be issued with a registered lease. So, pending that, an Approval Notice is given to whoever is occupying the land. Only development of State land, this side of the House, Honourable Deputy Speaker, we appreciate development of State land but good development. Development should be properly planned so that the highest and best use of the land is captured so that it will get the highest return to the Government.

However, the issuance of Approval Notices to informal settlements is not a good development because the tenants will continue to live in those squalid conditions and good development should ensure proper sizes of the lots to meet the minimum standard infrastructure development like, water, electricity, drainage and sewerage. Those are the issues that should be looked at when carrying out a good development but this type of issuing Approval Notices to informal settlements, I think is a vote buying exercise by the Government because Government should ensure that they make a budget reallocation to do proper land development so that everyone will have good standard of living and not living in squatter settlements.

On the other issue, Honourable Deputy Speaker, the fair share as mentioned in Section 30 of the Constitution is a very critical issue. I appreciate the response by the Honourable Minister that it had been under review, but it had been under review since 2014 and this is 2017. It is necessary to look at this very carefully because if not, we will be giving away our resources without being properly compensated because the fair share will only be a portion or a fraction of the royalty given to the Government. But we should ensure that the total royalty that is payable to the Government is, indeed, a fair compensation to the value of the mineral that been explored.

On the issue of our GIS system, the Lands Department develops the GIS system which is land-based and as you know, Honourable Deputy Speaker, all developments are based on the land. So if the Government's GIS is accurate, then all other developments should adhere to the offer. Thank you.

HON. DEPUTY SPEAKER.- Thank you, Honourable Member. I now call upon the Honourable Leader of NFP, or his designate.

HON. P. CHAND.- Honourable Deputy Speaker, I also take this opportunity to thank the Honourable Minister for his update. I acknowledge his hard working staff of the Lands Department, working on approvals of State land leases. We give credit where it is due. We know that they also work under trying circumstances and through you, Honourable Deputy Speaker, we urge them to remain positive.

Furthermore, it is our hope that the Honourable Minister continues to advocate technical skills in his Ministry are aptly protected and nurtured under the Civil Service Reform. While we appreciate that the Reform initiative tends to promote exemplary outcomes from the Civil Service, we would also caution the Honourable Minister to ensure that the institutional history is also retained, especially for this key Ministry.

Whilst we appreciate renewal of agricultural land leases, there are many pending for renewal and some of them are dairy farmers. I believe the Government should adopt a policy of timeline. When an application is made there should be a timeline so that people know for sure that within that particular line, they will have their leases renewed whereby they provide all the necessary requirements.

We have many eager younger graduates in GIS remote sensing and GOIntel, all very key and highly competitive technical competencies for a national State land agency.

Honourable Deputy Speaker, we are looking forward to the outcomes of the National GIS Conference this year and, of course, the regional forum on GIS that follows. We anticipate these technological innovations to be shared which will undoubtedly have a bearing on where Fiji is headed, particularly where the National Land Use Plan is concerned.

Another area is informal settlements. We reiterate our earlier call that Fiji should not have informal settlements without basic infrastructure such as water, electricity and roads and we urge the Government to formalise these settlements as a matter of urgent priority, so that the Fijian people enjoy the basic necessities and facilities in the lives so that their quality of life will be enhance.

Honourable Deputy Speaker, of course, the upcoming budget debate will highlight exactly where these Ministry's priorities will lie, and I thank the Honourable Minister for this update. Thank you, Honourable Deputy Speaker.

(Chorus of interjections)

HON. DEPUTY SPEAKER.- Thank you, Honourable Member.

Honourable Members, at this point, we will adjourn for lunch. Lunch is being served at the Big Committee Room. Visitors in the public gallery are invited to join us for lunch.

Parliament will resume proceedings at 2.30 p.m.

The Parliament adjourned at 12.23p.m.

The Parliament resumed at 2.31 p.m.

HON. DEPUTY SPEAKER.- Honourable Members, I now call on the Honourable Minister for Forests to deliver his statement.

National REDD+ Programme

HON. O. NAIQAMU.- Honourable Deputy Speaker, the Honourable Acting Prime Minister and Cabinet colleagues, the Honourable Leader of the Opposition, Honourable Members of the House, distinguished guests, ladies and gentlemen; I thank the Opposition Whips - Honourable Salote Radrodoro and Honourable Prem Singh, for accepting my short notice and also the Honourable Ratu Inoke Kubuabola for giving up his space to allow me to present my Ministerial Statement.

Honourable Deputy Speaker, my Statement today will revolve around the National REDD+ Programme, the impact it will have on our natural resources, as well as on the welfare of our people. My Ministry consider this as important, in order to enlighten the House on the development of the REDD+ mechanism, its implications and significant contribution in achieving our national and international commitments.

Honourable Deputy Speaker, REDD+ is a mitigation mechanism that was developed under the United Nations Convention on Climate Change (UNFCCC) to reduce greenhouse gas emission that is causing global warming and creating climate change which threatens human existence. REDD+ stands for Reducing Emission from Deforestation and Forest Degradation while the + sign includes other potential activities, including forest conservation, improved forest management and carbon stock enhancement through reforestation and afforestation activities.

Honourable Deputy Speaker, the biggest carbon emitters globally is from the use of fossil fuel for transport, energy, and industrial developments. This is understandable as most developed and developing economies wholly rely on fossil fuel for their energy need. The next largest emitters stem from deforestation and forest degradation which is happening at a much faster rate than the re-growth of the forests, especially in developing countries that heavily depend on the use of natural resources for their livelihood. It must be noted, Honourable Deputy Speaker, that the REDD+ Framework not only addresses carbon emission but creates other benefits, such as reducing sedimentation that pollute rivers and reefs, killing fishes and seafood, plus damaging coral reefs.

Honourable Deputy Speaker, the UNFCCC found that combating deforestation and forest degradation at the global level costs far less over the next decades in comparison to allowing the damage to occur and trying to deal with it. The Convention also acknowledges the significant role of developed countries in creating this climate change problem and so designed the REDD+ mechanism to encourage developed countries to compensate developing countries for performance-based efforts to reduce carbon emission through their forest interventions and activities.

Honourable Deputy Speaker, Fiji's REDD+ Programme started in 2009 under a multi-stakeholder workshop that developed also the REDD+ Policy that was endorsed by Cabinet in 2011, as well as the establishment of the National REDD+ Steering Committee. The REDD+ Steering Committee is a high-level Committee that meets every quarter with membership from 24 different agencies comprising; Government Ministries, Civil Society, Academia, donors, private sector and landowners. Honourable Deputy Speaker, representatives of these agencies commit a significant amount of time to guide and advice REDD+ implementation in Fiji. Working groups are established to meet for development of products needed for REDD+, such as guidelines to implement the principles of free, prior and informed consent in REDD+ activities or providing input and conduct reviews for consultancies and products.

Honourable Deputy Speaker, the initial support by Government and the financial and technical support through the SPC/GIZ Coping with Climate Change in the Pacific Island Region Programme has been the pivoting role for the National REDD+ Programme. Fiji was fortunate to receive US\$ 3.8 million in 2015 from the Forest Carbon Partnership Facility which is administered by the World Bank to fund Fiji's REDD+ Readiness Phase. Readiness in the REDD+ context, Honourable Deputy Speaker, is the term used for the planning, information gathering and capacity development which will enable Fiji to implement forest-based emission reduction activities that are verifiable and can be monitored and reported globally.

During this Readiness Phase, Honourable Deputy Speaker, Fiji has established a pilot site in Emalu, Draubuta, to learn these processes involved in gathering data for reporting such as carbon assessments, reforestation or degraded grassland, forest conservation, et cetera. These information from the Pilot site will help us in building the strategy for a National REDD+ Programme. My Ministry has started paying lease rental for Emalu with the first pay-out of \$115,000 to iTLTB for conservation lease. From next year, my Ministry will be paying an annuity of \$34,000 to the iTLTB for the lease of just over 6000 hectare of land in Emalu for the project pilot study area.

Honourable Deputy Speaker, the REDD+ is all about effectively addressing the drivers of deforestation and forest degradation throughout the country with incentive programmes and activities that bring change from detrimental land use practices to sustainable land use. And the success of these activities has to be measured and reported to international level which require a sophisticated National Forest Monitoring System. Compensation funds are calculated by comparing the changes from the status quo as determined from the forest reference level.

Honourable Deputy Speaker, in the current Readiness Phase National REDD+ Programme is developing the following:

1. The program has engaged USP to undertake the Strategic Environment and Social Assessment (SESA) on the potential risks in the implementation of the REDD+ Programme and how to mitigate these risks and how to monitor them. Two other core outputs will be the development of the Safeguard Information System (SIS) and the development of the Environment and Social Management Framework (ESMF).
2. The University of Hamburg in Germany has been tasked to design Fiji Forest Reference Level (REL) and the National Forest Monitoring System (NFMS) which will be used for the monitoring, reporting and verification of the national carbon and forest changes globally.
3. Currently, the SG's Office is vetting the contract for the in-depth analysis on the drivers of deforestation and forest degradation and to identify the response options, which will determine the activities and incentives for REDD+ Implementation.
4. The Programme is also working on recruiting a consultant firm to develop a Feedback and Grievance Redress Mechanism, and lastly we will hire a firm to recommend strengthening measures for Fiji's legal framework on carbon rights, as well as design a benefit sharing mechanism.
5. A platform for Civil Society Organisations has been established under the REDD+ framework whose members are highly interested and motivated. Interestingly, this CSO platform has a wide range of representations and can equally be used to voice their issues in various other forums, such the upcoming Ocean Conference in June as well as during the COP 23 in Bonn as mandated under the conventions.

Honourable Deputy Speaker, all these consultancies are required to include national capacity building, as well as participatory consultation processes to strengthen the development of the local institutions. On the benefit sharing mechanism as was raised in one of the supplementary questions on Tuesday, Honourable Deputy Speaker, my Ministry under the REDD+ Programme will be engaging a consultancy firm to analyse the best platform that Fiji will be adopting by looking at the existing platform that are being used locally. There is, however, no magic formula devised to determine who will get the benefits as this will still have to be determined legally and thoroughly consulted before it is implemented in the future.

Honourable Deputy Speaker, the National REDD+ Programme is also working towards its intended Emission Reduction Programme after been admitted in the Carbon Fund pipeline of the Forest Carbon Partnership Facility in 2014, and this Emission Reduction Programme will kick in from 2020 to 2024. Fiji has been very fortunate to have this opportunity to be able to receive carbon incentives after proving to the international communities that national programmes implemented under the REDD+ Programme contributed in either the reduction of the emission from forest conservation and reforestation or from improved forest management activities. Fiji has pledged to accumulate 3.9 million of carbon dioxide equivalent saved through its National Forest Emission Reduction Programme.

Finally, Honourable Deputy Speaker, this REDD+ Programme I must say, is fitting in well with the other local and global development agenda, such as the National Climate Change Policy, National Green Growth Framework and the Sustainable Development Agenda. It is cross cutting in nature as it has to address land use issues, as well as competing sectoral policies if it has to be successful. It will also address the potential environmental risks and socio-economic issues, and offers benefits beyond carbon at the local level, national level and even beyond. Thank you, Honourable Deputy Speaker.

HON. DEPUTY SPEAKER.- Thank you Honourable Minister. I now call on the Leader of Opposition or her designate.

HON. RATU N.T. LALABALAVU.- The Honourable Deputy Speaker, Honourable Acting Prime Minister and Honourable Members of this august House; I stand with the concurrent of the Honourable Leader of the Opposition to speak on behalf of the Opposition.

From the outset, I would like to thank the Honourable Minister for Forests for this very informative and elaborate explanation as to what is REDD+, the definition and the 24 agencies that look after and/or have been sitting and discussing issues on REDD+ and what should be done. We thank the Government for that but again, Honourable Deputy Speaker, the crux of the question that we, on this side of the House raised a couple of days ago, was there any formula of what is going to be derived from all there, to be shared amongst the resource owners?

The Honourable Minister for Lands had alluded to earlier on before lunch that 4 percent of all the land in Fiji is owned by the State. I would like to add to that, that 90 percent of all the lands in Fiji are owned by indigenous Fijians and that is a known fact. The concern here, Honourable Deputy Speaker, is when it comes to things of this nature, development and all that, the resource owners are kind of pushed back to the backburner, whilst we try and come up with a decision and policies to see how best we can utilise our resources to ensure that we meet up with what was pledged by our Honourable Prime Minister to the world regarding COP 23 and the benchmark it has set and I stand to be corrected by the Champion of our COP 23, the Honourable Minister for Agriculture as to the percentage. That should be set aside to ensure that we comply with what we are trying to ask for regarding COP 23 and the climatic change.

Again, Sir, the point that I am trying to drive at is, now that we have that, now that we have areas like Emalu in Draubuta, this huge amount of money, an upfront payment of \$115,000 and others, the annual payment of so many thousands again every year for just 6,000 hectares, what about the rest of the

forest cover? I am talking about the one in Drawa in Vanua Levu, Dogotuki, my island in Taveuni forest cover, Buca, et cetera. It is not a standalone thing, Honourable Deputy Speaker, you have to consider all these forests and how do we share the procedures that come out of this.

Back in Vanua Levu, Honourable Deputy Speaker, for your information if I may quote the saying that goes there, "*Sa va evei beka na i lavo ni cagi?*" This is the very thing that has been interpreted by all these groups that are going around to the villages, promoting/advocating for REDD+ and all those programmes, the carbon revenue that is going to be derived from all the savings that we are going to be undertaking or we get out of it.

But again, if we are not careful, this is just like another pie in the sky where it is just like a dream and we do not know when the landowners or the resource owners are going to see the reality of this. Are they going to be just given some lease rental because we are conserving certain areas to be taken up as forest areas? What about the returns from mother sources like carbon trade? That has not been answered by my Honourable colleague on the other side of the House. We need to know that.

We now know that certain companies or NGOs from abroad have been tasked or undertaken to carry this out so again, it is just like a dream in the sky. We really do not know when we are going to be getting something out of this carbon trade.

We have been notified in 2015, \$3.8 million has been directed to Fiji. Only yesterday, we heard from the Honourable Attorney-General and Acting Prime Minister that they are trying to register FDB to be given accreditation so that payment of money could be directed towards that. Before I take my seat, I would just like to thank the Honourable Minister again for his reply and hope that something better could come out of all these.

HON. SPEAKER.- I now call upon the Honourable Leader of NFP, or his designate.

HON. PROF. B.C. PRASAD.- Thank you Honourable Deputy Speaker, and I thank the Honourable Minister for his update. It definitely appears that Fiji is forging ahead with REDD+ mechanisms and as alluded to by my Honourable colleague from this side, especially for carbon trading.

Honourable Deputy Speaker, we are all for very robust environmental protection, particularly for mitigation, which are necessary to cap global temperatures at 1.5 degrees or less, as the Alliance of Small Island State partners have called for it.

On REDD+, while the project in Emalu as the Honourable Minister quite rightly alluded to is noteworthy and makes a lot of sense, I think the worry or the caution that continues to be there is that, carbon trading can actually happen in a vacuum because there are already many global examples or incidents of carbon trading scams that have halted some of the developed countries' initiatives in many countries and especially, has put doubt on the whole idea of emission trading schemes. So, my question would be that we should pay careful attention to that and ensure that these projects actually adhere to best practices.

It may also interest the Honourable Minister that citizens of developed countries and the example that I can point out is New Zealand, are now having national debates. I mean, there is quite a robust debate on whether it is actually to their benefit to bear the burden of paying other countries on emissions carbon reduction scheme. So I think there is also a cautionary note there, that we need to look at why these debates are taking place in some of those countries. And the argument is, when it actually may appear to be cheaper to reform, how to do things in other ways which may be better for the environment and our economy. So, we may want to pay very careful attention to those trends as well, so that we do

not really put too many hopes or really should I say, 'put all the eggs in one basket'; which is REDD+ and carbon trading basket.

I think it is important to look at what is happening. I know as COP23 Chair, we need to demonstrate that as a country, we have committed to doing these things and that we have everything in control and our agenda is pretty clear, but we must not lose sight of some of these trends and some of these issues that have come before us.

Honourable Deputy Speaker, we note the Honourable Minister's update on the initiative to engage a consultancy firm on sharing mechanisms to analyse the best platform for Fiji. My colleague from this side talked about that and I want to echo the same sentiments. I think we must not lose sight of the landowners, whether they are *i taukei* landowners, whether they are freehold landowners, I think they need to be included in any serious discussion of these projects and how they are going to be implemented because ultimately, I think majority of the land that will go into this, would definitely be *i taukei* land and naturally *i taukei* landowners should have a very clear understanding before they consent to the use of their land for these mechanisms, that they actually get a return which is reasonable and they are treated as not only people who give land as lease but also as shareholders and developers. I think that will make some of these programmes sustainable in the medium to long term, and that is what we need to carefully look at so that these schemes and mechanisms for carbon trading actually bear fruit and is inclusive for everyone who is interested in the programmes. Thank you, Honourable Deputy Speaker.

HON. DEPUTY SPEAKER.- Thank you, Honourable Member. I call on the Honourable Minister for Industry, Trade and Tourism, Lands and Mineral Resources to deliver his Statement.

Update on the 2017 Fijian Tourism Expo

HON. F.S. KOYA.- Honourable Deputy Speaker, while I have the floor, I must take this opportunity to say something with respect to comment that was made by Honourable Josefa Dulakiverata in regards to informal settlements.

Honourable Deputy Speaker, the statement was made with respect to the resettlement of squatters which is referred to a 'vote buying exercise'. Firstly, Honourable Deputy Speaker, this particular programme of resettlement is a continuing programme that was started post-Elections, it has not just started now. So, it is most definitely not a vote by exercise, and the level of care, Honourable Deputy Speaker, that the Opposition shows towards the poor and needy leaves a lot to be desired.

HON. GOVT. MEMBERS.- Hear, hear!

Honourable Deputy Speaker, we care about the people of Fiji, we care about the poor and needy and most of all we are merely...

HON. OPPOSITION MEMBER.- You do not care!

HON. GOVT. MEMBERS.- We all care.

HON. F.S. KOYA.- You do not care, otherwise you would not say such things.

HON. OPPOSITION MEMBERS.- We do!

HON. F.S. KOYA.- Only election time you care!

Honourable Deputy Speaker, might I point out that we are merely implementing the right which is contained in Section 35(1) of our Constitution which is the right to housing. Honourable Deputy Speaker, I will read it for the sake of those who have not read it, I quote:

“The State must take reasonable measures within its available resources to achieve the progressive realisation of the right of every person to accessible and adequate housing and sanitation.”

That, Honourable Deputy Speaker, is not a ‘vote buying exercise’.

Honourable Deputy Speaker, we on this side of the House take great offence to such comments because the poor and the needy, to us, mean a lot. They are all Fijians.

Honourable Deputy Speaker, thank you also for allowing me to take this opportunity to deliver the statement with respect to the Ministry of Industry, Trade and Tourism.

Honourable Deputy Speaker, there was a Fijian Tourism Expo 2017 that occurred just recently and this particular statement is with respect to that, the business regulatory reforms for Micro Small and Medium Enterprises (MSME) Development, the Belt and Road Forum that was attended by the Honourable Prime Minister and myself, the Trade and Investment Symposium in China.

The Fijian Tourism Expo, Honourable Deputy Speaker, is Fiji’s premier tourism industry event. The Expo provides an opportunity for the Fijian tourism industry to showcase the best, and this even provided a cross-sectorial platform for partners in the tourism industry to engage directly with international buyers and Travel Trade Media for our key markets.

Honourable Deputy Speaker, this year, the Expo was held over a two-day period where international buyers and our Travel Media partners shared all the appointments to engage with the Fijian Tourism Industry and this year marks the fourth consecutive year of the Expo where 160 buyers and media from 21 countries, such as Australia and New Zealand, Canada, United States, China, India and the United Kingdom participated.

The event was a great success with around a hundred Fijian tourism operators exhibiting over the two days and facilitating more than 10,000 appointments, which is an outstanding achievement in itself, and an increase of 12.7 percent compared to 2016. The programme for the two-day Expo, Honourable Deputy Speaker was custom-made and prepared, based on the feedback from participants in the past three Expos and was kept compact to enhance the business-to-business opportunities and onsite experiences of our hospitality industry through familiarisation trips and promoting a win-win situation for everyone that attended the FTE.

The platform also, Honourable Deputy Speaker, raises awareness on the sustainable practices and standards adopted by the operators in promoting sustainable tourism, and we will continue to use such platform to promote sustainable practices and encourage our visitors to partner with us in protecting our pristine environment in which marine life sets Fiji apart from other destinations around the world.

Honourable Deputy Speaker, the inclusion of the Fijian-Crafted Village within the FTE complements the Government’s efforts to grow the MSMEs and continue making the sector the backbone of our economy. This this year, we have 16 Artisans who were part of the Fijian-Crafted Village and they benefited through sales of their artefacts and received orders to the total tune of about \$13,200 odd from companies, such as Jacks Fiji and other operators, our resort operators around the country.

Honourable Deputy Speaker, I also must take this opportunity in anticipation of what may come from the other side, the success of FTE has been tremendous as compared to the previous Bula Fiji Tourism Exchange (BFTE) which was run by the private sector, where Tourism Fiji did not get the exposure and the mileage that was needed. Fiji also withdrew from the BFTE due to governance issues and lack of accountability, besides the fact that BFTE ran contrary to the interests and wellbeing of the Fijian Tourism Industry.

Honourable Deputy Speaker, in relation to sustainable tourism development, the UN World Tourism Organisation has declared 2017 as the International Year of Sustainable Tourism for Development and earlier in the year at the Declaration in Madrid, Spain, Fiji expressed its interest to host the 30th Joint Meeting of the UNWTO Commission for East Asia and the Pacific and UNWTO Commission for South Asia. And I am happy to announce, Honourable Deputy Speaker, that Fiji has won the bid to host the Joint Meeting for the first time ever in the Pacific and this was announced at the 29th UNWTO CAP-CSA which was held in Chittagong, Bangladesh last week. The Joint Meeting of CAP and CSA is UNWTO's principal event for the Asia/Pacific Region and attended by participants from UNWTO Members States, affiliate members and international and regional organisations. Fiji is expected to host around 200 delegates at the next year's event.

However, Honourable Deputy Speaker, the Fijian Government is focussed on improving the livelihoods of the grassroots communities, such as the Artisans, whom I mentioned earlier, and this is just a small part of Government's overall concerted effort to develop the MSMEs. This is the first Government, Honourable Deputy Speaker, that has ensured that MSMEs are given the due recognition and the opportunity to grow. In this regard, the Ministry is going out of its way to instituting the overarching MSME Framework to effectively guide the coordination and implementation of MSME development initiatives. For instance, the Ministry has actually strengthened the synergies between the programmes, such as the MSBG Grant, the IHRDP and the Northern Development Programme (NDP).

I had stated earlier, Honourable Deputy Speaker, that the success and the importance of the MSBG had been recognised by international Governments. The Government of India has supported, as I had mentioned on numerous occasions, that the current commitment of around \$4.7 million which is part of the total commitment of US\$5 million.

Honourable Deputy Speaker, we are delighted that the Government of India, through its Minister of State for External Affairs, General Retired V.K. Singh will be officiating with the Acting Prime Minister at that next MSBG disbursement that will be held at Albert Park tomorrow where 923 aspiring micro entrepreneurs will be receiving their grants. Deputy Speaker I invite the entire Parliament to attend to this auspicious occasion tomorrow afternoon.

Honourable Deputy Speaker, still on business development, the Ministry through the Department of Co-operatives continues to register on average at about 30 co-operatives per quarter in 2017 and through the efforts of the Ministry, there has been an increase in the number of resource-based cooperatives in the areas of agriculture, fisheries producers, marketing and cane producer co-operatives. Todate around 21 producer co-operatives had secured mechanical harvesters to improve their operations and this was made possible through Government funding managed by the Ministry of Sugar in partnership with the FDB. Business Model will be used by the Ministry of Sugar to implement more new economic projects for sugarcane farming clusters that will be formalised and registered as formal co-operatives.

Honourable Deputy Speaker, this is overcoming lack of economies of scale and instilling business entrepreneurship in these farmers through provision of business development services by the Ministry. Honourable Deputy Speaker, there is a shift in communal focus from consumer co-operatives to resource-based co-operatives where the community members are utilising their livelihood assets to generate

income and create employment, and this will indirectly stabilise food security while at the same time, increase income levels for individuals within the communities concerned.

Honourable Deputy Speaker, the multiplier effect obviously is that, when each individual in the community is economically strong, the settlement, the *vanua, tikina*, province, Division and the nation will be economically strong. It is for this reason that the Fijian Government is placing more emphasis on developing individuals economically through programmes like the MSBG Facility, the NDP as I said earlier, the IHRDP and promotion of resource-based co-operatives. Those are reasons why the Ministry and Government as a whole, has placed the development of the MSME sector high on its agenda.

While still on the issue of MSMEs, in an earlier Parliament session, Honourable Deputy Speaker, allegations were made from the side of the House with great respect to a lot of medium enterprises complaining about the regulatory burden which they currently face. Honourable Deputy Speaker, these allegations, like those made before, are always tilting towards the windmills in the hills of Vunahalu.

Honourable Deputy Speaker, therefore, I would like to enlighten this House that the Ministry is already working with the Doing Business Team of the World Bank Group and it is already miles ahead in terms of addressing what is perceived to be regulatory issues affecting MSMEs. However, the World Bank's Doing Business Team has acknowledged the discrepancies, and I repeat, had acknowledged the discrepancies in the feedback received from responders who have not changed for donkey's years.

It is also worth noting, Honourable Deputy Speaker, that a number of responders are individuals from accounting and law firms, and are the contributors to the delay in the processing of business applications. These individuals benefit by delaying processes and it is in their interest to paint a negative picture. Furthermore, it was noted that the approval agencies were not consulted to verify the feedback provided by the so-called private sector responders. Unfortunately, very sad.

HON. A. SAYED-KHAIYUM.- Six from your own law firm.

HON. N. NAWAIKULA.- Where?

HON. A. SAYED-KHAIYUM.- Six responders from your law firm.

HON. F.S. KOYA.- The World Bank Group, Honourable Deputy Speaker, has now requested for additional names of public and private sectors contributors to allow for balance representation in the survey. I hope that clears the air, Honourable Deputy Speaker.

Deputy Speaker, the Ministry is working with the World Bank Group and International Finance Corporation (IFC) in identifying the areas of reforms that can be completed immediately, whilst others will require a long-term strategy. The Fijian Government, Honourable Deputy Speaker, works in a systematic manner. It is no use bringing in *ad hoc* changes without reviewing the Investment Policy and Legal Framework for governing investments.

In this regard, the Ministry is also working with the investment approval agencies and the IFC to review the Foreign Investment Act to broaden the scope to include both, domestic and foreign investors. This work begun in 2016 and we have received a Concept Note from the IFC's legal team and have also received a draft law that will be discussed with relevant agencies. It is planned that this review will be completed by the end of 2017.

Honourable Deputy Speaker, in addition to this, the Ministry is working on developing a comprehensive Investment Policy Framework. Therefore, the Fijian Government, as much as much the Opposition may want to believe that it is not sitting idle and doing nothing, but it is being very proactive

in ensuring that systems and procedures for businesses, especially for MSMEs are modernised and streamlined where necessary. I wish to also add that the reviews and reforms are undertaken just to improve our global ranking on the Doing Business Survey but to ensure that we are making it easier for both, domestic and foreign investors to do business in Fiji.

Furthermore, Honourable Deputy Speaker, the Fijian Parliament this year had endorsed two international Conventions that will enhance investor confidence. One is earlier as yesterday that we dealt with the Multilateral Convention to Implement Trade Treaty Related Measures to Prevent Base Erosion and Profit Sharing and, of course, the Convention on the Contracts for International Sale of Goods, for all our investors.

Honourable Deputy Speaker, as we are working, all the internal reforms and development of local entrepreneurs, it is therefore imperative that the Fijian Government focusses on creating a stronger position in the global trade and investment sphere. Therefore, the Ministry through its Trade Commission in China, hosted Trade Investment Roadshows in two cities in China and Hong Kong last week.

The symposium served as a platform to create new relations and strengthen the existing partnerships between Fiji and China, particularly advancing the pursuit of bilateral trade and economic relations between Fiji and China. Through the symposiums held in Guangzhou, Zhengjia and Hong Kong have been able to build on a momentum, following the very successful Belt and Road Forum which was held last week and attended by our Honourable Prime Minister. The Forum provided the platform to promote open development and encourage the building of systems of fair and reasonable and transparent global trade and investment rules. Honourable Deputy Speaker, the Forum brought together about 29 Heads of States and Government Representatives from more than 130 countries and 70 international organisations.

Our Honourable Prime Minister was the only Pacific Island Country Leader who was present at the Belt & Road Forum. This simply indicates the importance that the Chinese Government places on Fiji as a trade partner. Hence, Fiji as a communications, logistics, transportation and trade harbour hub of the Pacific, is a key link in the Belt & Road/ Maritime Silk Road Strategy. The Chinese Government has committed \$124 billion to this particular initiative and at this scale, have brought partnerships and investments along what is termed as a Silk Road or the new trading pathway that China is trying to create which is unprecedented.

Furthermore, Honourable Deputy Speaker, the inclusion of the Chinese private sector in this initiative provides confidence to the countries that the private sector investor is backed by the Government of China. In this regard, Honourable Deputy Speaker, Fiji has benefitted from the Belt & Road initiative. An increased exposure in the Chinese market has resulted in a 500 percent increase in investments from the Chinese investors in the past six years and these investments are given the seal of approval by the Chinese Government.

In the next year, two other tourism projects are expected to be completed, in Wailoaloa and Coral Coast, whilst real estate and tourism projects would begin in Suva. There has been an interest from Chinese investors in infrastructural developments, IT, tourism and related industries, energy, electrification projects and investment in high-end designer stores, to name a few.

Honourable Deputy Speaker, during the Belt and Road Forum and the Trade Investment Seminars, a number of trade and investment-related Memorandums of Understanding and Agreements were signed, which included the establishment of sister city relations between Lautoka and Jiangmen Cities. Also an MOU between the China Council for Promotion of International Trade and the Ministry of Industry, Trade and Tourism and an Agreement established in Fiji - China/Fiji Trade Economic Co-

operation Commission. These MOUs, Honourable Deputy Speaker, and Agreements allow for increased co-operation, not just the two Governments but also at a business to business level.

With that, Honourable Deputy Speaker, I thank you for allowing me to take the floor.

HON. DEPUTY SPEAKER.- Thank you, Honourable Minister. I call on the Leader of the Opposition, or her designate.

HON. V.R. GAVOKA.- Honourable Deputy Speaker, I rise to reply to the Ministerial Statement by the Honourable Minister on behalf of the Opposition. At the outset, Honourable Deputy Speaker, let me just express our disappointment as a party in all these Ministerial Statements. They are becoming monologues, people speak in colloquies, repeating titled lines, when we should be working on something more definitive.

(Chorus of interjection)

HON. V.R. GAVOKA.- Let me just give you an example of what parliamentary practice is.

Honourable Deputy Speaker, with the SDL Government, there was a Legislative Committee that ensured that the Government brought four Bills to Parliament in every sittings. That was the SDL Government and that is what you call good practices. I mean, what you have done this week, one Bill that came through Standing Order 51, one afternoon. You have to do better than that, we are getting a little tired of these monologues through the Ministerial Statements, Honourable Deputy Speaker.

HON. LT. COL. I.B. SERUIRATU.- Point of Order!

HON. DEPUTY SPEAKER.- Point of Order.

HON. LT. COL. I.B. SERUIRATU.- Honourable Deputy Speaker, the order of the business is clearly specified in the Standing Orders, and it is the prerogative of Government to decide what it brings during each day from the Mondays to Thursdays Sittings. That is our prerogative, and we decide. People have the right to be given facts. People have the right to be updated with the programmes and activities of Government, and it is Government's prerogative to decide what comes in the Order Paper, Government's Business from Mondays to Thursdays.

HON. DEPUTY SPEAKER.- Honourable Member, I think the Honourable Minister has quite clearly stated that. Thank you, you may continue.

HON. V.R. GAVOKA.- I am talking about best practices. This is a new Parliament and we need to improve on the way we do things as opposed to all those repetitive stuff that we hear.

Let me speak on the issue at hand and let me remind all Honourable Members here, Honourable Deputy Speaker, about Fiji Tourist Exchange (FTE). This is one of the most unique trade shows in the South Pacific. It is now part of the calendar of all the buyers in the Northern Hemisphere and in the Southern Hemisphere.

Honourable Deputy Speaker, as you know, buyers are people who come and buy products in Fiji. We, in Fiji, are the sellers. It is now in that calendar. It is very hard for a buyer to put in his name in the calendar, a programme to visit any part of the world as there are roadshows and trade shows all over the world. For Fiji to be in the calendar each year is quite an achievement, and that was done long before anyone dream of FijiFirst, long before anyone remembers Fiji First. It was done by the other Governments, it is more than 20 years old, that people have come to Fiji....

(Hon. Member interjects)

HON. V.R. GAVOKA.- He is thinking of BFTE. He will remember that. He is a hotelier, he knows that. It did not happen yesterday. FijiFirst was only born yesterday, this one has been there for a long time, so let us all remember that.

(Chorus of interjections)

Honourable Deputy Speaker, we used to hub here, we used to bring in the South Pacific Island countries to be part of this.

Honourable Deputy Speaker, soon after the Exchange in Nadi, one week later, they had one in Sydney for the South Pacific Islanders. That was sad because before we used to do it together, and there was this extravaganza in Sydney. All the cultures of the South Pacific were in Sydney for the other buyers. Imagine, if we continue to do that together and bring the hub here, and bring back the Exchange, plus the South Pacific Tourism Festival of Arts that we used to have in the past, we could have done an extravaganza here, but for the short-sightedness of the Government....

(Hon. Member interjects)

HON. V.R. GAVOKA.- ...who listens into expatriates. Believe me, when I was CEO of this thing, the expatriates said; "Can we keep the islanders away? I said; "No way, these are our neighbours, we have to give them this." We promote the South Pacific. We should harp on this thing, not listen to expatriates to say; "Push the neighbours away." While we are at it, can I ask the Honourable Minister to look into this, why was that the GlobalEd Agency, the Global Social Media Agency, the Global Website Agency, costing \$230,000 that was put together by FijiFirst a couple of years ago is now being cancelled. This is why I said the other day that the books of Tourism of Fiji should be audited by the Auditor-General so that we can ask questions like this.

HON. A. SAYED-KHAIYUM.- It is being audited.

HON. V.R. GAVOKA.- I have not seen it again here. It is done by Coopers & Lybrand.

Honourable Deputy Speaker, tourism should go back to what Ratu Mara said in 1980, tourism on our terms. I think FijiFirst has surrendered tourism to outsiders. We no longer have our say in our tourism, and that is a very, very sad state of affairs. Honourable Deputy Speaker, we should develop our own people. We used to have them, but FijiFirst got rid of them. Thank you, Honourable Deputy Speaker.

HON. DEPUTY SPEAKER.- Thank you, Honourable Member. I now call on the Leader of NPF.

HON. PROF. B.C. PRASAD.- Honourable Deputy Speaker, I want to thank the Honourable Minister for his Statement. Let me just respond to the Honourable Leader of Government Business on his Point of Order before I say a little bit more on what the Honourable Minister said.

Yes, it is Government prerogative to bring things from Monday to Friday, but it is also the responsibility of the Opposition to hold you to account for what you bring here and what you say in this Parliament. So, let us not confuse that.

On the Honourable Minister's opening statement about the fact that it is only the other side which cares about the people, far from the truth, Honourable Deputy Speaker. Let me repeat what I said the

other day. Sometimes, there is a difference between good politics and good policy. This Government, on many occasions, is about good politics, not about good policy.

HON. V.R. GAVOKA.- Absolutely!

HON. PROF. B.C. PRASAD.- This is what they need to understand and it is our responsibility to actually review those policies and hold the Government to account for those policies. So let us not get carried away, that Government is not playing politics or Government is not campaigning. Most governments do that when they are in government. They play politics rather than good policy and sometimes, Honourable Deputy Speaker, good policy is not good politics for them! That is why they do not like when we say, "This is not important to him." This is very important, Honourable Deputy Speaker, for our colleagues on the other side to understand.

Let me talk about the Expo. Honourable Deputy Speaker, we support Government Ministries attending investment forums or whatever it might be. That is good for Fiji, they need to be there, and they need to present our case.

Let me also talk about Tourism Expo. I think the Honourable Minister must also always remind the people of this country that the taxpayers actually fund the marketing for tourism in this country. We put in \$36 million in the last Budget, we spent \$9 million on golf. These are all designed to promote tourism, so let us look at the trade off as well. We have said here in this House many times that sometimes, again, it could be just good politics, it is not good policy because when we say we want more money for dialysis and we ask; "Why are you allocating for golf and tourism marketing?", we are actually looking at policy. We looking at the benefit to the people of this country. So I find it actually quite unreasonable for the Honourable Minister to come out and start his Ministerial Statement by saying that, we, on this side do not care about the people.

Let me just make one last point, Honourable Deputy Speaker, and that is about the business regulatory reform. I think the Honourable Minister, kind of, admitted and I said yesterday that the World Bank ranking, we were at 34 in 2006 and we are now down to 97. But I think it does point out that there is a need for regulatory reform and the Honourable Attorney General himself said yesterday that there are issues within different Ministries, coordination, cohesion, so that we can look at those reforms and make sure there are not barriers, even to those at the micro level, those who are trying to get into business and make their living.

Honourable Deputy Speaker, I think it is important for Government to understand some of these things and accept that there are flaws in policies that they put out. And it is incumbent upon any governments, when they put out policies to periodically review, monitor and if there is a need, to push back and relook at the design and the implementation of policies. Thank you, Honourable Deputy Speaker.

HON. DEPUTY SPEAKER.- Thank you, Honourable Member. I now call on the Honourable Minister for Local Government, Housing and Environment, Infrastructure and Transport to deliver his Statement.

Affordable Housing through Public Rental Board and Housing Authority

HON. P.B. KUMAR.- Honourable Deputy Speaker, I will not talk about good politics but I will talk about good policies of FijiFirst.

HON. GOVERNMENT MEMBERS.- Hear, hear!

HON. P.B. KUMAR.- And let me also say this to Honourable Gavoka and also the Honourable Leader of the Opposition because last week, she also made a statement about the Ministerial Statement what we are delivering. Simply, we are telling the nation what this Government is doing. It is our responsibility as respective Ministers to make sure that all Fijian knows what is happening, unlike what used to happen before.

HON. GOVERNMENT MEMBERS.- Hear, hear!

HON. P.B. KUMAR.- Honourable Deputy Speaker, I rise to speak about the achievements of affordable housing provided by Government through my Ministry under the Department of Housing through the Public Rental Board (PRB) and Housing Authority (HA).

Affordable housing aims to provide low cost safe housing for lower income earners. Honourable Deputy Speaker, with the establishment of PRB, the aim was to bring in fiscally sound practice in managing this sector of Government Housing Assistance.

In Fiji, affordable Housing includes; social rented, affordable rented and immediate housing that are provided to specified eligible households, whose needs are not met by the market. Honourable Deputy Speaker, Government provides for these needs through entities such as Housing Authority and Public Rental Board, as well as through initiatives like the First Home Owners Grant. In Fiji, social rental housing or what we call 'low cost housing' have traditionally been subsidised through a Government owned and funded agency.

Honourable Deputy Speaker, this function is currently and solely entrusted to PRB. Housing in particular, affordable housing for lower income earning Fijians, is a priority area and one of the key challenges for the Government. The PRB was established in 1989 under the Housing (Amendment) Decree No. 12 of 1989, to take over and manage the rental section of Housing Authority on an economic basis. PRB was then formed in September 1989.

Honourable Deputy Speaker, for the benefit of this august House, let me give some background on the PRB. It was formed as a result of the World Bank recommendation to the Fiji Government for PRB to take over the rental portfolio from the Housing Authority, hence the establishment of the PRB. The Housing Authority was to manage the mortgage financing and land sales, including loans for low income earners towards affordable housing.

Honourable Deputy Speaker, earlier this week in the reference to the national debt, the Honourable Attorney General referred to inherit debts. The story of PRB is same, a debt that this Government had to pay off, like so many other debts and problems that we have inherited from the past Governments. And may I add, Honourable Deputy Speaker, that the FijiFirst Government has successfully turned things around, so that all Fijians can look forward to a better and wider delivery in the social rental market.

Honourable Deputy Speaker, while the move for separate rental board was seen as a good one, the operation of the Housing Authority in particular, in rent collection led the PRB with heavy debt. This included debt of \$19 million that required PRB to sell some of its housing stocks in order to service this debt.

Honourable Deputy Speaker, I would like to inform this House and also to note that the period that we are talking about is from 1989 to 2005. This resulted in the reduction of the total number of rental stocks in the 28 rental estates throughout Fiji under PRB.

In 1989, the Public Rental Board had a total rental stock of 1,741 units which was transferred from the Housing Authority. To service the \$19 million debt of the PRB, a total of 208 units were sold by the past Government, and further 352 units were demolished as they were no longer safe due to the lack of maintenance. This left PRB with a total rental housing stock of 1,181.

Honourable Deputy Speaker, all these makes up, for interesting reading, given the financial status of PRB for that period. It shows how past Governments mismanage these entities or allowed their operations in a manner that makes them almost insolvable.

Honourable Deputy Speaker, one of the hidden figures that led to the decrease in the rental stock was lack of maintenance and leading to the demolition of large housing state. There was a lack of forward planning, to ensure that replacement stock for social rental units were planned for and constructed in the case of demolition, such as Raiwaqa.

Honourable Deputy Speaker, PRB is engaging in best practice in new developments, including in line with the National Building Code. All new developments adhere to meeting and acceding required construction benchmarks leading to engineer certification. In addition, PRB has put into place a comprehensive maintenance programme, to ensure that the units are well maintained and preserve their construction life terms. This includes meeting standards required for cyclone certification.

Honourable Deputy Speaker, as I had stated before, the PRB selling off social rental units, left us with a total rental stock of 1,151. I am pleased to announce in this House that that number has now increased and stood at 1,553 rental housing units.

Honourable Deputy Speaker, this figure shows in black and white clearly and beyond any doubt, the commitment of the FijiFirst Government to reverse the negative trend of past Governments and project positive growth in the affordable housing sector. This number will increase from the current 1,553 to 1,637 by the end of 2017, with the completion of following housing development projects as follows:

1. Kalabu Housing Project: The Government provided a grant of \$1.5 million in the 2014 National Budget, and a further \$741,000 in the 2015 National Budget. Honourable Deputy Speaker, construction started in June, 2014, for the 36 one-bedroom units. When we say “one-bedroom”, that does not mean only one bedroom but one bedroom, with a provision of a living room, kitchen, dining, with a separate toilet and shower facilities. These units are in their final stages of finishing work of one bedroom and are expected to be launched at the end of June, 2017; that is, next month.
2. Savusavu Housing Project: Government provided a grant of \$500,000 in the 2014 National Budget, and a further \$3.4 million in the 2015 National Budget for the Savusavu Project. Honourable Deputy Speaker, construction commenced in March, 2015, which includes 32 units of one-bedroom and 16 units of two-bedrooms, totalling 48 units. The construction here, like the Kalabu Project, will be launched at the end of July, 2017.
3. Simla Housing Project: Honourable Deputy Speaker, in the 2016-2017 Budget, Government allocated \$3.6 million for the construction of 36 x one-bedroom rental units at Simla, Lautoka. Technical works have been completed and the Board is in the final stages of the tender process.

Honourable Deputy Speaker, let me turn to the concrete plans by my Ministry and the PRB to further meet our affordable housing demands. The PRB’s immediate plans and projects include:

1. Votua Rental Estate: The new construction of additional 100 housing units. Votua development will be based on the existing plan to cater for the increase demand by the hotel workers in that particular area.
2. Raiwaqa Rental Estate: Preparation of a master plan for the redevelopment of the Raiwaqa Project is ready and awaiting final Board approval for the re-development.

Honourable Deputy Speaker, the turnaround since 2014 regarding PRB's rental stock is due to the commitment and readiness of this FijiFirst Government to address affordable housing demands. Given the shortfalls that we inherited from past Governments, especially the huge reduction in housing stocks from 2004 to 2006, I am pleased to let this House know that we have corrected the laws and have more than recovered lost units within a very short period of time. It is also important for Government that while we provide annual grants, that we do not lapse into a situation as that was the case that led to the selling off of rental stocks to meet the \$19 million in debts.

Honourable Deputy Speaker, as reflected in the Annual Reports of the PRB, it shows that the current model under which PRB operates is sustainable. This is important in Government's assessment of continued assistance to PRB, to fulfil their duties in the key area of providing social rental housing.

Honourable Deputy Speaker, the current debt ratio is 40 percent, according to the audited PRB Report for 2015. The return on assets has increased from 1.2 percent to 1.7 percent, according to the same record between 2014 and 2015. This makes PRB a balanced and financially healthy organisation, and is well-placed to deliver on demand for social rental housing.

Honourable Deputy Speaker, for the benefit of this august House, let me stress that management of social rental housing is very specialised. It requires particular skills and institutional arrangements to ensure that servicing of this rental sector is sustainable and leads to growth and provision of further rental units. We do not want to have a repeat of what had happened with that \$19 million debt that had to be solved by selling off the assets. It is a very sad case. If things are not functioning, sell it off, we do not do that.

Honourable Deputy Speaker, with the current projects planned from my Ministry and the Department of Housing in having a sustainable PRB, we are on track to achieve huge growth in the total number of affordable housing units that we make available for all Fijians. The Government currently allocates \$1 million annually as rental grant to PRB to financially assist disadvantaged tenants, whose average gross income is up to \$250 a week.

Honourable Deputy Speaker, this is a huge increase from the \$300,000 grant when this programme began in 1993. This amount was not increased until 2008, when it was increased to the current \$1million that is given annually. This accedes between 600 to 800 rental customers annually and will really decrease their housing rental payments.

In addition to the rental assistance, Honourable Deputy Speaker, let it be noted in this House that Fiji has among the lowest affordable housing rents compared to many other countries and it is far below the current market rental charges across Fiji.

Honourable Deputy Speaker, the Public Rental Board rent charges ranges from:

- 1) \$30 to \$92 per week in the Central Division;
- 2) \$28 to \$60 per week in the Western Division; and
- 3) \$28 to \$50 per week in the Northern Division,

Honourable Deputy Speaker, affordable housing is made available to those whose household income is below \$16,500 annually. The PRB has taken over from Housing Authority, the community halls that are supporting community social events and activities. PRB has built 15 of the community halls in the 28 rental estates with the assistance of Government. Building social bond is very important in these housing areas and these community halls are a key meeting point for the local community, not for political purposes.

In addition, Honourable Deputy Speaker, the PRB has provided play areas and also kindergartens to be run by the housing estate communities in association with Save the Children Fiji. This is a key community initiative and helps promote early childhood schooling in a safe and easily accessible area.

Honourable Deputy Speaker, PRB in partnership with Telecom Fiji has placed wi-fi hotspots for greater connectivity with these being established in three estates. This wi-fi partnership will be rolled out to other estates as well. Affordable housing and its provision through its statutory bodies like PRB, acts as a safety net for lower income-earners requiring low cost housing. At the same time, Honourable Deputy Speaker, this Government is focussed on meeting the targets that will in turn meet the housing needs and demands for this sector.

Honourable Deputy Speaker, in the social rental sector, there is always high demand. As I have outlined in my address, this Government has inherited the social rental sector heavily in debt that involved the selling of the same assets that they need to sustain their businesses. It is just like, you cannot sell petrol if you have sold the petrol pump.

(Chorus of interjections)

HON. P.B. KUMAR.- Likewise, Honourable Deputy Speaker, you cannot sustain an entity like PRB that relies on rental income, if you sell off the houses, their key assets to service debt.

Honourable Deputy Speaker, as I have outlined with the increase in rental units, therefore, these figures mean that we will be able to provide for the more and more Fijians who require social rental housing in the months and years to come.

While recognising improved PRB operations, Honourable Deputy Speaker, Government, under my Ministry, wants to ensure that the financial sustainability of the social rental housing delivery system will not be drained by grants provided. This means that we will work closely with PRB, to ensure that we work towards increased the separation of the provision and management of rental housing.

Honourable Deputy Speaker, PRB has shown improvement and is sustainable in terms of operation and management. PRB remains assisted and this is rightfully so, given the specialised social rental provision sector that they are involved in. This is one of the commitments of the FijiFirst Government, and we will continue to play our part in providing more housing for more Fijians under the affordable housing programmes, including social and rental under this PRB.

Honourable Deputy Speaker, I conclude this Ministerial Statement on the PRB and on this note, I want to thank you, *vinaka*.

HON. DEPUTY SPEAKER.- Thank you, Honourable Minister. I now call on the Leader of Opposition, or her designate.

HON. N. NAWAIKULA.- Honourable Deputy Speaker, I wish to thank the Honourable Minister for his Statement. I see that he started off by saying that the policy origin or purpose is through the provision of affordable housing. Then he moved on to explain how all these have started. After that he

complained about past Governments, of how badly they addressed the problem of housing for low rental income, and he ended up with the solutions. But in a nutshell, I feel it boils down again, promises, talks and talks, and the things that he has outlined here have not been delivered, and a very good example of that is Raiwaqa.

Raiwaqa, they are still waiting now. They are still waiting for that time, and it has not come. And he is wrong too. The Honourable Minister is totally wrong to say that the purpose of the PRB is to provide affordable housing, and that is wrong. That is the role and purpose of Housing Authority. The purpose is the provision of rental units to low-income earners.

HON. P.B. KUMAR.- (inaudible)

HON. N. NAWAIKULA.- Please listen to that, because when you start on a wrong footing you will end up wrongly. So in the end, I had the impression that he was talking about Housing Authority because that is the role of Housing Authority, to provide affordable housing.

(Chorus of interjections)

HON. N. NAWAIKULA.- The purpose of PRB is to provide rental units to low income earners and it is, sort of, a half-way house, they do not go there permanently. So, what the Government is doing now is to create these, and make them become permanent. The simple request that I would ask the Honourable Minister, please, cancel it and take it back to Housing Authority where it was because that is what you are doing. You should be addressing the low-income earners and it is not happening that way.

Now, if you go to the rental estate in Raiwai, who will you will see there? Not low rental incomes.

HON. P.B. KUMAR.- They're listening!

HON. N. NAWAIKULA.- You go and you will see the cars, you are renting it out to students at USP and all those. So, you have shifted from the purpose that you are there for to, I do not know!

(Laughter)

HON. N. NAWAIKULA.- It should be Housing Authority.

HON. P.B. KUMAR.- (Inaudible)

HON. N. NAWAIKULA.- You have left what you were there to hope for and start off, but the Honourable Minister spoke very highly of this. However, I just wish to highlight some of the bad management that has happened here and I have just selected one of the Public Accounts Committee findings this year. This is what is happening inside. I am not sure what year this is, but the first thing that I picked is, and I quote:

“Annual salary not stated in the contract of the General Manager and Manager Finance: The Audit noted that the General Manager, Manager Finance and Administration and Manager Property Employment’s contracts only stated the total salary package which includes a basic annual gross and fringe benefits. The Employment Contract did not specifically state the annual base salary for these officers.”

So, very lucky! They signed a contract and there is no amount stated inside. That should not be, and that is a reflection of bad management. Please, see that it does not happen again.

Then, I go to the next page. I selected this randomly.

(Laughter)

HON. N. NAWAIKULA.- It says, I quote:

“Expired contracts: Expired contracts continued to be paid. The Audit noted that the General Manager, Manager Finance and Administration and Manager, Property Employment’s contracts ended in 2011. However, they were still employed without a valid employment contract.”

Very lucky, again! They left employment but they were continued to be paid, a reflection of bad management. This one takes the cake.

I continue, and I quote:

“Payment of motor vehicle allowance: Provision for motor vehicles were given to the Managers, but they were collecting their allowances as well.”

So bad management again.

HON. OPPOSITION MEMBERS. – Awh!

HON. V.R. GAVOKA.- Clean up! Clean up!

HON. N. NAWAIKULA.- The basic point that I wish to say is that, the purpose, you have shifted.

How it all started was this, the Housing Authority could not manage a debt portfolio so he decided, with the World Bank’s help to cut it off and give it back to the PRB. But now, PRB is now behaving like Housing Authority and ignoring the poor that it should have attended to. So, my recommendation is please, Honourable Minister, dismantle this and go back to Housing Authority because that is what you are doing now. Thank you.

HON. DEPUTY SPEAKER.- Thank you, Honourable Member. I now call upon the Leader of the NFP, or his designate.

HON. M.M.A. DEAN.- Honourable Deputy Speaker, a Point of Order.

HON. DEPUTY SPEAKER.- Point of Order!

HON. M.M.A. DEAN.- Honourable Deputy Speaker, a Point of Order. I was sure the information that Honourable Gavoka was providing was false but anyway, I needed to confirm it through the PAC secretariat. He mentioned that the accounts of Tourism Fiji are not audited. The confirmation came that they had appeared before the Committee on 24th November, 2016 as per the verbatim report of Tourism Fiji. I think he should withdraw that statement that their accounts are not being audited.

HON. MEMBER.- (Inaudible)

HON. M.M.A. DEAN.- In the verbatim report of the PAC on 24th November, 2016. You can always have a look. But they appeared before the Committee....

HON. V.R. GAVOKA.- Where is it?

HON. M.M.A. DEAN.- You misinformed the august House, you must withdraw that statement.

HON. N. NAWAIKULA.- Point of Order!

HON. DEPUTY SPEAKER.- Point of Order?

HON. N. NAWAIKULA.- He can only correct the misrepresentation made against him. There is nothing in the Standing Orders to address that kind of situation. It is not there.

(Hon. Member interjects)

HON. N. NAWAIKULA.- It is not there!

(Hon. Member interjects)

HON. N. NAWAIKULA.- That is nothing to do with him.

HON. MEMBER.- Where's the Audit Report?

HON. N. NAWAIKULA.- That is my point.

HON. A. SAYED-KHAIYUM.- Anyone can raise that Point of Order, Honourable Nawaikula.

HON. DEPUTY CHAIRPERSON.- Thank you, Honourable Member. Your point has been noted, and will come back to you in the next sitting.

I call on the Leader of NFP, or his designate.

HON. P. SINGH.- Thank you, Honourable Deputy Speaker.

I thank the Honourable Minister for his update of the PRB. At the outset, the Government will continue the need to construct new low-income homes for the low income earners. For various reasons, a good government will always care and provide affordable rental housing to its people, and this is nothing new. It has been happening in the past, Government is doing it, and the future governments will do it. And we can always debate about the numbers on how the Government is doing.

Honourable Deputy Speaker, the need for low-income housing, as PRB's initial setup was designed for affordable and quality rental housing to meet the social economic needs of its customers which are the people that we all referred to as low-income earners, compared to the Housing Authority which provides affordable housing, and it used to also provide quality rental housing but through the PRB, this was taken away. I agree with the Honourable Minister that there were problems with the Housing Authority, but instead of selling the stock they could have just written it off by way of a Government grant.

(Hon. Member interjects)

HON. P. SINGH.- Honourable Deputy Speaker, this is a commercial aspect of it. It is how prudently you manage your commercial activities or commercially owned enterprises. So every government has an obligation towards this. So this is not something that is only being done by this Government, it was always there, it started in 1989.

Honourable Deputy Speaker, in February, the Kalabu Project was in the media for construction delays. I am sure that the residents of Kalabu are eagerly awaiting the availability of the 36 flats in those rental units, particularly as public funds to the tune of \$2.24 million has already been allocated to this Project. We acknowledge also that the staff of the PRB received bonuses for the years 2014 and 2015 and February this year, as officiated by the Honourable Attorney-General, Minister for Economy, Public Enterprises, Civil Service and Communications which means that they are making money. On the other hand, PRB is making money which means that in scope to invest more, it is not about investing in selected places but should be in all the towns and cities to cater for the urban drift and the ever-growing population.

Also by now we anticipate that the PRB flats in Raiwai have resolved long standing issues on rental arrears particularly, as rental has increased and may conflict with PRB's mission of providing, as I said, affordable and quality rental housing to meet the social economic needs of its customers. Perhaps, in the next Minister's update in the house on PRB, he will be able to advise us how many PRB customers have graduated towards first-home ownership while he has been the Minister. So we look forward to that graduation from using a rental property to owning a property, and that will be the test of this Government. Thank you.

HON. DEPUTY SPEAKER.- Thank you, Honourable Member.

Honourable Members, Parliament will now adjourn so as to make way for the Honourable Speaker to continue for the rest of the afternoon. Thank you.

(Parliament adjourned for a minute and the HONOURABLE SPEAKER took the Chair)

HON. SPEAKER.- Honourable Members, the next Item in the Order Paper is the Consideration of Bills. I have been informed that there are no Bills for consideration today, so we will move on to the next Item.

I now call upon the Honourable Acting Prime Minister to move his motion.

GOVERNMENT GUARANTEE – FIJI SUGAR CORPORATION LIMITED

HON. A. SAYED-KHAIYUM.- Madam Speaker, for the purpose of Section 145(1) of the Constitution of the Republic of Fiji and pursuant to Standing Order 131(1) I move:

That Parliament approves that:

1. Government increases the existing guarantee of FJ\$120 million to FJ\$322 million to the Fiji Sugar Corporation Limited and extends the period to 31st May 2022; and
2. FSC is exempted from paying a guarantee fee.

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

HON. SPEAKER.- I now call upon the Honourable Acting Prime Minister to speak on his motion.

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

Madam Speaker, sugarcane and the sugar industry or the sugarcane industry as it has been known is obviously quite a subject matter of interest in particular, as we get closer to elections, so I will stick in

particular, Madam Speaker, to the motion itself and the rationale behind the request for increase in the guarantee to Fiji Sugar Corporation (FSC).

Madam Speaker, as highlighted, the motion is to request Parliament to approve that Government increases the existing guarantee to FSC from FJ\$120 million to FJ\$322 million. The reason why we are seeking this increase in guarantee for FSC is to inform Parliament that FSC is embarking on a new strategic direction to set the Corporation on sustainable footing.

Madam Speaker, FSC and the entire sugar cane industry are at a critical cross-road, requiring some decisive actions, it cannot be business as usual. This proposal is driven by this realisation and one which FSC and the FijiFirst Government is committed to roll out.

We also, Madam Speaker, are very buoyant about the manner in which this can be rolled out and the capacity that we actually have, both within FSC and the overall industry. Let me highlight that we have some very capable people now, both on the Board of FSC, chaired by the former CEO of ANZ Pacific Region, Mr Vishnu Mohan; we have also the new CEO, Mr. Graham Clark; and also with the new Chief Operating Officer (COO), Mr Navin Chandra. All these three gentlemen bring a particular set of skillsets, particular knowledge base and a particular understanding of the industry, business processes, technological processes and financial processes that hitherto have not been actually experienced by the FSC.

Madam Speaker, the underlying purpose in the proposed increase of the Government guarantee by FJ\$202 million is to enable FSC to undertake a number of capital projects which are crucial to and would generate an immediate positive impact on the industry, turning around. Madam Speaker, these projects include:

1. Agricultural mechanisation and cane development designed to increase cane production at lower costs, in other words, the cost base being lower per tonne for the farmer;
2. Upgrade of existing rail infrastructure to increase delivery of cane to mills by rail in a cost effective manner, as opposed to being heavily dependent on cartage by trucks; and
3. A phased upgrade of the three sugar Mills at Lautoka, Rarawai and Labasa to unlock production capacity and improve sugar recoveries.

Madam Speaker, these capital projects are going to be phased over a period about three to four years. It cannot be undertaken without the existing Government Guarantee of FJ\$120 million which will expire on 31st May 2020. It was granted for a specific purpose, to secure the stand-by pre-export facility bonds and other loans. Borrowing as at 30th April, 2017 against this Guarantee stood at FJ\$115.1 million, in other words, approximately FJ\$4.9 million is underutilised.

Madam Speaker, the projected debt of FSC as at 31st May, 2017 is FJ\$393 million, of which FJ\$313 million or 79 percent is local, in other words, the local component; and \$80 million or 21 percent is external. A major share of the local borrowings was from Government - \$174 million, ANZ - \$88 million and the Fiji Development Bank - \$13 million. There are also debts from FNPF.

Madam Speaker, it is critical to know that the decline in the sugar industry is primarily attributed to a number of structural factors facing the entire sugarcane industry. The large number of land leases not renewed led to significant reduction in the number of active cane growers and loss of confidence, as we saw very largely that, that took place in Vanua Levu. The number of farmers declined from over 20,000 in 1997 to 12,000 in 2014.

Madam Speaker, consequently, averaged area under cane declined from over 70,000 hectares to around 41,000 hectares in 2014. As a direct result of this, sugar production decreased. This decline in cane production, coupled with the 36 percent reduction in preferential sugar prices, adverse effects in natural calamities, governance shortfalls, erosion of confidence, slow adoption to modern technology (in fact in some areas there is completely no adoption of technology), no proper ratoon management (people are planting ratoons that are 20 years old), reliance on single variety cane, decline in yield, and the politicisation of the sugarcane industry further exacerbated FSC's subdued financial performance and overall deterioration of the sugarcane industry.

Madam Speaker, more recently, the catastrophic *TC Winston* had a disastrous impact on cane production and FSC's financial bottom line. Cane producing Mills in 2016 stood at 1.39 million tonnes, their lowest production since 1970.

Madam Speaker, of course in the past, there have been band-aid solutions, in particular after 1987, and these band-aid solutions would not give you a long-term strategic plan nor a tangible way forward.

There is, of course, a time when landowners were brainwashed because of political reasons, not to renew leases and that to extend landowners wrath at handouts and not to renew leases, and the disguise of cane production continuity. This, of course, did not stop here. We have Governments previously also offering cane farmers to be resettled, even before leases expired - all political forces at play, Madam Speaker.

Madam Speaker, before I shed some light on FSC's financial position, I think many people do not know as to who actually owns FSC? Who actually have been putting money to FSC? Let me read out the top 20 shareholders in FSC, as follows:

1. Fijian Government which is the largest shareholder – 68.1 percent
2. FNPF - 17.6 percent;
3. Fijian Holdings Limited – 8.9 percent;
4. Reddy's Enterprises Limited – 1.45 percent;
5. Colonial Life Assurance Society Limited (CMLA as it was called then and which is now BSP) – 0.56 percent;
6. Sugarcane Growers Council - 0.27 percent;
7. Robert Lee;
8. Morris Hedstrom Limited Scholarship Fund Trustees;
9. Rotuma Development Fund;
10. Pacific Transport Limited;
11. Manohar Lal;
12. Amraiya Naidu;
13. Saimoni Lutu;
14. Fiji Public Service Association Investments Corporation Limited;
15. Johnson Fong;
16. Joyce & Rasmus Due;
17. Sugar Milling Staff Officers Association ;
18. Itiario and Masako Okamoto;
19. Ishmael; and
20. Arvin Swaran

Those are the top 20 shareholders, Madam Speaker, but as we can see, the top six shareholders own essentially the bulk of the Company which is about 96 percent. The many others share the bottom of about 4 percent of the company itself.

Madam Speaker, it should also be noted that none of these shareholders, apart from the Fijian Government, has actually contributed any form of equity in the flailing FSC financial situation over the past number of decades. However, they have as the *Deloitte's Report* show, when the Bainimarama-led Government commissioned the *Deloitte's Report*, that the share value of FSC was basically worthless. Since then, the share value of FSC has increased, and since then all these other shareholders have actually had a windfall. So, the only shareholder that has been putting in the money from a strictly corporate perspective has been only one shareholder.

Madam Speaker, FSC's financial performance has been a downward trajectory since 2000. The FSC recorded a net loss of over \$31 million in 2015 and I have got a whole spreadsheet here that shows the losses that started to be incurred from 2000 onwards; \$3.2 million loss in 2000, the next year was \$20 million loss; the next year was \$60 million loss, the following year was \$15 million loss, and it continued down that path. There was of course, Madam Speaker, as has been highlighted in 2010, there were some book impairment loss of \$173 million, as a result of factory non-performance, resulting from the failure of the Sugar Technical Mission (STM) Mill Upgrade Programme that started (I think) in 2004 and 2005.

Madam Speaker, those are the factors that actually contributed to the financial incapacity of FSC as an independent corporate liability to be able to go out to the market, make those necessary investments to be able to put that corporate entity in a better footing, to be able to generate revenue and thereafter profit, and become financially a lot more freestanding and a lot more capable to stand on its own two feet.

Therefore, Madam Speaker, we believe it is Government's responsibility, to be able to inject these funds. We are not directly injecting funds. Yes, we made direct budgetary support to FSC in the past, a number of years or the past 10 years or so, but this time around there is an ability to be able to provide a guarantee to FSC for them to be able to go out to the market and be able to borrow at competitive rates. We have some overseas lenders, including the Exim Bank of India, that is quite keen to participate. There is some obvious synergies that can develop in respect of what we have just highlighted about the objective of borrowing this money, and that is to invest in infrastructure, for example, there is possible synergies with the Indian railway companies.

India, I think, has the largest railway network in the world, and we obviously want to upgrade our railway network as far as the sugarcane industry is concerned. Obviously from Government's perspective, there is a lot of opportunities in the rail system that actually is not utilised for six months of the year. So we believe that the rail network actually provides a fantastic opportunity to be able to, not just cart other goods, but also people all the way from Rakiraki all through to Sigatoka Bridge.

Madam Speaker, this is why we believe that this is critical. The FSC expects a slight turnaround for the 2018 financial year, with the anticipated crop of 2.04 million tonnes and a sugar makeup of about 240,000 tonnes. It is projected that a net loss for the 2018 financial year, will be significantly reduced as a positive era. This is projected to improve the financial position of FSC, compared to where it was some years back, but FSC remains in a precarious financial position.

Madam Speaker, as I had highlighted and I have got it here in my notes about the 2010 *Deloitte's Report*, again as highlighted in the Report, it categorically stated that the FSC shares were effectively worthless. Subsequently, Government directly injected a total of \$173.8 million since 2009 to support FSC's operations. This, of course, provided a direct relief to the cane farmers themselves.

Madam Speaker, we have since 2007, provided additional financial support in excess of \$120 million towards the provision of a fertilizer subsidy, sugarcane development and a replanting programme, purchase of equipment and upgrading of cane access roads. We have, of course, now provide a subsidised fertilizer programme for other farmers, and not just cane farmers only.

Madam Speaker, Government has been providing direct support to sugarcane farmers to top-up cane payments. In May, 2015, the FSC paid growers \$9.39 per tonne as a top-up payment in the fourth cane payment for the 2014 season, amounting to \$17.2 million. In addition, Government in October, 2016, assisted with the top-up payment of \$1.38 per tonne which equated to \$2.5 million. Government also picked up the cost of the sugarcane transportation to FSC, Penang Mill to Rarawai Mill, at a cost of \$3.4 million.

As alluded to on Monday, Madam Speaker, we also recently provided a \$10 million assistance to cane farmers in respect of the fourth cane payment. Just to reiterate, the \$10 billion was broken down into two areas; one, of course, went directly to those farmers who took out loans of up to \$1,000 because of *TC Winston* which totalled to about \$3.3 million. That assistance only went to sugarcane farmers in Viti Levu because sugarcane farmers in Vanua Levu did not actually suffer from *TC Winston*. However, the balance of the \$6.6 million went to all sugarcane farmers whether they are in Labasa, Rarawai, Lautoka or Ba.

Madam Speaker, the reason why this was done was to assist those cane farmers anywhere, in Labasa even, if they had any direct cane deductions being made from the fourth cane payment, Government actually paid up for that. Out of the \$6.6 million, approximately \$3.3 million, Madam Speaker, actually went to sugarcane farmers from Vanua Levu. Apparently, there is going to be a march in Labasa Town tomorrow in which in the petition

(Hon. Opposition Member interjects)

HON. A. SAYED-KHAIYUM.- No, no, I'm not looking at you.

(Laughter)

Honourable Member, automatically my head just, sort of, went there, but I am not looking at you for that reason.

(Laughter)

But incorrectly, Clause 2 of the Petition states that Labasa farmers are not getting any benefits from it, it is completely false, Madam Speaker.

Madam Speaker, what we need to do is to ensure that the Board of FSC is concentrating in unlocking value from its idle asset base, including property assets. FSC, until today, sits on one of the largest holders of asset stock in Fiji through the CSR days. Madam Speaker, as you would have seen some of the advertisements in the dailies about FSC assets, there is going to be a realisation of the true value of its assets through an investment programme which will provide the required impetus and to be deployed in this investment programme alongside Government support. We believe that with FSC, divesting in someone's interest or partnering with other stakeholders, as far as its non-performing assets is concerned could actually provide a stabilisation fund for the sugarcane farmers as far as pricing is concerned, and that is something we are very determined to ensure will happen.

By doing so, by being able to realise the value of these assets that are currently locked, we will be unlocking that potential and be able to provide that additional funding to be able to provide some stabilisation funding as far as pricing is concerned, for farmers. The reality is, Madam Speaker, that in 2017, the subsidy that we have been receiving will actually go away. We will be subject to world market prices. Of course, the FSC with the CEO and various other partners, including the Chairperson, they have already started doing their work in Asia. Asia, of course, is a new market for us, it is a growing market

and, of course, with a huge demand and huge population base, we could get some very, very good pricing from that region too. So a lot of work is being done in that respect, Madam Speaker, to be able to get the best pricing but also to be able to offer to the farmers a particular level of sugar pricing that will actually give them a level of confidence to know that the pricing will not necessarily vary from year to year.

Brexit, of course, provides not just challenges but also opportunities. Brexit means that the European farmers who can produce sugar through beet, there will be some rationalisation perhaps, over there, so all of these can actually produce a number of opportunities. We need smart people, we need the right people and people with connections to be able to help us realise the potential from these various or what may be considered, fluid situation in the world market pricing structure at the moment.

Madam Speaker, it is necessary to complete FSC's capital projects, including the structural reform, the formation of an agricultural services division, investment in machinery pool, upgrading of sugar mills and to revamp the rail network system.

Madam Speaker, part of FSC's strategy is to reduce growers' cost which will translate into improved returns to growers, increased cane production, make mills more efficient and ensure that FSC becomes financially secure and self-sufficient in the future.

Madam Speaker, let me just very quickly, give you a breakdown of how this \$202 million will be utilised as required under the law, as tabulated below:

Year	Mill Upgrade (\$M)	Cane Development (\$M)	Railway System Development (\$M)	Mechanisation (\$M)
2017	14.4	-	-	-
2018	45	15	20	10
2019	25	15	20	10
2020	-	7.5	10	10

Madam Speaker, from the sugar mill upgrade of \$14.4 million, Labasa will get \$6.19 million, Lautoka Mill - \$2.5 million and Rarawai Mill - \$2.6 million. The residual balance of \$3.11 million will be used for additional minor repair works at all the three Mills.

A total of \$70 million, Madam Speaker, will be used in Phase 2, which will be used for the upgrade of Lautoka Mill - \$15 million, Rarawai Mill - \$45 million and Labasa Mill - \$10 million.

On cane development, Madam Speaker, the economics and sugar production needs to be thoroughly taken into account. Almost half of the active growers produce less than 100 tonnes of cane on average. To complement the production base, FSC needs to focus on growing its own cane also. From a farming perspective, planting of 5,000 hectares of cane with the yield of 85 tonnes per hectare will produce 425,000 tonnes of cane in the next three years. The total cost to get this work completed, including the land preparation, planting, resourcing required and establishment of agricultural services division with proper extension services capability is about \$37.5 million.

Madam Speaker, FSC proposes former agricultural services division to create a commercial arm of FSC, to lead and champion cane development powers and transport programmes.

As seen also, Madam Speaker, the Sugar Research Institute is going to be now incorporated into FSC itself, to give that level of synergy so that FSC becomes a one-stop-shop for all the farmers.

Madam Speaker, of course, I have spoken about the rail upgrade, I will not go necessarily into detail as my time is nearly up. However, Madam Speaker, one of the things which I think is very important to highlight is through the mechanisation programme that this actual funding will be enable farmers to get access to it. So the next three years will allow this money to be used for farmers for land preparation equipment, including bulldozers, excavators, graders, levellers, tractors, planting equipment, board planters with trailers, single row stick planters with trailers and slashers. We are expecting harrow discs, rippers, breaker-plougher, rotovators, fertilizer box, boom sprayers, so a lot of mechanisation will take place. FSC will work directly with the sugarcane farmers, to ensure not just for use and hire but the cost of the production will be also lower to be able to give them better use and better profit margin, Madam Speaker.

FSC intends to invest in the mechanical pool to lease out to growers at nominal cost. Madam Speaker, as you can see this has already started. Government has now funded 21 cane harvesters through this programme by setting up co-operatives. The farmers have come together and setup cooperatives themselves, and 21 cane harvesters will be rolled out in the very near future, Madam Speaker.

Of course, Madam Speaker, there are other internal improvements that are taking place also. The TCTS, Madam Speaker, as you know has improved. Between 2006 and 2011, TCTS was 12.2 tonnes, but this has reduced to now 9.1 tonnes in the past five years.

Madam Speaker, I probably need to end, but I think under the law I am required to actually tell you what is the impact on Government finances, and if I could, with your permission.

HON. SPEAKER.- Yes.

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

Madam Speaker, the overall status of Government Guarantee, the total Government Guarantee exposure as at 31st January, 2017, stood at \$761.5 million which is equivalent to 7.4 percent of the GDP. I have some good news in this respect, I would like to point out that the Fiji Electricity Authority (FEA) has agreed to withdraw its Government Guarantee of \$206 million because FEA, given its financial performance, is now able to go out into the market and borrow money without actually Government guaranteeing, so \$206 million from FEA will go away as Government Guarantee in the next couple of weeks. They are currently just about to sign on the dotted line, and it will happen in the next two weeks.

Madam Speaker, the overall exposure for Government by giving this Guarantee to FSC will not increase the overall exposure of Government Guarantees because FEA will be withdrawing the \$206 million and we will, once this motion is approved, have a \$202 million exposure through FSC by way of guarantee. Therefore, Madam Speaker, as highlighted in the motion, Parliament is invited to approve that Government increase the existing Guarantee of \$120 million to \$322 million to FSC, and extend the period to 31st May, 2022, and approve for FSC to be exempted from paying the Guarantee fee.

Thank you for allowing me the additional time.

HON. SPEAKER.- Thank you. The motion is now up for debate and I invite input from Honourable Members. Honourable Parmod Chand?

HON. P. CHAND.- Madam Speaker, I rise to contribute to the motion to increase the existing Guarantee of \$120 million to \$322 million and to extend the period to 31st May, 2022, and also exempt FSC from paying a guarantee fee, which means an additional \$202 million, plus Guarantee fee.

Madam Speaker, on 12th May, 2017, the new CEO of FSC condemned in the media report that FSC was financially in the red and refuted claims that it was, and yet we are here today to increase the Guarantee.

Fiji's 2020 Agriculture Sector Policy Agenda says, and I quote:

“The sugarcane action plan prepared by the Sugarcane Action Group (SAG) is based on a three way approach that promotes caution with regard to area expansion, a high degree of emphasis on productivity per hectare, and an approach of making the best use of available infrastructure with regard to milling. Long term strategic priorities relate to de-concentration of the industry from the Fiji Sugar Corporation (FSC) to allow it to focus on its core function of sugarcane processing and revenue generation from co-generation, ethanol production, and other value-added opportunities.”

The question is, Madam Speaker, where are we really in this regard right now? It is one thing to have glossy policy documents and quite another to have tangible positive outcomes on the ground.

Only today, we noted a media statement from SPC highlighting on how over 200 sugarcane farmers and their families in the Drasa Sector of the Fiji sugarcane belt region will benefit from road rehabilitation works that have commenced in the area, following the awarding of a FJ\$4.13 million contract to Dayals Quarries Limited earlier this month. It was made possible through the European Union €13 million (which amounts to FJ\$30 million) Rural Access Roads and associated infrastructure project implemented by SPC.

Every possible measure is being triggered to give a lifeline to FSC, including this bailout by a Government Guarantee. Today, Madam Speaker, we are being asked as representatives of the electorate to agree to a Government increase of the existing Guarantee of \$120 million, to \$322 million to FSC, as was told to us by the Honourable Attorney-General, and extend the period to 31st May, 2022. We indeed have a fair idea that this may be used to forge ahead with the Government's intension to acquire 100 percent shares in FSC, as it is hand in glove with Bill No. 19 of 2016, titled 'Reform of the Sugar Industry'.

We, on this side of the House, Madam Speaker, continue to show time and time again the faultiness of rhetoric against reality, but the current Government takes a great pleasure in selective hearing. Well, the taxpaying electorate will judge us all by the same!

Madam Speaker, there are some issues that I would like to bring to the House which is very pertinent for cane farmers and it was mentioned rightly by the Honourable Attorney-General, the rail truck availability. We have a lot of railway lines throughout, you can talk about it in Vanua Levu and Viti Levu, unfortunately, the condition of these are very bad. Complementary to this are rail trucks and also the portable rail lines which are hardly available in many sectors throughout the nation. This causes a lot of hardship to the farmers because what they have to do, many times they are forced to turn to dumping, that is, used trucks and the cost of transportation gets very high. If you do rail truck carting of your sugarcane to the mills, it may cost you \$2 to \$6. It depends on the distance, but with the truck, immediately the minimum is about \$7 to \$8, and it can go as much as about \$20 per tonne which really increases the cost of production and the cost of transportation of sugarcane to the mills.

Another thing I have noticed, Madam Speaker, that a lot of these rail trucks are being written off, and I remember when the scrap metal business was going on, a lot of these trucks were just sold away. The thing is this; the carriage component of the rail truck is still good, the only thing that gets bad is the two wheels with four wheels on it, with bearings, et cetera. If that was identified, we would have saved a lot of money and I believe the rail trucks would still be in abundance today.

Madam Speaker, another major problem is that, direct dumping causes a lot of problems because there are too many trucks coming to the Mill. One of the problems in the Labasa Mill (I would not really know much about the other Mills) is the system of extracting the juice. When it goes to the end, to the boilers, there is surplus juice and the Mill is unable to crystallise this, the two do not go together. I believe the capacity is too small.

Previously, you might have noticed and a lot of people noticed this as well, that FSC used to drain that out into the Bulovi River and the fish used to die. But after a lot of OHS compliance, et cetera, they were able to stop them and I believe they have done some other process of holding that juice which is wastage in my opinion.

Madam Speaker, the important thing is, when the dumping trucks are being delayed at the Mill. You have a truck and you take your sugarcane to be taken to the Mill. A farmer or a gang has got a truck and you would want to go back because you get two quotas or three quotas a day. What actually happens is that the turnaround time is very little. You might go early in the morning and you come back in the evening, or in the night or may be even the next day. So, this affects the transporting of cane from the cane fields to the sugar mill. This is something which has to be noted very well.

For the sustainability of this industry, Madam Speaker, one of the constraints is labour. It is difficult to get labour and also the cost of production has increased because the fertilizer prices are very high, despite some subsidy. Fuel prices are going up which is increasing the cost of transporting cane to the Mills. So if the railway system had remained, then this would have really kept the cost very low.

A lot of farmers have complained to me many at times about the quality of weedicide which is not as good as it used to be. So, this is another area that we need to look at.

Madam Speaker, I would venture to suggest that there are a lot of improvements to be made and one of them, as I had said earlier, is the railway lines, and also the railway trucks and portable lines. Mill efficiency is very, very important, together with the re-establishment of the extension arm of FSC which used to be a totally separate arm. They used to come and do the soil test, the variety of sugarcane and even the Honourable Attorney-General had rightly pointed out, that a lot of cane that are there, the ratoon is 15, 20 or 30 years old. So what do you get out from that? You get almost nothing! Farm advisers used to go and tell the farmers that they need to plough their land and plant it again with new plants so that they can have three to five year crops, the crops will be good and tonnage will also be good. These kinds of things are very, very scarce now. This is lacking and it is very important that whilst we are here to give this Guarantee to FSC, it is important to note this so that we are able to turn things around.

We are here, we want to get the Mills right because the sugar industry provides directly and indirectly to more than 200,000 people in Fiji and many of our brothers and sisters that have learned, they want to continue to stay on the land, they want to plant, they want to do the farming but because of the cost and because of the hardship the people face it is very difficult.

I mentioned earlier, the turnaround time of the trucks is very hard, labourers are very expensive. Now, when you get a group of labourers you will have to feed them three times a day and when you keep them and you do not get the quotas, your cost of production and your cost of harvesting continues to go up. It just goes up and this is where the farmers are in dire need for help and I would venture to suggest Madam Speaker, that the system of cane payment needs to be looked at. You harvest your cane, when the mill closes, six weeks after that you get your second, first is the delivery pay every two weeks when you harvest the cane and then after six weeks of the mill closure you get the first bonus and then it staggered into another four and farmers need money every day because as soon as your cane is harvested you need the cultivation, you need to pay people, you need to pay the tractors.

So, these are the kind of things FSC will really have to look at to improve and I believe the farm advisory system that used to be in the previous days is very important. It is very, very important. What is happening is, the sector officers are doing this, and they have a lot of work to do so this is not very good. And another thing it was rightly mentioned by the Honourable Attorney-General the farm implementation, that is, mechanisation and I am glad that a lot of people have started investing in cane harvesters.

HON. GOVERNMENT MEMBER.- (Inaudible)

HON. P. CHAND.- It is not Government guarantee. There are some that were bought through Government guarantee, others had bought theirs on their own!

(Hon. Government Member interjects)

HON. P. CHAND.- We must make it clear that there are many individual operators who have bought on their own without Government guarantee.

(Chorus of interjections)

HON. P.CHAND.- Yes, there are some cooperatives that have got this.

Madam Speaker, with this guarantee coming in, it will be very pertinent and important to note that some of these things like weedicide sprayers, mechanical planters, mechanical fertilizers, applicators, et cetera.

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

(Laughter)

HON. P. CHAND.- I thought the Honourable Attorney-General was going to raise a Point of Order.

These are all mentioned in the Honourable Attorney-General's deliberation, and I am not out of order, Madam Speaker. What I would like to say, one of the important things is, the road conditions also need to improve. For example, when you talk about Seaqaqa, Navudi, Daku and Lagalaga, the road conditions are not very good, so a lot of truckloads of cane just fall off and it is additional cost, an additional burden. These are the kind of things that need to be attended to.

If I were the Minister for Education, I would teach the people the right thing. Madam Speaker, another thing is very important.

HON. SPEAKER.- Honourable Member, just to control all these interjections, you are supporting the guarantee to pay for all these?

HON. P. CHAND.- Yes, I am just about to finish, Madam Speaker.

The Cane Growers Council and also the Government should identify countries where we can get reasonably small sized mechanical machines and every kind of implement. Fiji is a country where our land is full of moisture and heavy machines used to come and harvest cane. That was not suitable but now the good identification of this six to seven tonne case international and some other machines are really good because they are suitable for our farm sizes and also suitable for the climate that we have.

Madam Speaker, I hope that all these things will be taken into consideration because it is important and we want to revive our sugar industry. We want the FSC to come back to its footing. We want the sugar industry to be revived, we want the farmers of this country to enjoy the benefits of the Government of the day that is trying to give this money so that it can be used for the farmers to uplift their living standard and make their life much easier. Thank you, Madam Speaker.

SUSPENSION OF STANDING ORDERS

HON. LT. COL. I.B. SERUIRATU.- Madam Speaker, I move under Standing Order 6:

That so much of Standing Order 23(1) is suspended so as to allow the House to complete the three motions, as listed in today's Order Paper.

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

Question put.

Motion agreed to.

HON. SPEAKER.- We will continue with the debate.

RESUMPTION OF DEBATE ON THE GOVERNMENT GUARANTEE – FIJI SUGAR CORPORATION

HON. CDR. S.T. KOROILAVESAU.- Madam Speaker, I would like to contribute to the motion on the floor. I think it is totally hilarious and ridiculous for Honourable Parmod Chand to firstly raise the issue on the increase on the Government guarantee and then give out the list of the problems that hinges on the problems with FSC. The actual issue of raising the Guarantee is to have funds available to fund all these issues.

HON. P. CHAND.- I understand that.

HON. CDR S.T. KOROILAVESAU.- Then why are you raising all the issues that basically is going to

HON. PROF. B.C. PRASAD.- Point of Order, Madam Speaker.

HON. SPEAKER.- Point of Order.

HON. PROF. B.C. PRASAD.- Madam Speaker, I just want to raise this Point of Order on relevancy to what the Honourable Minister was saying. I think he is misunderstanding that when there is a motion for a Government Guarantee for FSC for debate, it obviously makes sense to talk about what FSC should or should not do or what it was, and the Honourable Member quite rightly agreed with a lot of things that the Honourable Attorney-General was saying about FSC.

HON. J. USAMATE.- Point of Order, Madam Speaker.

(Laughter)

HON. PROF. B.C. PRASAD.- The debate is about guaranteeing FSC and that is the point, relevance.

HON. SPEAKER.- I will first make a ruling on this Point of Order, please.

HON. PROF. B.C. PRASAD.- Madam Speaker, I have the floor, the Honourable Member should have some respect.

HON. SPEAKER.- Thank you.

HON. GOVERNMENT MEMBER.- Your Point of Order?

HON. PROF. B.C. PRASAD.- You cannot have a Point of Order in a Point of Order, Madam Speaker.

All I am saying, Madam Speaker

HON. SPEAKER.- Order! I would like to make a ruling on this Point of Order first.

HON. PROF. B.C. PRASAD.- All I am saying, Madam Speaker, is that the Honourable Minister

HON. SPEAKER.- But I think you have spoken long enough and I do understand what you are trying to get at. Your Point of Order does not qualify under the Point of Order process because you are referring to the content of a speech and not on the procedures of the House.

HON. J. USAMATE.- Can I just speak?

HON. SPEAKER.- Your Point of Order?

HON. J. USAMATE.- My Point of Order is that, his Point of Order was totally irrelevant and I expect more from someone who has been a Professor. Thank you.

(Chorus of interjections)

HON. SPEAKER.- Honourable Prem Singh, you may continue.

HON. P. SINGH.- Thank you, Madam Speaker, I will just confine it to the Guarantee.

(Chorus of interjections)

HON. SPEAKER.- Honourable Koroilavesau, you may continue.

HON. CDR S.T. KOROILAVESAU.- Madam Speaker, while I understand the issue with the Honourable Parmod Chand now

HON. SPEAKER.- Please do not respond to interjections, especially that kind of interjection.

HON. CDR S.T. KOROILAVESAU.- Madam Speaker, the guarantee for any business in this respect is normal. What is being required here is basically to invest funds to improve the performance of FSC. It is not abnormal, it is very normal for any business to go out and venture, as long as there is sufficient money equivalent to the asset base of the company that is going to invest.

This is basically a guarantee of \$322 million which, as I understand, the Honourable Attorney-General has just indicated that it will be released from the guarantee from FEA. So in fact, in short term,

you can basically minus the guarantee that is going to be provided by FSC against the guarantee that is going to be released by FEA. I think that is the issue that needs to be discussed.

We all understand, Madam Speaker, the issues with FSC, the long-term problems that it has inherited for a long period of time, and we need to fix it. You understand, Madam Speaker, I think 10 or 15 years ago, there was an Indian company that came in to refurbish all the sugar mills in Fiji. That amount of money was basically being poured into the drain, so there needs to be a revolutionary idea to be able to turn the company around. I think if you look at the amount of the Guarantee that has been indicated here, you might think that it is a huge amount. But I believe that FSC has done its due diligence, they have shown that in their asset-base, so they will be able to cover the money that they will be able to borrow to improve its performance.

The losses that has been going on with FSC needs a complete solution. It needs to be carried out so that the recurring losses do not continue from hereon. It does need a band aid-solution, it needs a firm decision and it needs financial assistance to be able to right what has been wrong all these years.

Business is about taking risks. If you cannot take risk, then it is no use going into a business. It is all about risks and your ability to maintain and ability to control that risk. You will not be able to go into business if you are not prepared to take the risks. I am pretty sure FSC has done its homework to be able to consider this application.

On capital investment, I understand that they are going to invest in infrastructure equipment to improve the efficiency and the overall performance of FSC. Therefore, Madam Speaker, with that short contribution, I support the motion before the House.

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

HON. P. SINGH.- Madam Speaker, I rise to contribute to this motion. At the outset, I would just like to verify what Honourable Koroilavesau said that the \$206 million Guarantee by FEA will reduce that Guarantee in respect of FSC. That is not true, Madam Speaker. It will decrease the overall contingent liability of the Government but not in respect of FSC.

This Guarantee of \$202 million more, as rightly outlined by the Honourable Attorney-General, is a welcome step. FSC needs money. We support this Guarantee for two reasons. Firstly, FSC needs to make money. Under the 70:30 sharing formula, FSC cannot make money because the low level of cane production in the last five years has led to FSC not even covering its operating expenses. This is the truth. The reality and the fact of the matter is, and as I have said in this House, that you need to increase production and yield.

The experts have worked out that the industry needs three million tonnes of cane as a minimum for the millers to make profit and for the growers to be self-sufficient. This, I believe, after a long time, FSC is putting the money in the projected work that it is trying to do.

I am also encouraged that the three areas where these monies will be used and one of them is the railway upgrade. Railway is the cheapest mode of transport as far as the industry is concerned and everyone knows about it.

Secondly, agriculture mechanisation, from planting right up to harvesting. What we need to know is whether the logistics being provided by FSC are compatible to the projections. We have had a strategic plan by the former CEO, Mr. Khan, which include adding value to the sugar phase and these were; the cogeneration projects at the two mills and the refinery that was supposed to be set up. We cannot rely on

this low cane production because to operate cogeneration we need bagasse, and bagasse with 1.3 or 1.8 million tonnes of cane, you cannot run the cogeneration for 12 months.

If you look at the Labasa Mill, which is the best performing Mill at this point in time came about because of the STM Project. The STM Project is the \$50 million loan that Exim Bank gave us for the three Mills. The only shortcoming for FSC was that, they started to work on all the three Mills at one time. But Labasa Mill, FSC putting another \$20 million and they could integrate the old Mill and a new cogeneration plant with other factory outlets within and this is where Labasa Mill has been performing very well for the last two years. And I am told that this year, they will be able to crush about 800,000 tonnes of cane. So, instead of rubbishing the Labasa Mill construction, its upgrade through that Exim Bank loan, it was the FSC which was in charge of disbursing these funds.

HON. A. SAYED-KHAIYUM.- You know better than that!

HON. P. SINGH.- You cannot just blame one, the other sectors. Part of it was, Madam Speaker, after 2006, when the then Sugar Minister said he would fix it up within a very short period of time.

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

HON. P. SINGH.- You know him better. That is water under the bridge at the moment. What we need to focus on and I must warn the industry and all of us in this House that \$202 million may not be enough, if we are going to the path of self-sufficiency of FSC.

Madam Speaker, we may need more money, as alluded to by the Honourable Attorney-General in moving the motion where he said that there would be balancing of price. He is talking about the old stabilisation fund kind of structure and I say to the Government, why do you not look at the minimum guaranteed price on a year to year basis so that you give confidence to the farmers instead of just picking up and doing the same thing in a different way for whatever reasons and does not bring us all on the same page?

What we are saying is that, the mechanisation that we have talked about, right from planting up to harvesting, there will be 21 machines through the Government initiated co-operatives.

HON. MEMBER.- The Harvesters.

HON. P. SINGH.- Yes, mechanical harvesters. And by other private individuals, the cane producer organisations, we will have a total of 45 machines this year.

Madam Speaker, FSC will have a challenge because we do not have a railway network and caged bins and what we would like to see as part of the railway upgrade that FSC invests into caged bins. I would say this because the mechanical harvesters are all, at the moment, suited towards lorry transport and the railway lines, if they can have caged bins where machines will not be left idle because the machines are being bought at the cost of around \$300,000 or more. So, if each machine harvests 10,000 tonnes of cane, then we are looking at about 450,000 tonnes of harvestable cane. So, Madam Speaker, mechanisation on its own without proper infrastructure support will be a very big challenge for FSC.

I totally agree with my colleague that the issues of production need to be looked at in a specific context. It cannot be something that you sit in the office and you can have it delivered on the farm. We need extension officers and FSC to play an active role now with all these machineries and all the support to actually connect with the farmers. There has been a very big disconnect over the last 10 years and I think FSC will agree with that.

Madam Speaker, all in all, the harvesting and delivering is the biggest concern of the industry. This is where the costs escalate on a year by year basis. It is about time we look at regularising some of those costs of cartage, manual labour and mechanical harvesters. Mechanical harvesters do not come cheap as well. In around the Lautoka Mill area, we are looking at about \$35 a tonne in terms of harvesting. So, unless we can reduce this, good practices will remain a lot of challenge.

Madam Speaker, as I had said, this Guarantee is taking us to a path of progress. I would have loved to see a strategic plan from the new Board and the new CEO which I am sure there are in the process of compiling, as to what these \$202 million will achieve in the next five years because we have a long-term and a short-term plan. We have had annual plans and corporate plans with the FSC and during our visits to the fields, we have seen a lot of issues of the growers are with FSC. So it is worth noting that unless we address these issues prior to the mill crushing, it will give us an understanding of where we stand - the miller and the grower.

Madam Speaker, with those words, I support the motion before the House.

HON. SPEAKER.- Thank you. I now give the floor to the Honourable Minister for Education, Heritage and Arts.

HON. DR. M. REDDY.- Madam Speaker, I thank you for giving me this opportunity to make a short contribution.

Madam Speaker, I think the destruction and discourse is going out of kilter. What the Government is doing is asking for a Government Guarantee. The question then one may ask is; is Government getting FSC to have a strategy?

Madam Speaker, to look at the discourse over the last couple of months, you will note that Government has started to reform the industry. This Guarantee is not just for the sake of giving guarantee to the existing old FSC, Madam Speaker. The CEO, who is a very credible top-notch person, is sitting in the gallery. A top Chief Operating Officer, done internationally and experienced, and also a top-notch Chief Financial Officer is being appointed, Madam Speaker.

Madam Speaker, this Guarantee is not there just for the sake of it, the industry is vertically integrated. This is not the place to come and talk about what you are going to do at the farm level, at the mill level, at the marketing level, Madam Speaker, that is the job of this Chief Executive Officer and the Board to look at what you are going to do in terms of ensuring....

(Hon. Opposition Member interjects)

HON. DR. M. REDDY.- No, no!

Madam Speaker, what we are asking is that, here we are giving a Government Guarantee so that FSC can go and get the required finance to do all those reforms required at the various levels of this vertically integrated industry in order to deliver and make this industry successful and turn it around, Madam Speaker. Thank you.

HON. SPEAKER.- Thank you. I now give the floor to the Honourable Leader of the Opposition.

HON. RO T.V. KEPA.- Madam Speaker, I rise to contribute to the motion before the House.

The intent of the motion, Madam Speaker, is clear, that it seeks to increase Government Guarantee from \$120 million to \$322 million, and extend a timeline from 2020 to 2022. Two years ago, Madam Speaker, the Government secured a similar approval in this Parliament for the period until May 2020. This guarantees are becoming quite a regular feature, Madam Speaker.

From a record sugar production of 527,000 tonnes in 1986, the FSC production capacity is now reduced to less than a 140,000 tonnes per annum. From 22,000 cane growers, there are now 13,000 cane growers approximately listed as having cane contracts but probably fewer cane growers than that. From being the backbone of the Fiji economy, Madam Speaker, at one time, the sugar industry has slipped down to now contribute only 1.7 percent of GDP, which is \$159.6 million, Madam Speaker, or 8 percent of Fiji's total export. These experiences, Madam Speaker, with the continued awarding of Government guarantees for some time now, signal that all is not well with the sugar industry. Why is all not well with the sugar industry, Madam Speaker?

Firstly, Madam Speaker, under EDF 9, FJ\$400 million was allocated for the period 2000 to 2007 under the SDL Government. This allocation came in a package. There was \$36.7 million, Madam Speaker, for the School Rebuilding Programme. So, if that was in place with *TC Winston*, a lot of the schools would be up and properly built, Madam Speaker.

There was another allocation for Civic Education, Madam Speaker, of FJ\$1.8 million; Solid Waste Project was FJ\$5.5 million and the bulk of this, FJ\$274 million was for the Sugar Adaptation Fund. This was not a risk money, Madam Speaker, this was real money, it was a real fund and it was a real project. The money was allocated for the farming, harvesting, transportation and upgrading of the Mills, Madam Speaker.

But Madam Speaker, unfortunately, before these funds could be disbursed, guess what happened in December 2006.

HON. MEMBER.- Awh!

HON. RO T.V. KEPA.- Yes, the Bainimarama *coup*, Madam Speaker, took place.

HON. V.R. GAVOKA.- Oh, there you are.

HON. RO T.V. KEPA.- The European Union in the form of EDF 9 was under threat. Madam Speaker, FJ\$400 million was there to be used and their condition, amongst others, was there be a general election in 2009. But the Government at that time did not consider the good of the country, Madam Speaker.

HON. V.R. GAVOKA.- There you are.

HON. RO T.V. KEPA.- So began a downward spiral for the sugar industry in the hands of the FijiFirst Government.

HON. V.R. GAVOKA.- There you are.

HON. RO T.V. KEPA.- Secondly, Madam Speaker, we are now hearing that the farmers are denied their democratic right and voice in the sugar industry after the Sugar Cane Growers Council is now formatted differently and there are more representatives there in Government and not reflecting the real stakeholders, Madam Speaker, so that is the real issue.

What is happening to the farmers? Madam Speaker. They have no voice in their AGM and they do not get to see the reports at all. So the stakeholders, Madam Speaker, the farmers, the unions, the *Sirdars*, Mill Area Committees, have little input in the decision making at the district and national levels. So you wonder, why we have this demise in the sugar industry.

These are some of the major issues, Madam Speaker, through which the sugar industry has been brought down to its knees, so it is the FijiFirst Government who has a lot to ask for this.

(Hon. Government Members interject)

HON. RO T.V. KEPA.- The last point that I would like to make, Madam Speaker, ..

HON. V.R. GAVOKA.- Absolutely!

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

HON. RO T.V. KEPA.- ... is with reference to the second part of the motion, dealing with the waiver of Guarantee fees which breaches the recommendations...

(Chorus of interjections)

HON. RO T.V. KEPA.- ... Madam Speaker, of the Public Accounts Committee Report...

HON. SPEAKER.- Order! We would like to hear what the Honourable Member is saying.

HON. RO T.V. KEPA.- ... discussed and adopted in the House on Monday. I fear, if we continue to adopt this kind of selected hand-outs to failing industries due to Government's own actions, then we need to really look at the great interference there is in the sugar industry. And a lot of these problems, Madam Speaker, can be laid at the feet of the FijiFirst Government...

HON. GOVERNMENT MEMBERS.- Awh!

HON. RO T.V. KEPA.- ...for placing the interests of the country as the last consideration, so they should name their party FijiLast and not FijiFirst.

HON. GOVERNMENT MEMBERS.- Awh!

HON. A. SAYED-KHAIYUM.- Do you support the motion or not?

(Chorus of interjections)

HON. SPEAKER.- I now give the floor to the Honourable Viam Pillay.

HON. V. PILLAY.- Madam Speaker, I rise to support the motion. As I have been moving around the farming communities and meeting the farmers, I have been informed and I must say that we must also all agree, that this industry is only surviving because of our Honourable Prime Minister.

HON. GOVERNMENT MEMBERS.- Hear, hear!

HON. V. PILLAY.- Madam Speaker, I would also like to thank the Honourable Acting Prime Minister for the announcements on Monday, 22nd May, 2017 in regards to the \$10 million assistance

to the farmers in the cyclone affected areas, and also for the non-deduction in the fourth cane payment.

As I have been moving around, farmers are preparing for the harvesting season and this non-reduction is going to assist them in the preparation part. Also, I must thank the Honourable Acting Prime Minister on the assurance for those farmers whose deduction has already gone that he is also looking into how best they can be assisted.

As the Honourable Acting Prime Minister has said in regards to the way forward for FSC as far as mechanisation and the improved railway system, farmers are looking forward to this. As a farmer I feel that without all these assistance, farmers will be in a very difficult position. So I see that this Guarantee is very important and farmers are looking forward to it. I also heard from the new CEO and the Permanent Secretary for Sugar that the plans for the future is very positive. There were issues as far as after *TC Winston* is concerned and I believe the assistance that has been provided, as announced by the Acting Prime Minister on Monday, will benefit the farmers. That was the concern from the farmers as far as their preparation and the financial aspects of their preparation during this harvesting season.

With those words, Madam Speaker, I support this motion.

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

HON. V.R. GAVOKA.- Madam Speaker, debating this, we all want FSC to thrive, to do well, because of what it means to us, going back into history and currently today, but the Honourable Leader of the Opposition has clearly stated why the industry is in a state today. It is right across the Isles, it was on the way to recovery but for that *coup* in 2006, it derailed all the recovery programmes we had for sugar.

The Honourable Viam Pillay in saying that the farmers are saying; “The Prime Minister is holding this together”, let me tell you, there are other opinions out there, stronger than what he is hearing. When we talk about Bill No. 19 and Bill No. 20 and when we say that the Honourable Minister will now be in charge of this, they say; “What does he know about sugar?” That is the other opinion we are getting from the farmers - what does he know about sugar?

(Hon. Member interjects)

HON. V.R. GAVOKA.- The problem with FijiFirst is that, they blame everyone else, except themselves.

(Laughter)

HON. V.R. GAVOKA.- Absolutely!

I now have faith in the new team today. I have met them, I like what they are saying, they make sense to me and I have this faith in them. But you had a team there for almost seven or eight years, who kept telling you all sorts of stories which you brought to this House which continued to be wrong.

(Hon. Member interjects)

HON. V.R. GAVOKA.- You continue to come here with stories from those people they put in place, Madam Speaker, who continue to come to us with all these glowing reports about FSC, while we knew better.

As I had said and I repeat, I have faith in the new team and I think they have some very realistic aspirations and I like what they are saying, that we do the basics right. This is a new team today, I like that, and the basics is changing the mode of transportation to be significantly by rail, as opposed by lorries. I know it will cost quite a bit of money, but I speak for people from the Sigatoka region, where people have virtually given up on cane farming because of the high cost of transporting their cane to Lautoka. If we can fix the bridge in Sigatoka, fix the bridge in Motutu, fix and upgrade the railway system, a lot more farmers will farm in the Sigatoka region. And you could be talking about a million tonnes between Sigatoka, Cuvu and Lomawai, and that is the potential in that area.

However, Madam Speaker, I would like to clarify a number of issues before I vote on this. We are now on Bill No. 19 where we are saying that we will absorb all the liabilities of FSC.

HON. CDR. S.T. KOROILAVESAU.- Point of Order, Madam Speaker.

HON. SPEAKER.- Point of Order.

HON. CDR. S.T. KOROILAVESAU.- Madam Speaker, Standing Order 58(2), the Honourable Member should be addressing the Chair, instead he is addressing us.

HON. V. NATH.- Point of Order, Madam Speaker.

HON. SPEAKER.- The second Point of Order.

HON. V. NATH.- Madam Speaker, my point of Order is Bill No. 19 and Bill No. 20 are before the Standing Committee and I request that we should not be referring to those.

HON. OPPOSITION MEMBER.- Why not?

HON. SPEAKER.- What we are debating is really broad-based and there are some implications on that, and that is why he is bringing it up, so I accept what he is saying.

HON. V.R. GAVOKA.- Thank you, Madam Speaker.

I would like to understand this, how do we square the provision in Bill No. 19 to absorb all the liabilities of FSC against this guarantee? I was of the understanding that, by taking away the liabilities, you clean up the books of FSC to enable it to tread afresh. So, if you provide this guarantee now, does it mean that they will then trade out of the liabilities they have today because of the guarantee? I need clarification on that because we do have in Bill No. 19, to trade out all the liabilities of FSC. So, I need to square that, I am not an accountant but I just want to know what the implications will be for both.

Madam Speaker, the biggest player in the sugar industry are the farmers and I think I speak for them by saying; can we withdraw Bill No. 19 and Bill No. 20? Just take it out totally, work on the new plans that we have today, leave the farmers alone. They like their tribunal, the way it is. They like the Grower's Council, the way it was. They like the Mill Area Committee to be under the jurisdiction of the tribunal. They do not want the Minister to be dictating how they use their funds. I mean, these are some of the issues that the farmers are not happy about. So, I would say, let us do this guarantee, yes, by all means but withdraw Bill No. 19 and Bill No. 20. And we were told, Madam Speaker, in the briefing in Sigatoka, one farmer stood up and said; "These Bills came from the former CEO of FSC."

HON. A. SUDHAKAR.- Point of Order, Madam Speaker.

HON. A. SUDHAKAR.- I note that, your good self, Madam Speaker, had given him some leeway to talk about the Bill but now the Honourable Member is actually going into the merits of the Bill, and that is before the Committee. I think he cannot make any reference in respect to the Bill.

HON. SPEAKER.- I quite agree with you. Please refrain from saying to withdraw Bill No. 19 and Bill No. 20.

HON. V.R. GAVOKA.- Madam Speaker, Bill No. 19 and Bill No. 20....

HON. SPEAKER.- Please, do not refer to Bill No. 19 and Bill No. 20.

HON. V.R. GAVOKA.- I cannot support the motion, Madam Speaker, if I do not understand the way it is being structured. I mean, if we have the farmers on the wrong side of this guarantee, then I will not support this motion. So, we need to know where the farmers are in this and that is why I am bringing this up.

The farmers need to be considered in all these, Madam Speaker, but having said all that, I would like some answers on what I have raised to fully understand it. Like I said, I may not be an accountant but I need to be comfortable of why I am holding on for this.

Madam Speaker, I was asked the other day about the guarantee. My colleague, the Honourable Prem Singh spoke about the minimum price, I raised that and asked the Government; why did they promise \$85 a tonne in 2014 when they were campaigning? They asked me; "Where did you hear this from?" I told them; "From the farmers in Korovuto", who were told that the FijiFirst Government would guarantee \$85 a tonne when they were campaigning in 2014. So, that is where you are. It has not happened but Madam Speaker, if I could have some clarifications on what I have highlighted, it would help me support this motion. Thank you, Madam Speaker.

HON. SPEAKER.- I now give the floor to the Honourable Alvick Maharaj.

HON. A.A. MAHARAJ.- Madam Speaker, at the outset, I must say that there are certain Honourable Members who are definitely running out of ideas in this august House. Just one example, Madam Speaker, the FijiFirst Government is now giving solutions and from those solutions, people are actually finding problems and speaking about it. For example, the Honourable Attorney-General said that we need to move towards mechanisation and then someone stood up and said that hiring gangs is very expensive.

Madam Speaker, that is why we are getting this guarantee, we know what the problem is. Now, they are actually getting the solution and trying to bring in the problem and talk about the problem. Madam Speaker, while some people have gone to the Committee stage to comment on things, if they can actually comment on Bills, what actually happens at the Committee stage?

We had a petition whereby it was actually stated that points are not to be deducted if we are fined by LTA. It was resolved by the Government. When it came, everyone in the Committee knew that it has been resolved, yet they wanted to go all around Fiji asking for submissions. If it has been resolved, why do we need to actually get submissions? This is what is happening at the Committee stage.

HON. SPEAKER.- Honourable Member, please keep the discussions at the Committee stage on the Bills out of your debate and just....

(Hon. Opposition Members interject)

HON. SPEAKER.- Order! Just speak on whether you support or not support the Bill.

HON. A.A. MAHARAJ.- Thank you, Madam Speaker. I would like to give my short contribution on this motion, Madam Speaker.

The sugar industry is a very important industry in Fiji. Almost one-third of the population are either directly or indirectly affiliated to the industry. I have said this before and I will say this again, had there not been a change in Government in 2006, the sugar industry would have died out in Fiji by now.

HON. GOVT. MEMBERS.- Hear, hear!

(Chorus of interjections)

HON. A.A. MAHARAJ.- It is only because of our Honourable Prime Minister that the industry is surviving, Madam Speaker.

The FijiFirst Government, Madam Speaker, was and is committed to ensure that the industry is viable now and in the future as well. While we do understand that FSC, at the moment, has a social and moral obligation for Government towards the sugarcane farmers, Government at the moment has no intention to make money out of FSC but to ensure its viability so that our cane growers are not affected or have a negative impact. We not only need to increase the production of sugarcane but also at the time, we need to decrease the cost of production and the processing of sugarcane, Madam Speaker.

For this to be achieved both, FSC and the farmers need support. For such reason, if Government deems it fit to provide such a guarantee, then I believe we should support the motion. I believe the Acting Prime Minister has well explained the reason why we need to increase the guarantee, therefore, Madam Speaker, I fully support the motion.

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

HON. PROF. B.C. PRASAD.- Madam Speaker, I rise to contribute on the motion. Let me start by saying, Madam Speaker, I am actually quite surprised with the interjections and the contributions from the other side, especially some of the Honourable Ministers because I do not think they listened to the Acting Prime Minister when he actually moved the motion.

While moving the motion, he actually spent quite a bit of time explaining the reasons behind this guarantee and what are some of the plans. Then come the other Honourable Members from the Government side, basically berating the contribution of Honourable Members from this side on specific issues that the Acting Prime Minister raised in moving the motion. I mean, they do not expect us to come here and just say; "This motion is good, we are going to support it and vote for it", is that what they expect the Opposition to do?

I mean they do not actually understand their own role in contributing to the subject matter. Here is a very important motion and the people of this country would want to know why we are supporting this guarantee or why we are not supporting this guarantee. I think it is very, very important Madam Speaker, for us to understand that and unless we have a proper debate, it is not about winning this way or that way. Of course, the Government has the number, the motion will be approved, we know that but the point is, Madam Speaker, we need some debate because this is an important industry, an industry on which the Honourable Prime Minister himself has quoted a figure of about 200,000 people, dependant directly or indirectly.

It is not a simple matter for us to just pass this through without making some important contributions. In fact, Madam Speaker, there are a lot of issues that we would need to be assured. While we would support the guarantee, we would need to be assured that this is what is going to happen, otherwise there is no point in supporting this guarantee, and that is it. That is why it is important to have this debate.

Madam Speaker, let me take some of the Honourable Members back to some hard facts. I have heard that since 2006 if there was no change in Government, the sugar industry would have been dead. But we need to humble ourselves a little bit, Madam Speaker, and, sort of, look at the reality, the facts and then we can always move forward. If we rubbish everything and put a timeline as to where things started, we are not going to get anywhere.

Let me just remind the Honourable Members on the other side, in 2006, we were producing about 3.2 million tonnes of cane in this country, Madam Speaker. In 2015, we were down to 1.84 million and last year, we only produced 1.38 million, of course, the impact of cyclone was there. But the point is that, the record of the Government before this and, indeed, the record of this Government over the last two or three years has a lot to say with respect to the performance of the sugar industry.

Let me also quote what the Honourable Prime Minister said in his Ministerial Statement on sugar in Parliament on 11th February, 2015. He said, and I quote from Page 756 of the Uncorrected *Daily Hansard*:

“...one of the other remarkable success stories of the last few years is the remarkable turnaround of the Fiji Sugar Corporation (FSC). Government funding to FSC in 2011 and 2012 allowed the organisation to reduce its accumulated losses. From \$175 million in 2010, to \$36.5 million in 2011, to finally recording a profit in 2012. The FSC is now able to stand on its own two feet. Government does not need to provide it any direct funding since 2013.”

I mean, we have heard this very optimistic assessment only recently.

That is why, Madam Speaker, we need to caution ourselves as to the direction that the FSC is going to take in the next two or three years and whether we are confident under the new Management. I have heard good things about the new Management, I have no reason to dispute that these are people of integrity, people of experience and that they will do the work but that, Madam Speaker, is no guarantee that we will be able, if we as a country, as a government, as a Parliament, are not actively part of that journey to rescue the sugar industry.

That is why, Madam Speaker, we have a little more than a year left for the term of this Parliament and I want to repeat to the Government and to the Acting Prime Minister, this is probably a time in the life of this Parliament for us to talk about a bipartisan committee on the sugar industry. It is time, Madam Speaker, and I do not say this because this is politics, I mean, we keep hearing from the Government that we are politicising the industry.

Madam Speaker, there was no politics since 2006. There was no Sugarcane Growers Council elected by the growers, the unions had no say, the Government had complete control of the industry. So, how can we believe that there might be prospects in the future? Unless we are sure about it, and that is why it is very, very important to have this discussion on the industry.

Madam Speaker, let me just also give some other figures. In 2011, we had about \$32 million operating loss; in 2012 - \$14 million; 2013 - \$10 million; 2014 - \$5 million, and then suddenly in 2015 we had a big loss. I know the Honourable Attorney-General explained how that loss came about but the important point that I want to make, Madam Speaker, is really, we have no choice. If there was a

punishment, then one could have given to a government coming to Parliament and asking for the guarantee, I am sure we would have all the reasons to give that punishment because of the way in which the previous Government and the current Government has handled the sugar industry so far. The voters might punish them, I do not know.

Madam Speaker, coming back to the issues that the Acting Prime Minister talked about and how the guarantee will help in getting FSC extra funds and what those funds would be used for over the years, I think we agree with him that we need to look at agriculture mechanisation, agriculture development, farm level development, and we need to upgrade the railway lines and look at the sugar mills. Of course, Madam Speaker, as I have said before, it is a big blunder by this Government not to have fixed the Penang Mill and our information, as I have said this many times, that that Mill could have been fixed because it does affect the economy of Rakiraki. It is not just about helping the current farmers to cart their sugarcane to the Mill, it is about the economy of that area. So these are issues that the people of this country need to understand before they actually understand why this guarantee is being given to FSC.

Then, Madam Speaker, I want to caution and perhaps, raise that issue now while we are looking at this guarantee and, that is, over the last 10 years, not only sugarcane production has gone down and obviously that has a bearing on FSC's profitability and it is not a coincidence that the sugarcane production while going down, and so as FSC's financial performance deteriorating over that period as well. Really, there is a strong correlation between the level of production and FSC's profitability; I mean that has always been the case. Of course, there are management issues and we have not actually dealt with those management issues. We were talking to Government over the last several years, asking Government to look at the management of FSC. The Government left it there until they realised that it was in a state where they needed to take action and they did, and we understand why.

Madam Speaker, in that period while cane production was going down, farmers' income was also going down. The interest of the farmers in sugarcane farming declined substantially. And if we want to rescue the industry, we have to deal with the farmers issues decisively, in consultation with them and in consultation with all the stakeholders. The reason why farmers are losing interest, I mean, when we had the Cane Growers Council, when we had the Unions, when we had the Joint Parliamentary Committees before, there was a lot of cohesion within the farming community. There was a lot of sharing of ideas, there was a lot of platform for them to discuss issues. If we begin to believe that farmers actually do not understand what is going on in the industry and impose solutions without consulting them, the consultation is not just about calling them, Madam Speaker, and telling them what Government is trying to do, farmers have always, as other stakeholders, relied on their representatives and relied on the people that they trust to speak on their behalf. And I think the abolition of the Sugarcane Growers Council was really a disaster because that broke the cohesion, the sharing of knowledge and coming together of farmers to actually take that on board.

So, I would say that the FSC, while looking at spending all those allocations, as pointed out by the Acting Prime Minister in 2018 and 2019, must ensure that there is direct support at the farm level and we have talked about this Madam Speaker. We have talked about cost; it is not as if we have not talked about cost. Of course, we understand that if the cost keeps going up, it does not matter what the price is, the farmers' income will continue to decline. But, Madam Speaker, the farmers themselves want some kind of incentivising. They need financial incentives and this is why we have talked about the minimum guarantee price. It is not too much to ask the Government to say; "Alright, for the next three years, we are going to guarantee a minimum of \$100 per tonne while we are trying to bring the cost down."

In those three years, Madam Speaker, if we provide those incentives and I moved this motion last year where I said that we should look at about \$50 million allocation of which some will go for the price support, some will go for cane development and that will, Madam Speaker, provide direct incentive for the farmers to get back to farming. In fact, one of the cane farmers who also signed the petition said to

me; "If we have a minimum guaranteed price of \$100, I will spend most of my time on the farm." He said farmers will actually sleep on the farm, they will have an incentive to raise production. This is what the farmers are saying and I think we need to take this debate perhaps, out of Parliament now and I, for one, Madam Speaker, want to tell the Government that is not about politics for me.

I said in the motion that I moved last year that if the Government comes up with a package, with a guarantee, I will stand up in this Parliament and thank the Government and say to the farmers that this is what the Government has done for them. That is what I believe in all sincerity, because we need this industry. It may die 20 years later or 10 years later, I do not know but for the next 10 years, at least, Madam Speaker, we need to look at this industry as an important industry.

If you look at the towns and cities of the West, they are still very much sugar towns, of course. Their contribution to GDP has gone down, but I think there is huge multiplier effect. There is a whole set of linkages of the industry to various sectors of the economy. We are not yet ready to break those linkages, to get rid of that multiplier effect of the dollar that comes through sugar sales, so that is why it is absolutely important.

As I said, these are some of the caveats that we need to have before we can support this guarantee because it is absolutely vital that we address the key issue of the farmers because if there are no farmers tomorrow, there is no point in upgrading the FSC Mills for the next three to four years if there is not going to be any more cane out there. So, we need to do first things first. Let us get back to basics, let us put in the incentives for the farmers to get back on the farms with all the support from FSC, from Government, from every stakeholder so that we can raise cane production in this country in an efficient and effective way and that, Madam Speaker, will ensure that the industry will survive. Thank you.

MADAM SPEAKER.- Thank you, I now give the floor to the Honourable Samuela Vunivalu.

HON. S.B. VUNIVALU.- Thank you, Madam Speaker, I also want to contribute in regards to this motion. Plenty things have been mentioned about the farmers, I just want to remind some Honourable Members in this House, I think they do not realise that the richest people in Fiji are sugarcane farmers.

HON. OPPOSITION MEMBER.- Who told you?

HON. S.B. VUNIVALU.- If you do not know.

HON. OPPOSITION MEMBER.- Who told you?

HON. S.B. VUNIVALU.- If you do not know, I can provide their names.

HON. OPPOSITION MEMBER.- Don't!

HON. S.B. VUNIVALU.- Yes, one is sitting down here, Prem Singh.

(Laughter)

HON. S.B. VUNIVALU.- Even Motibhai still owns a big farm in Ba.

MADAM SPEAKER.- Please, do not mention names.

HON. J.N. KUMAR.- Do not mention their names.

HON. S.B. VUNIVALU.- No, because they want the names. I apologise, Madam Speaker.

(Laughter)

HON. S.B. VUNIVALU.- Madam Speaker, some of these Opposition Members like to campaign in this august House for the farmers to hear what they are saying. Madam Speaker, the farmers, they know what they are doing, they are not to be spoon fed. They also do subsistence farming. They plant rice, cassava, kumara, vegetables, et cetera, which they sell every day in their own markets and during these six months of harvesting, they are also plant. We are trying to say that they very poor.

If you happen to sit with one of these cane farmers either in Labasa or in the Western Division, they eat the best food which we have never tasted, just from the farm. I am talking from experience because I am a farmer and I want to correct Honourable Parmod Chand and Honourable *Koicalevu* that in regards to this railways, we have to look for our tractor and trailers, we have to hire them in order to take to the hills, mountains where the cane is. We load the cane and bring this cart and we have to pay a lot of money to the owners of these trailer and tractors. All the cane farmers, they do not have trailers and tractors, so from there, then they take it to the ...

HON. MEMBER.- Mill.

(Laughter)

HON. S.B. VUNIVALU.- No. ... to the tram line. It is a big task and sometimes it reaches Lautoka within 2 or 3 weeks and the weight of the cane probably is an important point, Madam Speaker, it is not like the cane which we harvest today, where we load in a truck and it is taken straightaway.

(Honourable Member interjects)

HON. S.B. VUNIVALU.- It is not dry.

All the weight is still there and the capacity or the tonne is still there, not like its being taken by railway. I want to correct Honourable Parmod Chand because he does not know.

HON. P. CHAND.- I'm sure ... (inaudible)

(Laughter)

HON. S.B. VUNIVALU.- You did not mention that.

(Laughter)

HON. S.B. VUNIVALU.- Madam Speaker, that is why I mentioned that we do have to campaign in this august House to the farmers because FijiFirst, we also have our mission here. Our main mission is for the FijiFirst to build a just and a fair society, where the benefit and progress includes everyone, and one of our main values is integrity and we must remain clean. All we need is to be clean, no corruption and ensure Fiji belongs to all citizens whereby there is sure justice and fairness to all individuals. So, what we are doing, Madam Speaker, it is just for the people. In this august House, I hope we all support this motion and with that small contribution I support the motion. Thank you, Madam Speaker.

HON. SPEAKER.- Thank you, Honourable Mosese Bulitavu.

HON. M.D. BULITAVU.- Thank you, Madam Speaker. I think we have talked at length in regards to this particular motion and probably I will stand to give a few thoughts to the motion that is before the House and probably the industry, comprising a few stakeholders. We have seen it from the miller's perspective as what the motion prayers are about and also from the farmers perspective. It is what the Honourable Leader of the NFP had talked about, but Madam Speaker, on the other hand, if you really want to increase production, you need land and to get land, we need new land leases not only the approvals

but also more incentives for the landowners, not only CBUL but other cane land subsidies that can be provided by the Government so that the landowners get a fair return in regards to giving out their land for sugarcane lease that will take a long-term and that will also affect their livelihood, given part of their land which they own, will now will be taken for a particular industry and I think Government should put proper thought into trying to also look at those areas on how landowners can be brought into the bigger negotiations of things and how they can benefit and their interests to be taken into account.

Given the current land rates, the land leases, normally, they are under unimproved capital value and they hardly come under review and probably the livelihood and also the difficulties as years move along and increase number of *mataqali* members as we go along. It is not taken into consideration and these are some issues,

Madam Speaker, I think has been flooding the iTLTB office where landowners have been asking officials to have a proper review into all land leases to increase the rates. I think we have done a way the idea that landowners are not renewing leases. Landowners are willing but they need new, better incentives for them to also develop themselves, becoming equal economic partnership in this particular industry and I think the Honourable Attorney-General also had mentioned that FSC is looking forward to grow its own cane to increase production and meet the demand as a way forward, given that some of the current farmers they only secure land leases just to pay leases, but they do other non-sugar crops on the side for their personal income so they can save their contract. Again, they do not meet the amount of production that FSC really needs.

Madam Speaker, if this particular proposal between FSC, probably iTLTB, plus the landowners, they should all work together, Madam Speaker, on how they join partnership, probably a better one with FSC on how to encourage *iTaukei* sugarcane farmers to participate in the industry because they become an important stakeholder in regards to trying to increase production. It will be to no use if you want to increase mechanisation, if you want to improve the mills, if there is no land and if land is not available, then probably that is an important point, Madam Speaker, that probably the Government needs to take into account and also FSC in regards to the interest of the landowners.

The other thing, Madam Speaker, given that this particular motion talks about a new direction and I thank the Honourable Minister for Economy for admitting that there has been loses to this particular company and I fail to hear the value of the total assets of this particular company. We have heard the total amount of debt that FSC owes to various financial institutions like ANZ, FDB, FNPF, plus Exim Bank but we also fail to hear how much does FSC monthly pay or the loan repayment it pays to this particular institution because we are going for a top-up, to top-up a current loan that is already there. Madam Speaker, they will be an increase in capital because the loans will be given in phases and the work will be done in phases until 2020. But again, Madam Speaker, given that the profits will not be immediate, there will be at least a time when FSC will try to roll in to get enough profits, Madam Speaker, in order to pay their loans which are amongst various financial institutions, not only to one particular financial institution.

These are very important things, Madam Speaker, and taxpayers too would like to know whether a company which is operating at a loss will be able to pay a loan of this amount in the long term, given that there is no guarantee that the work will be done. We all are assuming that the strategic plan that will be in place will be able to fall in place in order for FSC to meet its loan obligations to these various financial institutions, Madam Speaker.

Again, I will reiterate that the taxpayers are really worried about these guarantees and how these financial institutions will be able to lend huge amounts of money to FSC and at the end of the day whether this particular institution, are they aware of the insolvency of the company and the status of the company and whether they will have the burden, Madam Speaker, to pay up, given that there are 68 percent shareholders at FSC.

These are few things probably the Honourable Attorney-General will clarify on the phases of various work that he has set on capital projects and the amounts that he has already identified that will be drawn as work progresses. But again, the loan repayment, the top up that will be there and whether when the value of the debt is way above the value of asset - that is not good business.

I hope that, Madam Speaker, the Government looks into this in a very important perspective because it gives proper guarantee when this kind of motions they come, that we are approving something that which is beneficial and for years to come that will be accountable to these kind of guarantees, given if there are problems. If FSC again does not meet the strategic outcomes, probably we will be accountable, Madam Speaker.

With that, Madam Speaker, I call upon the Government to at least consider those views that will be beneficial for this particular motion.

HON. SPEAKER.- Thank you. Honourable Seruiratu.

HON. LT. COL. L.B. SERUIRATU.- Thank you, Madam Speaker. I will be very brief. I just wish to support the motion again as the Minister responsible for agriculture. I agree with the Honourable Members who have spoken previously that this is a very important industry for Fiji and given its contribution to our economy and of course the social benefits as well, it is very, very critical for Fiji. Of course, there are problems and it is the responsibility of the management and the board under the guidance of Government to ensure that these problems are fixed so that we can continue to take the industry forward.

Madam Speaker, on land, again we are thankful to the landowners and I must state again before this House that Government has done its best to subsidise the UCV value from 6 percent to 10 percent. Over the last few years until now, on the subsidy component alone, Government has given \$53 million to the landowners. From 2008 to now, that is just for the increase from 6 percent to 10 percent on the land rent component subsidy. We see, hoping this new direction, particularly with the mechanisation, bringing back the Agriculture extension or the FSC extension component and of course, mechanisation. This is all good for the industry and I am thankful for this way forward and I strongly support this motion before the House, Madam Speaker. Thank you.

HON. SPEAKER.- Honourable Salote Radrodro, you have the floor.

HON. S.V. RADRODRO.- Thank you Madam Speaker. I rise to make a brief contribution to the debate. At the outset, let me say that in all other previous debates in the House in regards to the sugar industry, the Government is always sounding very optimistic, very positive. When I look at the Government guarantee, I was kind of shocked because it is a total contradiction to the views that have been coming out from the other side of the House. Madam Speaker, listening to the discussions, it kind of gives the picture that this industry is a very sick industry and also we have heard that the Government has the biggest shareholder in the industry. We hear of all the reasons why this industry is sick and the Government side is sounding like the injection of this \$202 million will make this industry better.

Madam Speaker, this is a lot of taxpayers' money and whilst from politics aside, from a humanist perspective, I support the motion because of the farmers that depend on this industry. But from a prudent financial management perspective, I have a lot of reservation in supporting this motion. Being a former senior civil servant, if this kind of project was in the Ministry it is not going to be supported because it is not a productive use of taxpayers' money.

Madam Speaker, whilst I had interjected, I said a comment to the fact that it is an expensive industry. I heard the Honourable Attorney General replied and said “do not support the motion then.” But we must never forget that this is about the people of Fiji that depend on this industry.

They depend on this industry for their livelihood, particularly the farmers, without the farmers there is no FSC and, Madam Speaker, I was reading the corporate highlights of the 2015 Annual Report and if you just google and find out that Report, it highlights a lot of losses in the Report. That is why I am saying that from a prudent financial management perspective and Government being holding the biggest shareholder, will this injection of \$202 million make this industry better or are we going to be hearing this again next year because we have already had a Government guarantee on this industry?

Also, Madam Speaker, the fact that FSC be exempted from the guaranteed fee, the Honourable Minister for Economy would know what prudent financial management is all about and this puts up a lot of questions. We talk about transparency, accountability, prudent financial management in this House and when it comes to this kind of issue, we tend to push that aside and politicize the issue.

HON. A. SAYED-KHAIYUM.- (inaudible)

Madam Speaker, we hear again from this side, the Government side, this side, do not support the motion. You are not really thinking about the people of Fiji; the farmers who depend on this industry.

(Laughter)

What I am asking the Honourable Attorney-General, will this fix the problem or come next year, you will come again with another guarantee to be able to support the industry? Why do you not look at other issues and not just this guarantee, look at other issue that affect the operation of the FSC?

HON. A. SAYED-KHAIYUM.- Like what?

HON. S.V. RADRODRO.- You are the Minister of Economy you would know, you should know.

(Laughter)

Madam Speaker, on that note like the other Members from this side, yes we would like to support the guarantee. It is because of the farmers that depend on this industry, because of the farmers, we are supporting this. Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. Honourable Veena Bhatnagar, you have the floor.

HON. V.K. BHATNAGAR.- Thank you, Madam Speaker. I also rise in support of the motion on the floor.

Actually, Madam Speaker, time and again, Honourable Members stand up and say that the Government has not done this, the Government has not done that, alluding to what Honourable Minister for Agriculture has said that the Government has assisted the farmers in a big way. Madam Speaker, the farmers know what this Government has done for them. The farmers know what the Government will do for them and the farmers know that this Government really cares for them. What

do they think? Which Government would not want this industry to grow? Do you not think our Government does not want the sugar industry to grow, we do not want extra economy? We do not want to grow on our economy; what do they think? They think that the Government just sits here and does nothing. Why do you think the Honourable Acting Prime Minister announced the \$10 million subsidy for the cane farmers? Why? We do not want to assist the farmers?

The farmers know that we care. Why do you think that the Honourable Acting Prime Minister announced the pay-out of the loans of \$3 million? Why do you think we are doing this? To assist the farmers and other farmers are happy and they know that this Government will not let the sugar industry down and the way forward is, everything this Government is doing. Actually this is actually the way forward for the sugar industry in Fiji.

So, please if you want to assist us in moving forward and not only dwelling in the past that this has not been done, that year was not, they have a lot of contributing factors for this industry to go down and it has been a problem of years back, not a problem of yesterday because of this Government, the problems are there. No way, but all this Government is trying to do is to revive the industry and to move forward.

Madam Speaker, I fully support the motion on the ground. Thank you, *vinaka*.

HON. SPEAKER.- Thank you. Honourable Lorna Eden.

HON. L. EDEN.- Thank you, Madam Speaker. I rise to support the motion before us as well.

Madam Speaker, there is no doubt in anyone's mind that this industry is very, very important to everyone in Fiji and at the end of the day, we can talk and talk and talk until the cows come home but we will always agree on some things and we will tend to agree to disagree on most things.

Madam Speaker, I have complete faith that the new team at FSC will turn things around positively for this industry, for FSC in particular and I suggest that we move ahead on this motion or agree on this motion so that they can get on with it as soon as possible. Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. I now give the floor to the Honourable Acting Prime Minister to speak in reply.

HON. A. SAYED-KHAIYUM.- Thank you, Madam Speaker. Madam Speaker, I am glad that all of the Honourable Members actually have agreed to support this motion. Some perhaps reluctantly and being dragged to the finished line. But, Madam Speaker, I do feel somewhat compelled to respond to some of the issues. Many of the matters, for example, raised by Honourable Parmod Chand is precisely what we have addressed when we introduced the motion and that is to identify those areas where there are gaps, of course there are gaps, and this is why, for example there is going to be refurbishment of the mills, there is going to be refurbishment in respect of the rail system. Everyone knows and agrees that the rail system actually provides a much cheaper alternative of cartage. Of course also at the same time, we have a target rate of ensuring that this new refurbishment will hope to increase the current rail cartage of cane to 20 percent, to increase it in the immediate future to 50 percent, and these things of course will be able to go towards the cost base for the farmer.

Yes, of course, there have been queues outside mills. Yes, we need to address them and yes, the CEO, Mr. Graeme Clark, the Chairman and Mr. Navin Chandra; all these people are lined up. We have got a very good team and they are there to essentially roll out their strategic plan.

Strategic plan in fact, Madam Speaker, was what was required by Government to be able to feel confident to bring this motion to Parliament. We have seen this strategic plan. The strategic plan actually will be rolled out through a *Road Show* that the CEO will lead with his team and go out to all the stakeholders including the farmers, to be able to tell them what exactly they will be doing.

And indeed, a lot of this strategic plan, Madam Speaker, the input has already been received from the farmers. They have already had their consultation, including the Chairman, this of course includes things like introduction of the rail cage beans, et cetera. In fact it was very interesting, I was in Vanua Levu last week and I was talking to some of the farmers and I said to them about the rail cartage and they said, “you know, the labourers that we have, they do not like loading cane into the rail trucks, they want the lorry trucks because they prefer the lorry trucks.” Of course some of these people will need to make adjustments. This is why the cage beans are also critical, people will need to rethink outside the box and that is very, very critical, including the farmers too and how they actually approach farming.

Madam Speaker, in fact I was looking at my phone and I had in fact the chart from the Reserve Bank of Fiji that actually shows the contribution of sugarcane as a percentage GDP. GDP, Madam Speaker, of the sugar contribution GDP was 14 percent in 1994 and essentially there were top season terms in the graph but you can see right from 1990s from about 1996 it started declining and they were reflected in 2006, the contribution to GDB was 5 percent.

Essentially, Madam Speaker, which all of them, even the NFP Members actually did not mentioned explicitly one of the fundamental causes of the decline as a percentage of the contribution to the GDB, including the number of growers. If you look at the active number of growers from 1984 up till 1998, it was approximately little over 20,000 growers, then there is a drop immediately after that. It just keeps on declining in 2006, 2010 and then it stabilises.

In 2010, Madam Speaker is when CBUL started kicking on. CBUL, Madam Speaker, is what Government implemented to actually assist landowners, to make the positive decision to renew lease and as a result of that Government actually contributed until today 4 percent of the UCV value, normally the 6 percent now is 4 percent of top up that the Government provides. So there is a direct correlation in the cane output in the number of farmers in the sugarcane industry to the renewal of leases or in this case, the non-renewal of leases which is none of them have actually addressed in an unequivocal manner, and I am afraid to say that is what we call having a bit of “social inertia” about the history of the sugarcane industry – there is direct correlation.

Of course, Madam Speaker, there are other issues pertaining to sugarcane industry because of the non-renewal of leases, lack of confidence, non-mechanisation, lot of the younger generation not wanting to be cane farmers, as what Honourable Parmod Chand talked about, the lack of labourers; it is a fact. That is why prisoners are being used, the prisoners are being paid a rate. He is absolutely right; labourers, they come in, they can share the farm for a week; you feed them, you clothe them, you give them shelter and then they may actually, Madam Speaker, a day before the harvesting go to another farmer who may actually offer them \$1 more - it is happening. In the same way, Madam Speaker, a lot of you have spoken about Penang.

Madam Speaker, the cartage cost from Lomawai to Lautoka in Nadroga, Lomawai is about approximately 71 kilometers. The truck cartage cost is about \$21 to \$22 a tonne; from Penang to Rarawai is also approximately 71 kilometers, the cartage cost last year paid by FSC was \$33. She also have those dynamics where people who are lorry drivers also try and make quick bucks too. These are the kind of dynamics at play. So we have to be very, very upfront about what are the issues facing the farmers.

Yes, Madam Speaker, we have to reduce the cost per tonne of producing the cane for farmers. It is very critical, this is why this \$202 million guarantee that we are giving, Madam Speaker, a lot of it is not just targeted to all the refurbishment of the mills, but it also about ensuring that the system provisions in respect of production of their cane, the cost will come down.

This is why you have this Extension Services what we call the Agriculture services that FSC intends to provide through this. They will be doing things like soil testing, the ratoons about how they are owned? At the moment, the Permanent Secretary for Sugar also was in India a few months ago. He looked at things like tissue culture to ensure that we get a better yield from the cane crops. These are the works that are at play that is very, very critical. You have \$2 pump for weedicide, \$2 bag for fertilisers, if you able to mechanise this, , the cost of the production will come down.

So, these are some of the issues that we are addressing obviously, Madam Speaker. The cane harvesters, yes, I agree, so the cane owners of harvesters have become greedy, maybe this is a case in point. I have mentioned this to some of the stakeholders, maybe we need to bring in the Commerce Commission because it is a particular service that needs to be provided and some people turned their monopolistic positions because they see that you are paying now some cane cutters \$22 a tonne, \$28 a tonne and \$29 a tonne, so it is advisable to put up the cane harvest a cost, it defeats the purpose. So maybe we and we are currently looking at this whether we can actually have some price controls on cane harvesters. This is going to be a multi-stakeholder approach to ensure that these \$202 million will be utilized to the maximum of its capacity.

Madam Speaker, I have highlighted one of the fundamental reasons about the lack of confidence and decline in sugarcane grower numbers and also the cane output. The other point, Madam Speaker, was again we talked about the mill upgrade, it is very, very important. We need to be able to ensure that this strategic plan will be adhered to.

Madam Speaker, a lot has been said about bi-partisan support, about having a bi-partisan committee and how the Honourable Prime Minister is saying we should not politicise it and how the Honourable Viam Pillay said the defeat was not only for the Honourable Prime Minister that lot of the industry will die out. I can tell you, Madam Speaker, why lots of people are saying this. The reason why that was, Madam Speaker, because we need to be able to take a purely commercial approach to these matters. We need to take an apolitical approach to this. When they have the Cane Growers Council, the National Farmers Union which is still today is an extension of the Fiji Labour Party. The Fiji Cane Growers Association is an extension of the NFP. It is a fact. People are eyeing those two organisations also in those political parties. Yet, Cane Growers Council being elected, elections were conducted like they were national elections - 36 members ...

(Honourable Member interjects)

HON. A. SAYED-KHAIYUM.- ... and you have walk-outs then they walked out. The Cane Growers Council becomes ineffective. When they have to go to an overseas trip, we must have some NFP and Fiji Labour Party people, they missed the whole point.

(Honourable Members interject)

HON. A.T. VADEI.- (inaudible)

HON. A. SAYED-KHAIYUM.- Look at the production going down. You do not know about graphs. I know it, you do not know about graphs, Honourable Vadei.

(Chorus of interjections)

HON. A. SAYED-KHAIYUM.- Now, Madam Speaker, all they need to do, if they want to be informed, simply go to the Reserve Bank...

(Honourable Member interject)

HON. A. SAYED-KHAIYUM.- I will provide you with that information.

If you do not trust the information, you independently go to the Reserve Bank, they will give you all the facts and figures. They collate all those figures, Madam Speaker.

So, the reality, Madam Speaker, is again, I want to get into this old issue about how wonderful it was when we had all these political matters being decided along through these different representative groups.

Madam Speaker, that is why ordinary farmers are saying that this is a saviour from that perspective saviour from that system. In the sense, Madam Speaker, also there is an ethnic perspective. Let us call a horse a horse. There is an ethnic perspective to sugarcane industry. It precisely-wise I mentioned the other day, the farmers were seen to be the Indo-Fijians, the people who provided the land were the *iTaukei* people, you have the genesis of most political parties that were Indo-Fijians based coming from the cane farming areas and thus it continued.

We also have some *iTaukei* farmers, but the general, Madam Speaker, when it started (you know History) that is how it was. Until today, the Honourable Bulitavu actually talks in ethnic terms. You see, Madam Speaker, this is the reality so we have to be able to shed that old way of thinking and this is why we are taking a new approach to it. A farmer is farmer.

A landowner is a landowner and therefore, they shall have a contractual obligation with each other, the FSC which is the miller must be able to provide the best tools of production and a cost effective manner to the farmer so FSC can actually guarantee that it will get a guaranteed tonnage of cane through their mills, it can then become financially viable. It is in FSC's interest to ensure that all these decks are lined up so the farmer can produce and feel confident about it without political interference. That is the issue, Madam Speaker and that is why a lot of the farmers feel confident about it.

Madam Speaker, just to demonstrate my last point on this, how it is politicised. This petition is going to be presented and I understand someone just made a statement in the media about it. Clause 2 of the petition says (and I say this again) that the \$10 million grant that Government has recently given, none of it is going to the Labasa farmers - completely false, but here is a petition drafted by the National Farmers Union alas Fiji Labour Party that will now be presenting in marching through the streets of Labasa and presenting this -completely false. Who was misleading who? Who is politicising what? This is the point. This is precisely the point.

So, Madam Speaker, again the minimum guaranteed prices have been talked about I know a lot is an in-thing.at the moment, to go off to farmers and will give you \$100, et cetera.

Madam Speaker, it is also a digit reaction. We have to be able to reduce the cost of production for the farmers. In fact, when I was in Wailevu, Labasa last Thursday night and I met about a group of 40 farmers and I raised this issue with some of them said about \$100 tonne and they said to me themselves. They said "we know it is a gimmick, but look we are more concerned about the price of fertiliser.

We are more concerned about the price of wheat; we are more concerned about LTA booking us; we are more concerned about the cost of cartage; those are the fundamentals that they want to know about and that is what they want to address. They wanted to know snoop -. when we go and farm when we

bring the labourer we do not actually have a source of water. He said, "I have to cart water in drums to take it to the labourers in the fields so they can drink the water so they can work for me." These are fundamental issues. So, these are the issues that need to be addressed for these farmers and this is what these \$202 million guarantee will ensure, will actually happen in conjunction with the others stakeholders, Madam Speaker.

Madam Speaker, the question was raised about how we are going to trade all the liabilities. I do not quite understand that if the Honourable Member is talking about converting debt into equity. You obviously can convert debt into equity and generally you convert debt into equity with an existing shareholder. Now, if for example a major lender to FSC, if it is the Exim Bank of India, if it comes along and says "we are going to convert a debt into equity" there may be a possibility but they never going told do that. Exim Bank of India does not hold equity, they simply lend money. But Government is a lender and they own their books, Government has a debt, this is from the previous lending that has taken place, Fijian Government at the moment on their books is owed a \$173 million. Now Government may actually say "if Government does,, say "look we can convert this debt into equity." If it does what will mean essentially is that the percentage of shareholding of all the other existing shareholders will become small and even smaller. That is what can happen. Alternatively Government can buy them out.

Now, someone raised the issue whether this money if lent to FSC will be used to buy shares? Of course they are not going to use it to buy shares.

The issue was raised about whether the people who are lending money to FSC, do they know about the financial status? Of course, they know. They have to know their books. They have to make it all transparent before they lend their money.

So, Madam Speaker, these are some of the issues that were raised. Yes, Honourable Radrodro said this is an expensive industry. Now, I can by comparison also say, Madam Speaker, how much taxes the tourism industry paid in the 1960s? How much rebait have they got? How much tariff concession have we given them? How much of the individual owners of those hotels benefitted in not paying taxes for decades? If I lump that all up together I can also say from that perspective it is a very expensive industry for Government.

So, you see, Madam Speaker, these decisions are made because it is for a strategic reason. As Members from the other side have acknowledged, Honourable Prasad I think was the last one who said this, was that we actually value the sugar industry for a number of reasons, apart from the fact that it does provide employment for lot of people, a lot of the money that we do get actually goes into the pockets of the very people who deal with production. So, it churns the economy over. That it is why it is critical. It used to be 14 percent contributing towards our GDP because of non-renewal leases and it is a direct correlation, it just goes down, it is now today four percent. The non-renewal has now stabilized.

We of course are encouraging more people. We need to increase the production; we need to increase the output; and that is where we are looking to a positive future, but we need to be able to understand where we have come from. This is why I said to her, if are you saying it is an expensive industry, what will you do? So, Madam Speaker, the reality is that we have a team on board, sorry before I finish on that, is that a lot has been talked about Penang Mill. I need to say this. We have repeatedly said, that with the transfer of the cane crushing from Penang to Rarawai will not pose any additional burden on the sugarcane farmer as far as cartage costs are concerned. The FSC has unequivocally stated that cartage cost will be borne by FSC, so as far as a farmer is concerned, is as if they are taking the cane to Penang. No additional cost, but if you say, "well because of that the economy of Rakiraki will sink.

No, those farmers still live in Rakiraki, they will get their bank money into their bank accounts and they will go and spend it in Rakiraki Town. The shops will still be in operational, though

not just because of cane will be produced in Rarawai it does not mean that they can bring the cane farm to Rarawai. The cane farmers still be there.

Madam Speaker, the fact to the matter it is again sort of being politicised, a lot of you mentioned about the two Bills I really do not want to get into that space, I think it was unfortunate they got into that space, I think there were a lot of people who were positive about it. In fact, if you look at some of the objectives of the Bill and of course, they have had second rounds of consultations. A lot of this has already been done; it is the legal tidying up of what needs to be done.

We had a very bureaucratic system pertaining to the sugarcane industry, there were all sorts of bodies and tribunals at the end of the day everybody is being nice big packages and all these organizations and the little poor farmer was out to go all right, this is what you get: I completely agree that we need to look at the cane payment system, when should the farmers be paid? Honourable Parmod Chand had raised that, we have already raised that with the FSC, they will be looking at that.

We need to encourage this people to produce, we need to be providing an enabling environment where they feel confident they have a long secure tenure. Honourable Minister Koya mentioned today about how they have given crown leases up to 99 years is unheard off. All agricultural leases in Fiji were generally given 30 years - crown land and *iTaukei* land, even freehold land, we used to lease it out in Vanua Levu, in some parts, and give only 30 years and everyone knows that, but you cannot use that lease or land as collateral you cannot go to commercial bank. This is why we do not have commercial ending in the agricultural sector giving a 99 year lease, we pay the landowner the right premium, you are also then able to use the land as collateral. Most hotels in Fiji are built on *iTaukei* land, bank use it as collateral, it is good collateral, so should it be for agricultural sector. All of these issues are contributing and should contribute to enhancing the capacity in the sugar cane industry.

So, Madam Speaker, the last point that the Honourable Radrodro had mentioned about probably to give FJ \$300 million, will we know, is it producing profit, et cetera?

Madam Speaker, FEA has that exposure over \$400 million guaranteed by Government all these years. How much profit did FEA give Government - zero, dividend - zero. The first time in Fiji's history we will be getting \$20 million from FEA - first time. A dividend pay-out by FEA in about two weeks' time.

But all these years, we have guaranteed FJ \$400 million, we have got zero from them some years they have made losses too. So it is about the productive capacity and the contribution to the economy. FEA is critical, that is why government provided the guarantee. FEA is critical so as FSC to pre-empt the life line. a live blood, it contributes to the economy.

So, Madam Speaker, some of the contribution that have come along unfortunately may have not necessarily gone to the core of it, but I am really glad that we have had these positive contributions. Ultimately everyone does support the motion. I think we all, if we sincerely put our hands on our heart, we all agree that we have a good team on board; we have a good Chairman; a good CEO; a good Operating Officer; we have a good financial person; we are confident with them; we have seen the strategic plan; of course there may have been instances in the past where things have not been right.

I would be foolish to stand up here and say everything is hunky dory or was hunky dory as they should also admit that nothing was hunky dory also prior to that. They should also admit that because of non-renewal of leases they were direct correlation, the drop in the number of number of

growers and the drop of cane production and the drop in the percentage of contribution towards our GDP, they need to admit that too.

So, we are here on a positive note, we are here to ensure that now with the good strategic plan that the FSC will roll out which will ensure that the farmers are assisted in a very tangible and a practical manner, that we will have in place some systems that will have a longevity and Honourable Prasad I hope it is not only going to be for 10 years. We are here for the investment for 20-30 years, of course like all commodities, we need to be able to also value add and that has actually been the bane of most colonial societies where we were simply providing raw materials and the value adding was done in the industrialised countries.

Unfortunately, we are still stuck with that until today. We should have been refining sugar a long time ago, but we cart it halfway across the world to get it refined and we just sell brown sugar. There are many things. Well because of that the economy of Rakiraki will sink. The Honourable Minister for Agriculture of course is working on many other value adding propositions in other agricultural products and so, Madam Speaker, the reality is that, there are a number of changes that are taking place, we believe that the way forward is a very positive way forward.

I would like to thank all the Members for agreeing to vote for this motion and I am sure that at least in the next 18 months or so, we will see some significant changes and I like to take this opportunity, Madam Speaker, to also thank the new Chairman of FSC, Mr. Vishnu Mohan, Mr. Graham Clark who is sitting there in the gallery, and also the Chief Operating officer too, Mr Navin Chandra and the rest of the team who are here and we wish them all the best and we are here to support them and I am sure we all know that they will deliver for us. Thank you very much.

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

Question put.

The question is:

For the purpose of Section 145(1) of the Constitution of the Republic of Fiji, and pursuant to Standing Order 131(1) that Parliament approves that:

1. The Government increases the existing guarantee of FJ\$120 million to FJ\$322 million to the Fiji Sugar Corporation Limited and extends the period to 31st May, 2022; and
2. FSC be exempted from paying a guarantee fee.

Does any Member oppose the motion?

HONOURABLE MEMBERS.- No.

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

Motion agreed to.

HON. SPEAKER.- Honourable Members, we still have a few more things to do and we will adjourn Parliament. We are not going to have just tea but we are having dinner. So we will now break to have dinner. How much time do you need to have dinner?

(Honourable Members interject)

HON. SPEAKER.- You want to finish, with your indulgence, yes.

HON. A. SAYED-KHAIYUM.- Are you okay to continue, we can take a short break...

HON. SPEAKER.- I think I am more alright than you are.

(Laughter)

HON. SPEAKER.- Thank you anyway for your concern. With Parliament's approval, we will continue and then finish it off before we have dinner. So we will move on to the next item on the agenda.

For the information of Honourable Members, there are two motions from the Chairperson of the Standing Committee on Natural Resources. From the outset, I wish to clarify that the wording of the motions, allow the Parliament to debate the content of the reports. At the end of the debate, we will voting merely to note the report. I now call upon the Chairperson of the Standing Committee on natural Resources to move the motion.

REPORT OF THE STANDING COMMITTEE ON NATURAL RESOURCES – MARITIME SAFETY AUTHORITY OF FIJI 2013 ANNUAL REPORT

HON. CDR. J. R. CAWAKI.- Madam Speaker, I move:

That Parliament debates the Report of the Standing Committee on Natural Resources on the Maritime Safety Authority of Fiji 2013 Annual Report, which was tabled on 10th February, 2016.

HON. RATU K. KILIRAKI. – Madam Speaker, I beg to second the motion.

HON. CDR J.R. CAWAKI.- Madam Speaker, the report was tabled in Parliament on 10th February, 2016, after the Committee had conducted it review and scrutinized the performance of MSAF for the year 2013, as contained in this 2013 Annual Report.

The Committee responsible for compiling the report comprised of the Honourable Alifereti Nabulivou; Honourable Ratu Kini Kiliraki; Honourable Samuela Vunivalu; Honourable Jiosefa Dulakiverata and myself with Honourable Ratu Sela Nanovo, filling in as alternative member.

Madam Speaker, MSAF was established on 9th Feb 2011, as a Commercial Statutory Authority (CSA) after it was declared as one of the reorganization entity under the Public Enterprise Act of 1996.

The reorganisation was intended to institute a firm foundation to strengthen and enhance MSAF's operational efficiency to providing an efficient regulatory framework that meets the International Maritime Organisation (IMO) conventions and agreements which Fiji is a signatory.

The re-organisation was also projected to enable MSAF to embrace a customer-focus and business orientated structure with the change in philosophy on work organisations, condition, patterns, attitudes and ethics. The proper maritime training of MSAF for officials and seafarers was also in the re-organisation agenda.

MSAF is Fiji's National Maritime Safety agency, with the primary role in maritime safety, security and the protection of the marine environment.

Madam Speaker, 2013 was a challenging year for MSAF, as it was fully engrossed with its reforms and restructure plans. It has a bigger plan for a new dimension for its maritime sea safety and maritime security. The major activities undertaken in 2013 includes:

1. The continuation of work with the ground work to institute the Maritime Transport Decree and Ship Registration Decree to replace the Marine Act of 1986. For the information of the House, these two Decrees came into force on 1st January, 2015;
2. MSAF, in 2013, continued the work with ISO Certification of all its business for assessors, MSAF signed an agreement with FNU for the installation of the processes to ensure full ISO certification and compliance;
3. MSAF continued with the work to roll out each decentralisation plan but this was delayed due to unavailability of office space in other centres around the country, apart from the established office in Suva, Lautoka, Levuka and Labasa;
4. Also in 2013, MSAF continued with instituting the transfer of the assets from the Ministry of Works, Transport and Public Utilities to ensure that MSAF becomes a fully-fledged reform Commercial Statutory Authority;
5. Also in 2013, MSAF continues to work in the installation of marina certification software for its staff and for our seafarers;
6. Also in 2013, MSAF continues the work in the installation of its ship registration software in the registration of ships registered in Fiji;
7. Also, Madam Speaker, in 2013 MSAF continues work in the construction of new and upgrade of old light houses and other navigation awakes, where eight light houses was completed in 2013;
8. Also in 2013, MSAF continues with the local and international training of each staffs which is very important in building the capacity and technical expertise within MSAF;
9. MSAF also continues to develop the national spill contingency plan for Fiji where the draft was completed in 2013 and submitted to the Solicitor-General's Office.
10. Also, in 2013, MSAF continues to train and resource MSAF's mobile awareness team to assist stakeholders to become compliant; and
11. Three teams were trained and resourced in 2013.

Madam Speaker, these are only some of the many activities for 2013, apart from the routine survey of all vessels and the marine checks of vessels leaving port.

Madam Speaker, the Committee received oral and written submissions from a wide range of maritime stakeholders, including the Chairperson of MSAF, the MSAF Board and its CEO. The Committee has deliberated and in its review process, made the following recommendations for MSAF:

Recommendation 1

That given the high capital investment initiated the reform, the Authority envisaged the sustainable growth and financial stability in the medium to long-term future.

Recommendation 2

The Authority considers clarification of fish and licensees in accordance with vessel sizes, vessel users, area of operations, whether for commercial or private use.

Recommendation 3

The Committee wishes to put for the record to withdraw the Resolution 3 which is more fisheries than MSAF.

Recommendation 4

MSAF to ensure that total operational compliant and enforcement coverage of all coastal and maritime areas in Fiji.

Recommendation 5

MSAF's operation to be streamlined to review the reliance on Government's budget and to be in a position to improve returns from its operational and capital investments.

Recommendation 6

As a regulator MSAF to generate income from all its maritime safety aspects and discipline, breaches to environmental issues, search and rescue situations and hydrographic services.

Madam Speaker, on the financial performance, MSAF in 2013 register negative bottom-line in its financial statement. This is mainly due to the heavy operational and capital investment in terms of its infrastructure, its establishment, the office space, its legislation and the establishment of its systems and processes.

Madam Speaker, it must also be noted that almost of all these investments are capital in nature, a one off commitment, where MSAF may gain benefits in the medium or long-term and strengthens MSAF's operational capability and capacity as Fiji's national maritime safety agency. Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. The motion is now open for debate and I invite input from the House. Honourable Ratu Kiliraki?

HON. RATU K. KILIRAKI.- Thank you, Madam Speaker. I will be replying on behalf of the House on this side, including both parties. But just a small contribution, I have seconded the motion on the production of the release of this Report as a Deputy Chair of the Standing Committee on Natural Resources until two weeks ago by the pressure of the Government on our Committee. So, it comes from one from Naitasiri to the Government side of Naitasiri as the Deputy Chair and I congratulate him.

This is a bipartisan report, Madam Speaker, so we all agree with the Report but I would like if the Government could take on board our concern by the MSAF in regards to the environment issue. One of

the responsibilities of the MSAF is the environment, and I would like to read: “MSAF as a regulator and one of its responsibility is the protection of the environment.”

Currently its Act has some overlapping with the Fiji Ports Limited in terms of the jurisdiction of Fiji Ports Corporation Limited and also where MSAF comes in. I bring this up because of the issue of *Southern Phoenix* that sank in the Suva Harbour in terms of the conflict of jurisdiction with MSAF in relation to Fiji Ports Limited as well as the derelict vessels and the 49 or so that are being buried in the sea as graveyard of Suva in terms of the environment.

I hope the Government could address that so that we have a clear jurisdiction as far as MSAF is concerned that is my contribution.

Furthermore, Madam Speaker our bipartisan approval of the two motions and this one and the next one so if that can be taken in as regards for both motions. Thank you, Madam Speaker.

HON. SPEAKER.- Thank you.

Now I really do not know how you are going to handle this because you have already put in your input for both motions. So because we have the same Chair, would the Chair like to make concluding remarks on both motions?

HON. CDR. J.R. CAWAKI.- Madam Speaker, I thank our former Deputy Chair. Environment comes under the Department of Environment but under the port regulation, FPCL has the mandate for review of all environmental issues inside the port area.

On that, Madam Speaker, since there is no other contribution to the debate, I would like to point a few points. MSAF came into being a Commercial Statutory Authority on 9th November, 2011. In 2012, MSAF started with the institutional plan where its focus is on establishing its legal framework, developing its operational capacity, engage in its capital development and its installation of business systems and processes. 2013, which we are reporting, MSAF continued with its institutional plan.

Madam Speaker, on behalf of the Standing Committee on Natural Resources, we commend the Maritime Safety Authority of Fiji 2013 Annual Report to the House.

HON. SPEAKER.- Thank you.

Parliament will now vote.

Question put.

To note the content of the Report, I remind the Honourable Members that once the vote is taken on the Motions, it ends there and the Report will not be debated again in Parliament. This is with regards to the MSAF motion. Also on the same condition, it will apply to the second motion.

The Question is:

That both Motions be put to vote.

Does any Member oppose any of the two Motions?

HON. MEMBERS.- No.

HON. SPEAKER.- There being no opposition, both Reports are agreed to.

Motions agreed to.

HON. SPEAKER.- Thank you, Honourable Members. That brings to the end, all Items in today's Order Paper. I would like to thank you very much for your patience. Thank you very much for sitting this long and thank you for your concern.

I would like to also invite the visitors in the gallery to also join the Honourable Members in sharing the dinner. Parliament is now adjourned until tomorrow at 9.30 a.m.

The Parliament adjourned at 6.33 p.m.