

PARLIAMENT OF THE REPUBLIC OF FIJI



PARLIAMENTARY DEBATES

DAILY HANSARD

WEDNESDAY, 24TH MAY, 2017

[CORRECTED COPY]

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WEDNESDAY, 24TH 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 Tuesday, 23rd May, 2017, as previously circulated, be taken as read and be confirmed.

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

Question put.

Motion agreed to.

COMMUNICATIONS FROM THE CHAIR

Welcome

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

Daily Hansard – Tuesday, 23rd May, 2017

I have been advised that the Hansard Report will be distributed to Honourable Members as soon as the Secretariat completes printing.

Presentation of Papers and Certain Documents &
Presentation of Reports of Committees

I have been informed that there are no papers and documents for presentation this morning as well as no Reports of Committee for tabling.

I give the floor to the Honourable Dr. Brij Lal to ask his question.

QUESTIONS

Oral Questions

Climate Finance Readiness (Question No. 157/2017)

HON. DR. B. LAL asked the Government, upon notice: All 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.

Can the Honourable Attorney-General and Minister for Economy, Public Enterprises, Civil Service and Communications brief this House on Fiji's stand in Climate Finance Readiness?

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 thank the Honourable Member for his question.

Madam Speaker, the Climate Finance Readiness is in fact an initiative that was launched by GCF (Green Climate Fund). Essentially, it is to prepare the countries for their ability to accept GCF. There is of course quite a lot of work that needs to go into the ability to, for example, identify projects, carry out the assessment of the projects and then of course you are able to then access those funds. Those funds need to be accessed through accredited organisations.

You also have to have your national designated authority and in Fiji's case, the Ministry of Economy is the national designated authority. Fiji, at the moment, does not have an accredited institution that can actually receive the funds. This is why the first trench of funds that we did receive, which is the US\$32 million GCF contribution to the water and sanitation system in the Suva-Nausori corridor, was in fact channelled through the ADB because ADB is an accredited organisation.

So, what the Climate Readiness does, Madam Speaker, and quite a lot of matters come under them is that the Readiness Programme is actually implemented by the United Nation Development Programme (UNDP), United Nations Environment Programme (UNEP) and the World Resources Institute. Madam Speaker, you may recall that yesterday, in Parliament, I had mentioned when someone asked the question about our development plans that we are also using the same organisation, the World Resources Institute, to actually climate sensitise our development plan as we speak.

The Readiness and Preparatory Support through the Climate Readiness are not one off measures but part of an ongoing process to strengthen a country's engagement with GCF.

The Readiness Programme focuses on three specific areas:

1. Establishment of national designated authority of focal point, which is the Ministry of Economy;
2. Institutional strengthening of the focal point; and
3. Relevant national stakeholders. In other words you have different agency whether it is Water Authority of Fiji, whether it is a particular ministry, for example, we are dealing with rural development, rural maritime development in the case of when we have to move villagers up to higher ground, if you do get funding from

GCF, then we need to involve and strengthen the readiness and the capacity within the Ministry of Maritime and Rural Development.

Then of course, you identify a national accredited entity and this case as we have said, we have nominated the Fiji Development Bank to become the national accredited entity through which funds could be channelled and also developing a project pipeline to bring forward fundings proposal through accredited entities. It is very critical, Madam Speaker, that we need to ensure that the proposals we actually do put forward have some substance to it, we simply do not just put proposal for the sake of it.

A particular one that we are working on at the moment, Madam Speaker, is the Nadi River Rehabilitation. So at the moment we have as you know, publicly known as JICA has also carried out an assessment, there is a project proposal in order to mitigate the risks from Nadi River that the project will cost probably a period about three years in excess of about \$300 million. It involves building some bridges, damming water, building pools, rehabilitating the sides of the river banks itself. For example Namotomoto village, all of these villages the water levels are slowly coming closer to the village boundary, in fact some areas some of the graves are actually falling into the river.

So we need to be able to rehabilitate these rivers and that is part of the ongoing project. JICA actually has with the Japanese Government offered to give us a soft loan into funding this entire project. We have of course are quite keen to get grant something also. So, we have at the moment developing a project through the GCF to be able to see how much of that \$300 million actually can be funded through a grant by GCF under the adaptation measures that GCF has.

So these are the kind of preparedness that we need to put in place, it takes a lot of planning, a lot of processing and part of this is what we call the Readiness Programmes, I will stop there, Madam Speaker.

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

HON. N. NAWAIKULA.- Madam Speaker, yesterday we highlighted how the Government diverted \$7 million for first home buyers to Matavolivoli. Now, the GCF does not want that, so how can you assure that the Green Climate Fund that the money allocates for certain projects is not diverted elsewhere?

HON. SPEAKER.- Thank you. Honourable Minister.

HON. A. SAYED-KHAIYUM.- Madam Speaker, again, the Honourable Member perhaps lacks understanding on how Government finances work. So let me address the first point.

The first point that he has raised, as you will see, Madam Speaker, with all Government's, is that for example if allocations have been made for a particular programme and if there is low utilisation of that programme the first home buyer provision that the Honourable Minister Praveen Bala spoke about is that you have to go through a particular process; people need to apply, they go through the banking system if they apply, they qualify if they earn less than \$50,000, the banks approve their loan, and if they did not have enough seed funding, then Government actually comes in and give them a \$10,000 grant if they are building their first home.

So there is a low utilisation of that then obviously that money is available to be able to divert it to other housing projects which is precisely what the Honourable Member said actually happened. That is what you call `viring' from different SEGs. It is called `virement'. It has been a long process right since we have been independent.

The GCF of course is a separate entity. It is not just GCF any international agency if they specifically give you money for a particular project...

HON. N. NAWAIKULA.- It is not credibility. How creditable are we?

HON. SPEAKER.- Excuse me, can we please listen to the Honourable Minister's response? We are not hearing it, you can ask supplementary question again. Thank you.

HON. A. SAYED-KHAIYUM.- Honourable Niko Nawaikula again does not understand. So if you for example this is the project and if GCF fund this project all the money is not given to us as a lump sum, we obviously have a project, if it takes three years you have various points of payment to whoever is doing the project. So for example, the first quarter payment or after, the first bridge is built and whoever is the contractor, they actually then raise your requisition, you then have the invoices, then payment is made.

So wherever that money comes from the payment could come from the person lending you the money or it could come from the grant funding. And then they will actually disburse the funds accordingly. It is not like the money is given to us and then we do whatever we like with it. That is essentially what the Honourable Member does not understand. Whereas when you have your own funds that is not anyone's fund, it is not given through a grant, then of course your level of flexibility is greatly enhanced. But if you have a project, then of course the funding and this is why we are talking about readiness.

Readiness actually helps us to prepare very well for the project and then the disbursements are done at different intervals whenever these disbursements are required; that is all it does. It does absolutely no bearing, if for example the Honourable Member is trying to insinuate as a result of that particular allocation, that therefore, our credibility has gone down, the GCF would not be engaging with us at all.

(Honourable Member interjects)

HON. SPEAKER.- Thank you. Honourable Prem Singh.

HON. P. SINGH.- Madam Speaker, I thank the Honourable Minister for his answers.

Madam Speaker, the Fiji Development Bank (FDB) has been identified as one of the accredited institutions under the Climate Change Funds. Could the Honourable Minister inform this House, what is the progress of that accreditation and also what inputs are the local NGOs providing towards the climate financing initiatives?

HON. A. SAYED-KHAIYUM.- Madam Speaker, can I get clarification from the Honourable Member, I do not understand the second part of his question? Is he saying that the local NGOs are either funding it? I do not know what the question is.

HON. SPEAKER.- Thank you. Can you repeat your question? Please, be reminded that you can only ask one question and not two in one.

HON. P. SINGH.- Madam Speaker, both of these questions are linked.

HON. SPEAKER.- So they are related?

HON. P. SINGH.- As regards to FDB being an accredited institution for Climate Change Funds, what is the progress of that accreditation?

HON. SPEAKER.- Thank you. Honourable Minister?

HON. A. SAYED-KHAIYUM.- Madam Speaker, the Honourable Member has contradicted himself. He is saying that FDB is an accredited organisation, it is not. Then in the second part of the question, he is saying, what is the process of the accreditation? What is the progress? And that is precisely what I have said. We have put in an application for FDB to get accreditation. It goes through a process - a very vigorous process.

There are about three different stages before you actually get the accreditation. We are told that the GCF Board when meets later on this year, it will actually make a decision. In the meantime, they come along, work with the national focal point, which is the Ministry of Economy and gone and sat down with FDB to see if they can actually meet the criteria. There are different types of criteria you need to meet and once you meet that criteria, then the Board actually makes a decision on GCF to see whether this particular entity can be accredited or not.

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

HON. A.M. RADRODRO.- Madam Speaker, I thank the Honourable Minister for his explanation. As you have confirmed Honourable Minister, the requirements of accessing the GCF requires stringent process that is to be compatible with the GCF in their country's planning and budgeting programme, and monitoring procedures and systems. The major issues are still being highlighted in the Auditor-General's Report, how do you plan in making this work?

HON. SPEAKER.- Honourable Minister.

HON. A. SAYED-KHAIYUM.- The Auditor-General's Report does not highlight any issues with any GCF funding. This year again, they kind of touching the straws, they are trying to undermine. This is a good progress, it is a good thing that is happening for Fiji. We are able to access funds; we are here trying to build local capacity; get Fijians to be trained, to know how to access these funds; get them to do proper project proposals; and get them to be able to understand how monitoring should be done for this project. It is a building capacity because obviously if they build capacity for this particular type of funding. They can apply that to other funding too, it is a positive thing. Let us try and focus on what this whole funding is for - this Readiness Programme.

(Honourable Member interjects)

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

HON. P. CHAND.- Thank you, Madam Speaker, I would like to ask a supplementary question. Can the Honourable Minister outline how Fiji can pre-empt the difficulties of accessing climate financing, given the flawed geo-political nature of the process with the U.S at this present stage?

HON. SPEAKER.- Honourable Minister?

HON. A. SAYED-KHAIYUM.- Madam Speaker, the GCF funding has already had a pledge - the pledge of \$100 billion. Many people say that the pledge is still too little because the requirements for the world over, (obviously it is not just for the Pacific), this particular readiness programme is to help least developing countries help smaller and developing States and also to help in particular the African States also. Many of them of course are subjected to different climatic type of events. They have desertification, a lot of their land are actually becoming desert lands and the lands that were arable are no longer arable, and there are huge issues in respect of harvesting, cultivation - all of those issues and of course some of the African States also have low lying areas in their country.

Bangladesh, for example, Madam Speaker. With the current levels of sea rise, 17.5 percent of Bangladesh will go under water. We do not necessarily realise that because when we think about island countries but there are many countries in the world that actually have very flat lands, even though they may be linked to a continent.

So these are the areas of course that people are saying, because of these changes, the current pledge is not enough.

I think in respect of what the Honourable Member has asked of U.S, of course, it does create different dynamics in respect of the whole political discourse regarding climate change. We are obviously are very positive to see that some positive outcomes will come out from Washington of course but I think the rest of the world is very much behind the Honourable Prime Minister. Actually, just a few hours ago he met Angela Dorothea Merkel, the German Chancellor. He has been meeting various other leaders in the world and all the other Ministers, et cetera who have been involved in the climate change process but also more to do with the Paris Agreement.

So I think the current challenge of course is to ensure that the principles of Paris Agreement and indeed the various proposals of the Paris Agreement is enhanced as we talk about the implementation of the 'Rule Book' coming up in the Paris Agreement, and of course the Climate Action Agenda, which the Honourable Minister Inia Seruiratu, who is the Climate Champion, he is the one involved actually with the NGOs, with the private sector to be able to ensure that the Climate Action Agenda does not lose its momentum and you will find that a lot of the funding actually also does not only come from State parties, it also is driven by the private sector. It is driven by some very, very wealthy foundations in the world.

It is very interesting that a lot of the commercial companies actually now see the mitigation measures as commercially and financially imperative because if they do not adapt to these new mitigation measures and adaptation measures, they will get financially left behind commercially, they will actually suffer losses.

So, you will see a lot of the drives are actually coming from non-State actors too and we expect a lot more interest and indeed funding from that sector too. Thank you.

HON. SPEAKER.- Thank you Honourable Members. You will note that today, I am allowing just four supplementary questions to be questioned. I now invite Honourable Ratu Kiliraki to ask his question.

Waste Management System Project
(Question No. 158/2017)

HON. RATU K. KILIRAKI asked the Government, upon notice:

Can the Honourable Minister for Local Government, Housing, Environment, Infrastructure and Transport advise the House on the progress of the Waste Management System project, of which \$4.2 million was allocated in the 2016-2017 Budget?

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

Madam Speaker, in the 2016-2017 Budget, more than \$4.2 million was allocated to undertake Waste Management Project. Madam Speaker, out of this allocation, \$3.2 million will be used to construct the number of landfill Stage 2, cell 2, to expand its capacity in order to manage the solid waste.

Madam Speaker, the Government Tender Board has approved the H.G. Leach for the construction of cell 2 and the works will commence soon. Thank you.

HON. SPEAKER.- Thank you. Honourable Parmod Chand.

HON. P. CHAND.- Madam Speaker, supplementary question.

HON. SPEAKER.- Supplementary question.

HON. P. CHAND.- Can the Honourable Minister please detail how Fiji hopes to improve on waste management conduct a nation-wide sustainable approach, such as recycling, given our COP23 presidency status where we should be leading by example?

HON. SPEAKER.- Honourable Minister?

HON. P.B. KUMAR.- Madam Speaker, in fact the question that has been raised is the allocation for waste management for specific area, and that is Naboro but nothing is stopping me to respond to Honourable Chand.

There are programmes in place for recycling. All municipal councils are doing recycling projects, not in a very big way but at a small scale. They have also included the schools to do recycling and may I also add that we are looking at two dump sites in the Western Division and in Naboro, to see how we can generate energy out of waste. So these are some of the programmes that are in place.

HON. SPEAKER.- Thank you. Honourable Nawaikula?

HON. N. NAWAIKULA.- The Auditor-General in his Report has highlighted non-performance with the Naboro Landfill contractor. Are you employing the same contractor or is it a different contractor?

HON. SPEAKER.- Honourable Minister?

HON. P.B. KUMAR.- Madam Speaker, the tender was called for this particular project and H.G. Leach tendered and they were the successful bidder. Thank you.

HON. SPEAKER.- Honourable Ratu Kiliraki?

HON. RATU K. KILIRAKI.- There is a land being given by the landowners in Taveuni as a dump site, so far there is no progress. Can the Honourable Minister please, address the waste management disposal? The land has been given by the landowners of Taveuni, can you enlighten us on that issue?

HON. SPEAKER.- Thank you. Honourable Minister?

HON. P.B. KUMAR.- In fact, that is totally a new question, Madam Speaker, but if the Honourable Member can tell me who are the landowners, and whom they were given that land? So, that I can work on that. Thank you.

HON. SPEAKER.- Thank you. I will allow you to verify on that.

HON. RATU K. KILIRAKI.- Yes, it is given to the Government by the landowners of Somosomo, Taveuni.

HON. P.B. KUMAR.- Government? Which department?

HON. RATU K. KILIRAKI.- For rubbish disposal, for the whole island.

(Chorus of interjections)

HON. SPEAKER.- Honourable Minister you can provide a written answer to that question. Thank you. I now give the floor to the Honourable Salote Radrodro.

HON. S.V. RADRODRO.- Thank you Madam Speaker and thank you Honourable Minister. Can the Honourable Minister enlighten the House on the proposed waste management project that is supposed to be in Laqere; is that part of this \$4.2 million or is it a new one? If it is a new one, what is the progress of that project?

HON. SPEAKER.- Honourable Minister?

HON. P.B. KUMAR.- Thank you, Madam Speaker. Are you for or against the project? I will tell this House what is happening. I will inform this honourable House what is happening. Here, they come and ask about the progress, but when there is a consultation by my department, these are the same people who will sit there and go against the proposal, and they are asking about the progress.

(Chorus of interjections)

HON. P.B. KUMAR.- Madam Speaker, my team has been having consultations. There is a reserved land, Government land, where it was decided to have this transfer station. Unfortunately, when we had the consultation, the residents in the surrounding areas also included the Honourable Member who had raised this was also part of it, and they were against it but they do not understand how this project will operate. Everything will be contained within the shed, so in two weeks' time I am going to have this consultation with them, and I hope the Honourable Member will be there as well.

(Chorus of interjections)

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

Mediation Services - Employment Grievances/Complaints
(Question No. 159/2017)

HON. H.R.T. POLITINI asked the Government, upon notice:

Can the Honourable Minister for Employment, Productivity and Industrial Relations inform this House on what employment grievances or complaints can be lodged in the Mediation Services by a worker?

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

Madam Speaker, before I answer that question, I just want to explain the difference between a new question and a supplementary question.

A supplementary question seeks more information on the original question. So, I thought that I will just make that clear because a lot of times, to me when we talk about supplementary question, what we get is something that is totally different.

(Chorus of interjections)

HON. J. USAMATE.- So, in the interest of educating us all, I thought I would make that distinction between the question and the supplementary question.

HON. SPEAKER.- Thank you.

HON. J. USAMATE.- Madam Speaker, I thank the Honourable Member for his question.

A grievance is something that an individual has that he feels he has been aggrieved about and within the ministry, these grievances can be brought to the ministry and they will be addressed by our Mediation Services. The terminology that they use in the ministry is that grievances can fall into 4Ds and 1S (DDDDS). Anything to do with dismissal; if someone feels that he has been dismissed unfairly; anything to do with discrimination, if they feel they have been discriminated against in the workplace on any grounds; if they have been disadvantaged, if there has been any issue where they have been put at a disadvantage that is contrary to their rights under the Employment Relations Act or where they have suffered duress.

So those are the four Ds that we have: Dismissal, Discrimination, Disadvantaged, Duress and the S is Sexual harassment. If they feel that there has been an instance of sexual harassment by something that someone has done or something that someone has said, they have the opportunity to be able to bring this to the ministry.

Previously, under the old legislations that we used to have, these grievances could only be brought to the ministry by a union, now it is open to any individual. They can bring their personal grievances to the ministry and the ministry will try to bring the parties together, to try to resolve that particular grievance.

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

HON. J. DULAKIVERATA.- Thank you, Madam Speaker. Thank you Honourable Minister for the explanation. My supplementary question is, how many cases have been through this process and what is the success rate?

HON. SPEAKER.- Thank you. Honourable Minister?

HON. J. USAMATE.- That is a very good question you are asking about numbers and I would prefer that you give a written question or email me directly and I can send you the responses.

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

HON. P. SINGH.- Thank you, Madam Speaker, supplementary question.

HON. SPEAKER.- Supplementary question.

HON. P. SINGH.- Under this new policy, you have a mediation system compared to the conciliation that we used to have. What is the success rate of the mediation process over reconciliation?

HON. SPEAKER.- Thank you. Honourable Minister?

HON. J. USAMATE.- Thank you Madam Speaker, I do not have the success percentages of the conciliation system that we used to have but I am familiar with the mediation. So, I think the processes are almost similar, I am not too sure what the differences are. In a mediation process, in reconciliation, what we are trying to do is get the two parties that are in dispute to come together and try to come up with a solution themselves, whereas in a normal court proceeding or in arbitration, you have a third party that looks at the case and decides, but in a mediation, you get both parties. The mediator tries to look at the issues that both have, what is important to them and try to lead them towards a solution that they can both live with.

Globally, according to the information that has been provided by the Singapore Mediation Centre which is one of the world's best mediation centres, their success rate is around 75 percent. Our mediation process here within the ministry, I think now it is above 80 percent, in terms of the ability to get the parties to resolve their issues. So, that is currently the success rate. When it was under the conciliation system, I do not have those figures with me.

HON. SPEAKER.- Thank you. Honourable Ratu Sela Nanovo?

HON. RATU S.V. NANOVO.- My question has already been answered.

HON. SPEAKER.- Honourable Vadei?

HON. A.T. VADEI.- Already been answered.

(Laughter)

HON. SPEAKER.- Oh! Honourable Salote Radrodro?

HON. S.V. RADRODRO.- Thank you, Madam Speaker. How can the Honourable Minister explain the improvement on the processes, to ensure a quick turnaround? For example, there is a case on Jope that is still seesawing between the Ministry of Health and the Ministry and the case had started way back in 2012 and we are now in 2017. Thank you Madam Speaker.

HON. SPEAKER.- Honourable Minister?

HON. J. USAMATE.- I cannot give any information on a specific case. Perhaps, the Honourable Member might forward me those details, I cannot recall that, but I can follow it up.

In mediation, there are specific timelines, they need to be able to try to bring the mediation to a close within a set number of days, I do not have the exact number but I think it is around a month or so. Once you cannot get the parties to resolve that issue when they come to an agreement, then it is put to the tribunal and they will come up with a decision. The tribunal will then impose a decision.

Our challenges we have at the moment is that there is quite a lot of issues that were with the tribunal that had some backlog but now the tribunal is under the Judiciary. So, the Judiciary has been able to provide extra tribunals to try to speed up the backlogs that we have. However, within mediation, there is a time limit of around 30 days, I believe, I cannot be too sure but I know that is around 30 days, after that, then it goes to the tribunal.

HON. SPEAKER.- Thank you. Honourable Semesa Karavaki?

HON. S.D. KARAVAKI.- Thank you, Madam Speaker. Madam Speaker; can the Honourable Minister explain how many mediators are already accredited to provide mediation services, and what is their disposal rate for cases that are there with the Ministry?

HON. SPEAKER. - Honourable Minister?

HON. J. USAMATE. - Madam Speaker, I would be glad to provide the exact number of the mediators who are currently within the Ministry, I do not have that number with me at the moment. But I am also one of the accredited mediators there. I think the terminology used by the Honourable Member was 'disposal'. Is that the same as successful completion of mediation? If that is so, then the answer that I had given to the Honourable Prem Singh was that, it is more than 80 percent at the moment, in terms of successfully getting into satisfactory conclusion for mediation. It is above 80 percent.

HON. SPEAKER. - Thank you. I now give the floor to the Honourable Ro Teimumu Kepa to ask her question.

Peacekeepers - Assessment for PTST
(Question No. 160/2017)

HON. RO T.V. KEPA asked the Government, upon notice:

Can the Minister for Defence and National Security advise this House how are our returning Peacekeepers professionally assessed for psychological trauma?

HON. RATU I. KUBUABOLA (Minister for Defence and National Security). - Madam Speaker, I rise to respond to the question asked by the Honourable Leader of the Opposition and I would also like to thank her for that question this morning.

The Republic of Fiji Military Forces (RFMF) teach soldiers during basic recruit and during pre-deployment to recognise the signs and symptoms of Post-Traumatic Stress Disorders (PTST). The experts addressed the PTST either in the Mission area where there are Mission specialists or in Fiji by our own counsellors and specialists. In the Mission area, the Methodist Padre who is deployed with all contingents, like most priests, also engage in counselling.

The RFMF, Madam Speaker, has a number of soldiers within its ranks who are qualified psychologists, after having graduated from the various tertiary institutions in Fiji, including the Pacific Theological College in Nasese. Over the years, Madam Speaker, when required, the RFMF has also engaged psychological specialists from the private sector and also from the Ministry of Health.

Madam Speaker, the RFMF assesses and addresses PTST and other physiological trauma experienced in the line of duty through the Counselling Section in the Headquarters of the RFMF. The affected Service personnel referred to the Section, either through their immediate supervisor or they can defer themselves to the counsellor. In some areas, after a traumatic event, it is mandatory that the affected personnel report to the Section for mandatory counselling. Thank you, Madam Speaker.

HON. SPEAKER. - Thank you.

HON. RO T.V. KEPA. – A supplementary question, Madam Speaker. I noticed that the Honourable Minister mentioned RFMF and I know that the Fiji Police Force are also doing peacekeeping. My question to the Honourable Minister is; what consideration do they have for the

families of these soldiers who go out on peacekeeping and then they come back with some issues on violence?

HON. SPEAKER. - Thank you. Honourable Minister?

HON. RATU I. KUBUABOLA. - Madam Speaker, counselling is done to both, the soldiers and with their spouses and families.

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

HON. V.R. GAVOKA. - Madam Speaker, I just wonder if this Unit in the Security Forces can be a permanent one, because our troops are exposed to some horrific experiences that could be lifelong in their effects on them. I remember that case in Qana in 1997 or 1998, I saw a photograph of a Fijian trooper carrying the body of a headless child. I mean, there is nowhere in Fiji we would expect our people to do that. And that kind of service, Madam Speaker, would have to be continuous. I was wondering whether we should set up a permanent Unit, given what our people face over the world now. I mean, there was a case of a returning soldier in a plane, who urinated on a Japanese tourist. Those are the types of effects that we need to watch.

HON. SPEAKER. - Thank you. Honourable Minister?

HON. RATU I. KUBUABOLA. - Madam Speaker, yes, there is permanence in this type of counselling, even after the soldiers leave the Military. It is permanent in nature in this kind of counselling.

HON. SPEAKER. – Thank you. I now give the floor to the Honourable Balmindar Singh, to ask his question.

HON. B. SINGH. - Madam Speaker, can I stand down because the Honourable Minister is not in the House?

HON. SPEAKER. - Let us leave that question aside, until the Honourable Minister comes in. Let us go on to the next question.

Honourable Ratu Sela Nanovo, please, ask your question.

Update on the Upgrading of Rural Roads and Jetties
(Question No. 162/2017)

HON. RATU S.V. NANOVO asked the Government, upon notice:

Can the Minister for Local Government, Housing and Environment, Infrastructure and Transport update the House on the status of rural roads and jetties upgrading?

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 also thank him.

Madam Speaker, in the 2016-2017 Budget, the Fiji Roads Authority (FRA) has a work programme of 29 rural road projects, incorporating both roads and crossings, across the four Divisions.

Madam Speaker, the Central Division had a total of 11 projects, 10 of which are currently underway and one is completed. The Western Division has three projects, with one completed and two are currently underway. The Northern Division has six projects, two of which are underway, two are completed and two are about to be released to the market for tender. The Eastern Division has a total of nine projects with eight underway and one completed. Five of these projects, Madam Speaker are Kadavu roads.

HON. SPEAKER. - Thank you. Honourable Parmod Chand?

HON. P. CHAND.- A supplementary question, Madam Speaker. I seek more information on the original question. Can the Honourable Minister inform this House, why periodic maintenance of rural roads has been neglected for so long which has caused tree-type grass overgrown in most of the roads throughout Fiji, especially the gravel roads, causing the drains to be filled with weeds, water flow is very less and thus, so much money is spent, but the road conditions continue to get very worse.

HON. S.B.VUNIVALU. - Which road?

HON. P. CHAND. - Most roads.

HON. SPEAKER. - Honourable Minister?

HON. P.B. KUMAR. - Madam Speaker, you will recall that in the last sitting and even the sitting before, we had talked about roads and FRA. I had responded by saying that FRA is doing regular maintenance. There were some issues with overgrown grasses which was raised by Honourable Prem Singh in terms of drainage.

Now, they have got a programme in place which they are doing. And if one goes out and see that, then definitely they will see that the work is in progress. He is showing me that photograph, I do not know where he got that photograph from because I do not believe what he is showing me, but I can tell you and he has to listen that the work is in place. Thank you.

(Chorus of interjections)

HON. SPEAKER. - I give the floor to the Honourable Ratu Nanovo.

HON. RATU S.V. NANOVO. – A supplementary question; in regards to the jetty at Vunisea, the budget for that was approved way back in 2015 and it is almost the end of the term now and yet, the jetty is yet to be done. As for the roads, the road from Vunisea to Nabukelevu-i-ra, and the one from Vunisea to Yawe the contractors are already there, but they are not doing the work, for your information Honourable Minister. If that can be followed up, and also the one Rotuma, based from the information from the Honourable Vadei. If the Honourable Minister can look into that, Madam Speaker.

HON. P.B. KUMAR.- I will look into it.

HON. RATU S.V. NANOVO.- The progress of that.

HON. P.B. KUMAR.- I will look into it, thank you.

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

HON. J. DULAKIVERATA.- Madam Speaker, I thank the Honourable Minister for his response.

Can the Honourable Minister inform the House if the road from Kiuva to the Kaba Peninsula is included in the Central Division list of roads that he had just mentioned?

HON. SPEAKER.- Honourable Minister?

HON. P.B. KUMAR.- Madam Speaker, in fact, the manner in which this question has come into this House, it should not have come. With all due respect to the Honourable Member, it is a very general question, and I do not have answers with me right now on all the roads in Fiji.

It is common sense, Madam Speaker, and I will provide them answers in the later sitting.

(Chorus of interjections)

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

HON. N. NAWAIKULA.- I seek further clarification, Madam Speaker. There are six projects in the North, could you clarify which are those projects?

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

HON. N. NAWAIKULA.- Yes, six. What are those six?

Also, whether the Keka/Vatuvonu Road is included in that? Could you please further clarify on that, what are those roads?

HON. SPEAKER.- Thank you. Honourable Minister?

HON. P.B. KUMAR.- Do not look at me!

Madam Speaker, as I have said, works are in place and I have mentioned the roads that are happening in the Northern Division.

HON. N. NAWAIKULA.- Yes, which ones?

HON. P.B. KUMAR.- But all these roads and what it is going to cost, definitely I can...

HON. N. NAWAIKULA.- Yes, but which ones?

HON. P.B. KUMAR.- ... table it in the later sitting. Thank you.

HON. SPEAKER.- Thank you. Given the nature of the question and that some answers will be tabled in the later sitting, I will give an extra supplementary question and I invite the Honourable Kiliraki to have the floor.

HON. RATU K. KILIRAKI.- Madam Speaker, there are so many issues about the roads, that is why we want to raise a lot of supplementary questions.

For the Sawani/Serea Road, tarsealing is up to Naluwai. Can the Honourable Minister inform this House whether they will continue that tarsealing right up to Serea, because that road is named Sawani/Serea Road and it is only up to Naluwai?

HON. SPEAKER.- Thank you. Honourable Minister?

HON. A. SAYED-KHAIYUM.- Madam Speaker, a Point of Order.

HON. SPEAKER.- Point of Order.

HON. A. SAYED-KHAIYUM.- Madam Speaker, as we had discussed in the Business Committee Meeting about questions on individual roads and also roads in rural areas, we had said that they are not going to be asked because of the fact that it is only going to be focused on one area. That decision was made.

This question, Madam Speaker, was actually allowed by the Business Committee in good faith. What the Honourable Members of the Opposition are actually doing, are going precisely against that good faith agreement that we had reached. Obviously the Honourable Minister is not going to be sitting here with an outline of all the roads in Fiji.

Madam Speaker, the point is this, for them, the roads is only from where they come from, so they think they totally own all the roads in Fiji. As you can see, one is from Vanua Levu, one asked from Naitasiri and whatever the case may be, that is all they focussed on.

(Chorus of interjections)

HON. A. SAYED-KHAIYUM.- And the whole philosophy behind us was that, we actually should care about everyone, everywhere in Fiji.

HON. GOVERNMENT MEMBERS.- Hear, hear!

HON. A. SAYED-KHAIYUM.- That is the whole point. So, unfortunately, they are actually breaching that agreement that we had. Thank you.

HON. SPEAKER.- I thank the Honourable Attorney General for that clarification and definitely, yes, we did mention this in the Business Committee. Somehow, some of the questions asked, try to force the Minister to prioritise your road where you come from in a Development Plan.

(Chorus of interjections)

HON. SPEAKER.- Thank you. I now go back to the previous question, now that the Minister for Education has come in.

HON. RO T.V. KEPA.- Madam Speaker, a Point of Order.

HON. SPEAKER.- Point of Order.

HON. RO T.V. KEPA.- Standing Order 60 on relevance, Madam Speaker.

In terms of the last question on roads, the people who live beside those roads and who have to travel on those roads bring these issues to us and they come from particular areas in the country, which we have to name so that the Honourable Minister knows which roads because he is supposed to know all the roads and fix all of them. Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. There are so many roads.

(Chorus of interjections)

HON. SPEAKER.- And I rule your point of order inadmissible. Again, you are trying to specify these roads again and the Honourable Minister has already answered.

As had been mentioned, we had discussed roads in the last sitting, as well as in the previous sitting, and we are giving only four supplementary questions today on roads. We have now completed the four questions and I now move on to the next question.

Now, that the Honourable Minister for Education is here, I give the floor to the Honourable Balmindar Singh to ask his question.

National Green Olympiad Competition for Primary School Students
(Question No. 161/2017)

HON. B. SINGH.- asked the Government upon notice :

The Ministry recently launched the National Green Olympiad Competition for Primary School Students. Can the Honourable Minister for Education, Heritage and Arts provide details of this launch and its importance to the students?

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 wish to thank him for asking this question.

Earlier on, Honourable Chand from the NFP talked about supporting the Honourable Prime Minister's international global effort to champion issues of climate change and what we could do locally to ensure that we provide that leverage and make Fiji an example. Also, Madam Speaker, as his Party leader mentioned yesterday about the quality of graduates, we continuously look at how we ensure that the graduates coming out of our high school system are not second to any of the graduates from any other competitive jurisdiction.

Madam Speaker, the National Green Olympiad Competition was launched about three weeks ago. This Competition is affiliated with the international world renowned Green Olympiad Competition in which more than 2,000 countries take part annually. The Green Olympiad is an initiative of the Energy and Resource Institute of India, which started in 1999 in India as an annual written exam. The project now stretches across all the States and Union territories in India, and in selected countries abroad.

The year 2015 saw participation of nearly 200,000 students from over 2,000 schools from across India and abroad. So it is an international competition dealing with environment and climate change, which I am going to explain later on, Madam Speaker.

We thought that, to coincide with the Sustainable Development Conference that will happen this weekend, Madam Speaker, we decided that we will expose our primary school students to this competition as well.

The National Green Olympiad Competition is an online competition that was opened to primary school students from Years 5 to 8, who had access to internet. In this online competition, there were 20 multiple choice questions to be answered in 30 minutes. These questions were woven around environmental issues, with direct linkage to school curriculum, which assesses environment-related knowledge of the students, Madam Speaker. So basically it was to test the students' understanding of environmental knowledge. The questions covered educational topics of climate change, renewable energy, recycling, pollution, food security, biodiversity, conservation, environment issues, sustainability and disaster risk reduction.

Madam Speaker, the competition took place in two categories. The first category on Wednesday, 17th May and on Thursday, 18th May, last week. The two levels of challenge were as follows: Level 1, for students from Years 5 to 6 and Level 2, for students of Years 7 and 8. Each participant was given a password and username by the Ministry to take part in the competition.

The questions were marked online so we devised the system on the platform so that we speedup the marking process.

Madam Speaker, I am quite pleased to inform the House that a total of 6,450 students registered and participated in the Level 1 Exam, and a total of 7,107 students registered and participated in Level 2 Exam. Madam Speaker, we announced three weeks ago and gave one week time because we were running short of time. We wanted them to have this before the Conference starts, I believe, today and tomorrow. The Honourable Acting Prime Minister will be there to open it.

All the participants of the National Green Olympia will be eligible to either a Certificate of Distinction if they get marks or score above 80 percent, Certificate of Merit if they get a score between 70 percent and 80 percent, and Certificate of Participation to all students who are participating in this competition. The Certificate of Participation and Certificate of Merit can be generated using the same platform. Students who have scored above 80 per cent will be personally handed a Certificate of Distinction next week at the formal ceremony, but this week at the Conference, the top student will be presented.

This competition is affiliated with the international body so those students who do this competition and get a Certificate of Distinction or Participation, they are able to differentiate themselves, Madam Speaker. They can proclaim that they are part of the global students, who have done this.

Madam Speaker, the importance of the competition is that, it raises awareness amongst school students on environmental issues. So you can see, Madam Speaker, that the 14,000 students who participated and sat for this exam would definitely have gone and done additional reading.

The understanding was that, these materials are already covered in our curriculum, that is why we only gave them one week's time, Madam Speaker. The participation in this competition demonstrates that our curriculum includes material which are internationally utilised by about 2,000 institutions across the world.

The test examines some key topics which are all contemporary issues affecting our global condition. Consequently, these topics also steer deep areas of discussion in our beloved nation because this gives students the chance to enhance their scope of learning on issues of national and global importance, Madam Speaker.

The competition instils some sense of responsibility amongst students, teachers and the larger community towards Fiji's environment. Madam Speaker, as I had alluded to yesterday, when a child engages in a competition or any particular event, it is not only that that child participates in that event, it is a child's parent, the community members, the relatives, the teachers and high school community gears up and supports the child. These 14,000 students who appeared for this competition, there are also thousands behind them, Madam Speaker.

This competition educates students about inter-dependence between a human being and the environment and makes them understand that their actions, no matter how small it may be, add to the human environment effect in totality. It encourages students to actively participate in the approach to conserve the environment and help mitigate climate change. It realises potentials of students for national

and international leadership, as knowledge-based agents of change in the field of energy, environment and other natural resources and development.

Madam Speaker, I am quite pleased to say and inform the House that the top student, Peniana Vadei, a Year 8 student from the St. Joseph the Worker Primary School will make a presentation and speak at the Sustainable Development Conference on Friday at 1.00 pm. And imagine, Madam Speaker, a Year 8 student, speaking at this international forum of experts; that is what quality is about. Thank you.

MADAM SPEAKER.- Thank you. Honourable Mikaele Leawere?

HON. M.R. LEAWERE.- Madam Speaker, the Honourable Minister mentioned something about participation of schools. What about students who do not have internet access in terms of this competition?

MADAM SPEAKER.- Thank you, Honourable Minister?

HON. DR. M. REDDY.- Madam Speaker, these are primary schools. Some primary schools are located in remote areas, so next year when we run this competition, we will look at how we could facilitate access to them and participate in this conference.

(Hon. Member interjects)

HON. DR. M. REDDY.- In this case, Madam Speaker, we met the experts a month ago, who came down to Fiji to discuss about the Sustainable Development Conference and they wanted us to quickly run this competition so that the top student chosen, could present at this Sustainable Development Conference.

Throughout the world, Madam Speaker, it is done online so we adopted that medium, but next year, we want to ensure that those students in the interior and the maritime Division are also given an opportunity to also participate, Madam Speaker.

(Honourable Member interjects)

HON. DR. M. REDDY.- Madam Speaker, 14,000 students with a week's notice participated in this competition, and it is an amazing achievement. Thank you.

MADAM SPEAKER.- Thank you, I give the floor to the Honourable Nabulivou.

HON. A. NABULIVOU.- Supplementary question; can the Honourable Minister outline in detail the participation of each category of the competition?

MADAM SPEAKER.- Honourable Minister?

HON. DR. M. REDDY.- Madam Speaker, I want to thank the Honourable Member for asking that question. I gave a general number, about 14,000, but let me give a breakdown.

In the Level 1 which is for Year 5 and Year 6, a total of 6,450 students participated in this competition on Wednesday, 17th May, a total of 213 schools took part in this quiz. So out of the 700 schools, 213 schools participated. Nadi Sangham School had the most number of students who took part in this quiz, 209 students.

Madam Speaker, out of the 6,450 students who participated in Level 1, 338 students got Certificate of Distinction. These are students who scored the mark - 80 percent and above. 1,206 students were awarded Certificate of Merit, students who scored 70 percent to 80 percent mark; and 20 students got 100 percent mark. The question then would be, how did we select the top student from the 20 students who got 100 per cent mark? We looked at which student of these 20 completed in the shortest possible time because we needed to select only one student.

Madam Speaker, in Level 2 where Year 7 and Year 8 participated, as I said, 7,117 students participated. In this, a total of 234 schools participated and again, Nadi Sangam School had the most number of students participating - 216 students, who participated in this Level 2 competition.

Madam Speaker, 985 students got Certificate of Distinction. They got marks from 81 to 100, and 1,835 got Certificate of Merit - 70 to 80 mark. Within the one week period of preparation, we were able to achieve also in this category, we were able to have a large number of students getting a 100 per cent mark. Thank you.

MADAM SPEAKER.- Thank you, I give the floor to the Honourable Dulakiverata.

HON. J. DULAKIVERATA.- The question has already been answered.

MADAM SPEAKER.- Thank you, I give the floor to the Honourable Ratu Kiliraki.

HON. RO K. KILIRAKI.- Madam Speaker, whilst this is being conducted online for those students who can access online, whether the Ministry can also involve those who cannot access online to participate in this competition or other format prior to this involvement? Fiji has domestic environmental issues, whether that can be taken into account also so that the students have the responsibility in their various localities in the interior or on the maritime islands. Thank you Madam Speaker.

MADAM SPEAKER.- Thank you, Honourable Minister?

HON. DR. M. REDDY.- Madam Speaker, that clearly demonstrates that Honourable Members on the other side of the House are listening. Just now, the Honourable Mikaele Leawere asked me about the students who could not access internet and I answered his question. Now, the Honourable Member is asking the same question. Madam Speaker, this is how they are wasting Parliamentary time.

(Chorus of interjections)

HON. SPEAKER.- Honourable Prem Singh.

HON. P. SINGH.- Madam Speaker, given that this initiative is only three weeks old and the success rate as alluded to by the Honourable Minister that 14,000 students participated and some came out with distinction and some with merit, I believe it was almost an extra-curricular activity.

My question to the Honourable Minister is; could he inform this House whether his ministry will try to link this in the current curriculum with health or science studies, given the fact that there is no environmental subject being taught at primary school level?

HON. SPEAKER.- Thank you. Honourable Minister?

HON. DR. M. REDDY.- Thank you, Madam Speaker. Madam Speaker, if the Honourable Member would have been listening, he would have got the answer to that question. As I said, we

launched, we gave only one week time for this exam to be done. We launched on 5th May and then we had the exam the other week.

Madam Speaker, the reason why we did not have to give more than one week is because these materials are covered in the Basic Science subject that they are doing in the primary school, that is why, 14,000 students appeared, it was excellent.

(Honourable Members interject)

HON. DR. M. REDDY.- Yes, it is covered in the Basic Science, you cannot have every little separate subject. I am saying that it is covered in the Basic Science course. It is covered in Basic Science, that is why we only gave only one week time for them to prepare. We did not have to run extra classes, it is there, covered in the syllabus.

HON. SPEAKER.- Thank you. I now give the floor to Honourable Jilila Kumar to ask her question.

Museum Open Day
(Question No. 163/2017)

HON. J.N. KUMAR asked the Government, upon notice:

Before I ask my question, may I just seek your indulgence first.

HON. SPEAKER.- Just ask your question.

HON. J.N. KUMAR.-

Can the Honourable Minister for Education, Heritage and Arts provide details on the Museum Open Days organised by the Fiji Museum every month and its importance?

HON. DR. M. REDDY (Minister for Education, Heritage and Arts).- Madam Speaker, I do thank the Honourable Kumar for asking this question.

She has asked this question because she understands the importance and value of museums in contemporary Fiji and contemporary society, Madam Speaker.

Museums represent a major public social investment by both modern societies, Madam Speaker. The influence of society also not fully recognised is very powerful.

Madam Speaker, from its humble beginning in 1904 where the idea to have a Museum to display and preserve traditional Fijian culture was first discussed. The Fiji Museum was formally elevated as a Government Statutory body with a Board of Trustees under the Fiji Museum Ordinance of 1929.

After its opening in 1955, the current Museum served as a stock house for cultural items and as a centre for research and studies.

Madam Speaker, located in the heart of Suva's Thurston Gardens, the Fiji Museum holds the remarkable collection which includes archaeological materials dating back to 3,700 years in cultural objects, representing both Fiji indigenous inhabitants and other communities that have settled in island group over the past the 200 years.

Madam Speaker, in 2015, we decided that given that we have such a massive investment. It is important that we get people to visit the museum and we decided that just because of \$0.50 or \$1.00 entry fee, we do not want to restrict people to come and visit the museum. So, we decided that every last Saturday of the month, we have an open day on a particular theme and for Fiji citizens it will be free access.

Also, Madam Speaker, the gallery in front, we decided that the last Saturday of the month, it will be freely available to all those ladies and artists who want to come and display their talents and artefacts. So, last Saturday of the month, they will come and display their artefacts without having to pay any fee and anyone who would want to visit the Museum on the last Saturday of the month, there will be a lot of activities. Every Saturday we ask the Beqa firewalkers, we pay them a small fee. They will come and do the firewalking there as well on the lawn and Madam Speaker, it is amazing in terms of the number of people who are now coming and attending the museum.

Madam Speaker, for example this year, every last Saturday of the month, the Open Day they succeed in a particular theme. Based on the theme, there will be items done by various groups. For example, in January, the theme was 'Celebrating Intangible Cultural Heritage – Chinese New Year at the Museum', February, this year the theme was 'Heritage Unfolds Through Songs, Chants and Music'; March, the theme was 'Safeguarding Culture and Heritage - Women as Bearers and Keepers', in April, the theme was 'Books: Curating the Past and Present in the Museum', May, International Museum day; 'Museums Empowering Communities'.

Two weeks ago, Madam Speaker, on Sunday we had a special day on *Girmit* Celebration, Honourable Acting Prime Minister was the chief guest and the entire community was mobilised, Madam Speaker. So, we have various activities on that day too, we said that anyone coming to the museum that day will have free entry to the museum.

Madam Speaker, since establishing the opening this museum to the general public in 2015, we see the huge popularity; a lot of people are coming and attending the museum and visiting the place, in 2015, we had only on Open Days 5372 visitors. In 2016, it was affected because of the *TC Winston*, it went down to 3,091 visitors. I am only talking about the last Saturday numbers, Madam Speaker. Over the last four months, January to April this year, we had 2,860 visitors coming to the Museum, Madam Speaker. Thank you.

HON. SPEAKER.- Thank you. Honourable Vadei?

HON. A.T. VADEI.- Thank you Madam Speaker, after touring the Fiji Museum, I found that they need extra office space to store some artefacts. Can I ask the Honourable Minister whether they have that in their plans to extend the Fiji Museum to store most of the artefacts nearly decaying at the back of the storeroom?

HON. SPEAKER.- Honourable Minister.

HON. DR. M. REDDY.- Yes, Madam Speaker, I invite the Honourable Member to visit the Museum. If you would see, if you visit the Museum, the construction is undergoing and we are looking at additional space to expand the capacity to hold artefacts, Madam Speaker, so there is renovation being undertaken. Thank you.

HON. SPEAKER.- Honourable Vunivalu?

HON. S.B. VUNIVALU.- Supplementary question. You see that the tourists are coming nearly every week, every month. Is there any entry fee for the tourist to go to the Museum?

HON. SPEAKER.- Honourable Minister?

HON. DR. M. REDDY.- Yes, Madam Speaker, tourists are required to pay an entry fee. They are also invited on the Open Day, but on the Open Day, it is not free to the tourists but the activities outside like the Beqa Firewalking and the dance item, et cetera, all those are free but entry on the Open Day, there is a fee for tourists and we do send out brochures of the activity on the open day to the nearby hotels so that they can inform their guest about the activities that will happen on the last Saturday of the month. So, yes the short answer is yes, they are required to pay.

HON. SPEAKER.- Honourable Viliame Gavoka, you have the floor.

HON. V.R. GAVOKA.- Thank you, Madam Speaker. Madam Speaker, the Museum is in Suva and I am proud of the work they are doing. Also, Madam Speaker, under the Museum on the 'Sacred Sites of Fiji' and some touching on the tourism perspective thereby Honourable Vunivalu are becoming attractions for tourists but unfortunately the sacred sites are being desecrated in some degrees by the developer. Is there anything within the Ministry that can help the local resource-owner, the owner of the sacred site to have redemption from the other side for what they have done, to compensate, to help the resource-owners because it is a very serious case as more tourists come, take over our sacred sites and they do whatever they want to do with it; destroying what is valuable to us. The ministry, I believe, has been empowered to do this. Thank you.

HON. SPEAKER.- Thank you. Honourable Minister?

HON. DR. M. REDDY.- Madam Speaker, I want to thank the Honourable Member for asking this question. I think there is probably misinformation. If there is a sacred site and the community thinks that it is a sacred site and then it should be listed, they should come to us.

We have got the National Trust of Fiji, Madam Speaker. The National Trust of Fiji looks after all the heritage sites. It needs to be first listed as a heritage site and once this is done, Madam Speaker, then we will look after the National Trust. National Trust will look after that, protect it and ensures that no one comes and in the process of visiting the place would damage the site. Thank you.

HON. SPEAKER.- Thank you. Lastly, Honourable Mohammed Dean.

HON. M.M.A. DEAN.- Madam Speaker, supplementary question to the Honourable Minister.

HON. SPEAKER.- Supplementary question.

HON. M.M.A. DEAN.- I have heard about virtual museum. If the Honourable Minister can update more on this information. Thank you.

HON. SPEAKER.- Thank you. Honourable Minister?

HON. DR. M. REDDY.- Madam Speaker, I want to thank the Honourable Member for asking an important supplementary question about the museum.

(Chorus of Interjections)

HON. DR. M. REDDY.- Madam Speaker, as had I alluded to earlier on. It is a massive investment but it is a static investment. The museum is located at a particular place. People from Udu Point, from Taveuni, and my Honourable Member there may not be able to come to the museum. Therefore, what we did last year was we gave it to the experts to develop a virtual museum project, which

was launched last year, 22nd April at Naitasiri High School where students, children, people, tourists can go, log on to that particular site and view the artefacts in the museum with voice over, high quality imaging with voice overs, Madam Speaker and write ups as well, explaining what this artefact is, the history of that artefact, Madam Speaker.

Madam Speaker, there are 854 items in the virtual museum. The information focuses key areas of our country's past, such as the ancient past, history of first Fijians, cession, indentured system and independence.

Out of the 854 items, 609 artefacts were professionally photographed into 23 photographic sessions while the other 246 images were scanned and provided by the Fiji Museum. Madam Speaker, over 1,300 individual photographs are on display with over 35,000 words of description, researched and written and incorporated into the virtual museum to provide and enhance educational experience for the visitors.

We have got all the categories of the museum. For example, we have the *masi* category, the *girmit* section and the maritime history. All of them are covered in the virtual museum, Madam Speaker. We have found that lot of people are logging in with the logging data to view the artefacts that is there in the museum. It is an amazing development in terms of ensuring that our children in the interior, maritime division and deep interior rural areas were not able to come to the museum can at least log onto if they have access to internet and view this artefacts. Thank you, Madam Speaker.

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

Incentives to Make Civil Service
Attractive and Compatible With the Private Sector
(Question No. 164/2017)

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

One of the objectives of Civil Service Reforms is to recruit and retain qualified staff. Can the Honourable Attorney-General and Minister for Economy, Public Enterprises, Civil Service and Communications Minister advise the House as to what incentives are in place to be able to make the civil service attractive and compatible with the private sector?

HON. A. SAYED-KHAIYUM (Honourable 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 thank her for her question. I am glad the Honourable Member is concerned and wants the Civil Service to be compatible with the private sector as we have said on a number of occasions, Madam Speaker. To keep my question brief, I think we need to look at what are the things that actually exist in the private sector first to see how we are aligned with the private sector.

The private sector always tries to implement very high service standards and that is very critical, and they need also provide incentives for their employees to constantly improve the service delivery to their customers. In our case obviously, Madam Speaker, we need to be able to provide high level service through our civil servants to the 890,000-odd Fijians who actually want services from their Civil Service.

We also need to be able to constantly improve services as the Honourable Minister Bala highlighted yesterday. They recognise there was a process delay and they are trying to improve it. They want to increase their turnaround time of applications, for example. That is part of what you need to

constantly do. That is what the private sector does, as opposed to simply being used to the system you inherited or have had for a number of years.

We also need to create an environment that is conducive to productive work and excellence service delivery. We need to of course, Madam Speaker, to ensure that a number of other factors fall in place for that.

We need to have the skillsets. In the private sector, they always go for the person with the right skillsets and also you need to ensure that persons are also remunerated accordingly. We have said on a number of occasions, Madam Speaker that we need to be able to recognise this in the Civil Service.

The mind-set has been that we have been very much driven by position descriptions, not only descriptions but in fact driven more by position titles.

If you look at the private sector, you may have for example, in a bank, a person who works as a teller in a bank maybe there for the past ten years and are simply dealing with the receiving and giving out cash at the counter. But a person who may be actually dealing in a bank who only three years out of University may in fact be getting paid a lot more money than that person the teller because they may actually be dealing with foreign exchange transactions.

Most banks as you would know have locked up room where they actually buy and sell foreign exchange. The risk is very high. If the teller makes a mistake, you got a couple of dollars that maybe out of kilter. If this person makes a mistake, the exposure could be hundreds of thousands of dollars or millions of dollars. As we have given the number of occasions for example, in this Parliament Madam Speaker, with nurses. We have said for example, when we made ministerial statements, a nurse who is dealing in the Cath lab and is actually helping put the wire through go up to your heart, see whether heart is blocked or not, put a stent and do the bubble thing. All those types of things require particular skillsets and we have those nurses in Fiji doing that.

Under the old system, Madam Speaker, which we are reviewing, there is no distinction between that nurse is doing whether she may be a senior nurse and a senior nurse who may be working at the Outpatients. Because they have the same title, they get the same salary. There is no recognition that the nurse working in the Cath lab is actually performing a task that is a lot more onerous. If she makes a mistake, a person can die. If the nurse who is at the Outpatient, if she makes a mistake and puts a plaster in the wrong place you can move the plaster and put it in the right place. You cannot do that with the heart.

The private sector recognises that and that's what we also need to recognise in the Civil Service which we are doing.

The other thing of course, Madam Speaker, is in the private sector, people actually get recruited on merit and the recruitment process is actually very transparent. People get treated and recruited, not based on who they are, where they come from, what province they belong to, who they know. They actually get recruited because they are the best person for the job and unfortunately that has not been happening in the Civil Service for decades. This is why we have also implemented the OMRS System because ultimately it is not about protecting necessarily the job of that person or getting the right person just because they are relative or whoever it is. The idea is that we have the right person for the right job so that they deliver the best service to the 900,000-odd Fijians.

The other thing, Madam Speaker, that is also very critical in the private sector is that there needs to be a focus on positive management which contributes to the creation of an environment that is conducive to productive work. Of course, if you see the various changes we have made, moving away

from punitive and reactive management and supervision towards the reliable autonomous employees that can be held accountable for achieving the specific outcomes. The private sector provides certain environment with continuous feedback to the staff, ultimately holding employees responsible for the achievement of their Ministry and individual goals.

The other thing that the private sector does, Madam Speaker, is to implement a consistent and fair system of up skilling and training of civil servants. We must constantly train our civil servants. We must ensure that the most meritorious of them actually go overseas. They actually learn, the Ministers go, they need to take some of the civil servants with them, their staff with them. When training offer comes, it should not be the Director only of that particular Ministry going or the PS, Deputy PS (Honourable Vadei would know about that), we need to ensure that the right people go so that we actually build the capacity in the people below you so we have a good succession planning, so training is very very important. If you see the various reforms that have been rolled out in the past 18 months and it will continue to get rolled out - we have a huge focus on training.

Madam Speaker, this is actually what happens in the private sector and this is precisely what we are focussed on. Of course, the private sector remunerates people as I said on the correct basis. We carried out, Madam Speaker, as also reported to this Honourable Parliament. Firstly, we carried out the compensation benchmark survey that was carried out last year where we compared the salary rates of people in the Civil Service and compared it to those people who were in the private sector.

We saw that obviously as highlighted to this Honourable Parliament previously that at the intake level, the civil servants seem to be getting a lot better pay and the private sector are below that but as the years go by, the Civil Service salary structures go down and the private sector actually goes up so we have a lot of problems in the middle management division and those on top.

Of course, we also recognise, you cannot always compare the Civil Service with the private sector in the different professions because you do not necessarily have enough of a pool of people to benchmark this up against. For example, there are not many institutions that employ people in the private sector as nurses. There are not many people for example in the private sector that employ people as teachers so we need to be able to compare and look at other benchmarking from other countries and that is precisely what we have done.

The other point of course, Madam Speaker, is that in the Civil Service, the old structure there is not necessarily any demarcation between the level of qualification a person has. So if you for example were deemed to be a dentist or a dental therapist, even though I may get for example a certificate and get that position, and someone who may actually have a degree and gets that position, we get the same salary. So one may have had six months or one year training, the other may had four years of training but there is no distinction between them so we need to be able to encourage people to get further qualifications and one of the ways of doing that of course is that the person who may have a certificate just because they have the same title does not mean they should get the same salary as a person who spent four or five years and probably getting more specialised. So the whole point of this as we do it in the private sector, is that being able to recognise the skillsets and the qualifications that the different individuals bring, so that is very very important and that is precisely actually, Madam Speaker, what is happening. Thank you.

HON. SPEAKER.- Supplementary question, Honourable Radrodro.

HON. S.V. RADRODRO.- Madam Speaker, if the civil servants are listening and if there is a prize to be given to someone that does not answer the question, it will definitely go to the Honourable Minister for Civil Service, the question asked on what incentives are in place?

HON. SPEAKER.- I find that statement un-parliamentary. Would you like to withdraw that statement?

(Honourable Members interject)

HON. S.V. RADRODRO.- Withdraw, Madam Speaker.

HON. SPEAKER.- Thank you.

HON. S.V. RADRODRO.- The question is, on incentives and incentives have very sharp link on pay and performance and those are the kind of incentives that the Honourable Minister should have highlighted.

If the incentives given to the Permanent Secretary in terms of their pay and the pay discrimination that is in place, what measures is in place to be able to bring up the pays of the Civil Service so that it comes closer to that of the Permanent Secretary, and if the pay of the doctors have been implemented in a pay rise, how long will it take for the other members of the other classification in the Civil Service to also be given that some kind of reward. Incentives talk about rewards and the Honourable Minister was just talking about improving the processes. No, please, can you just answer what incentives are in place in terms of pay and in terms of non-cash benefits that could be given to the civil servants instead of just talking about, it is almost four years now, you are still talking about it. Thank you, Honourable Speaker.

HON. A. SAYED-KHAIYUM.- Honourable Speaker, I really get flabbergasted by Honourable Radrodro's interventions and supplementary questions. We have on two separate occasions in this Parliament, given two separate Ministerial statements, including in the 2016 Budget statement, including in the 2016-2017 Budget about Civil Service Reforms.

We have, Madam Speaker, also highlighted that we have carried out the benchmarking with the private sector and we have also said in February of this year, the current exercise we are involved in and that is the remuneration evaluation. I have already said this to this House and yesterday when I mentioned it, they said, "Yes, vote buying, vote buying, Elections coming around." I do not know whether she was here or not. I think the line in front of her actually made the comment.

The fact of the matter is, Madam Speaker, she simply is not understanding either or she is trying to actually obfuscate over what we are saying or trying to do some kind of political point-scoring maybe some civil servants she is talking about or with.

Madam Speaker, the fact of the matter is this, anyone that wants to carry out a Civil Service Reform, in a Civil Service that has had no substantive reform since Independence, no substantive reform since Independence, obviously it will take time because you need to do it well, you need to do it properly and you need to take the right steps because they would be the first persons who will actually come running and say, "This x, y and z is wrong," but we are not here to please them. We are actually here to please, firstly, the people we are here to please are all the citizens of Fiji, who are the beneficiaries of the services provided by the civil servants.

No. 2, as an employer of choice, we want to become employer of choice, we want to ensure that we provide the right environment for the civil servants. Remuneration is one aspect of it, training, exposure and being able to know that if I apply for a job in the civil service, I will be treated equally. I will be treated on a merit base. You have the Honourable Minister for Education talking about the Civil Service where people mentioning millions of dollars, hundreds of millions of dollars without the right qualifications.

On the other hand, you are talking about this money about the Fijian people's money that have been entrusted to these people, how well are they be managing it? Of course, you need the right people to manage that, even with the right qualifications so there are various assessments being taken out of the respective ministries. That is one aspect of the reform.

The other aspect of the reform is benchmarking the salaries, comparing it then be able to say, "Okay, this is where we are at, now let us look at the entire Civil Service." When we made this announcement in February, we actually highlighted which divisions of labour of the profession will be done first, second, third, fourth and it will be delivered by August. We set that already in February, we said it last year but she is again trying to have some form of amnesia about it. The realities, Madam Speaker, we have said this so many times, we have said that there will be assessment.

The reality, Madam Speaker, ...

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

HON. A. SAYED-KHAIYUM.- you see, if you listen to the intervention ...

HON. SPEAKER.- I am not even listening to the intervention.

HON. A. SAYED-KHAIYUM.- I hope no one is listening to the interventions seriously.

Madam Speaker, the reality is that every civil servants, the profession, their salary structures are being reviewed, some of it has already been done, some are actually being done. I really do not need to listen to those interventions. They really do not know what they are talking about, frankly, they really do not know. Using Honourable Professor Prasad's words, who is not here, is nonsense.

Madam Speaker, this salary review is currently being carried out. It will, of course, be factored in when.....

HON. S.V. RADRODRO.- When!

HON. A. SAYED-KAHIYUM.- We have already made this announcement. I am not going to repeat it twenty times over. It has already been announced. We are currently training people, we have already had training sessions, we have had supervisors who had gone and are carrying out assessments as to how the salary structure needs to be changed so literally, thousands of people are being graded, thousands of people who are actually carrying out this process. Unlike you, we do not do a dodgy job, we actually do a good job.

(Laughter)

HON. A. SAYED-KHAIYUM.- The dodginess is part of the culture, Madam Speaker. This Government's culture, is to do things properly.

HON. GOVERNMENT MEMBERS.- Hear, hear!

HON. A. SAYED-KHAIYUM.- This Government's culture is to do things on a sustained basis. This Government's culture is to modernise, not to pander to the whims of one or two people just for their political point-scoring.

(Interjections)

It is precisely what we are doing and that is precisely what will happen, Madam Speaker, and you will see that the civil servants of Fiji, may be one or two may be going to them and saying; “We need a pay rise”, and they will actually be very happily glad and satisfied we carried this out, and they will not be.

MADAM SPEAKER.- Thank you, there being no other supplementary question, we will move on to the next Item in the Order Paper. I call on the Honourable Ratu Sela Nanovo to ask his written question.

Written Questions

Update on the Number of OHS Complaints Cases
(Question No. 165/2017)

HON. RATU S.V. NANOVO asked the Government, upon notice:

Can the Honourable Minister for Employment, Productivity and Industrial Relations provide the House with the following.-

- a) The total number of OHS complaint cases received by the Ministry for the past five years;
- b) The number of cases closed; and
- c) The number of cases still pending?

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 I am pleased to table my reply to this question.

HON. SPEAKER.- Thank you. Honourable Members, we will now break for refreshment.

We will adjourn Parliament until 11.45 a.m.

The Parliament adjourned at 11.07 a.m.

The Parliament resumed at 11.45 a.m.

(The HONOURABLE DEPUTY SPEAKER took the Chair)

HON. DEPUTY SPEAKER.- Honourable Members, although not in the Order Paper, the Secretariat has received notification from the Minister for Local Government, Housing and Environment, Infrastructure and Transport to table his written responses. I will now call on the Minister to table his responses.

HON. P.B. KUMAR.- Thank you. Honourable Deputy Speaker, pursuant to Standing Order 45(5), I hereby table my written responses to Question No. 51/2017 and Question No. 79/2017 by the Honourable Niko Nawaikula and Honourable Prem Singh.

HON. DEPUTY SPEAKER.- Please hand over your written responses to the Secretary-General.

(Written Responses handed to the Secretary-General)

HON. DEPUTY SPEAKER.- Thank you, question time is now over. We will move on to the next Item in the Order Paper.

MINISTERIAL STATEMENTS

HON. DEPUTY SPEAKER.- The following Ministers have given notice to make Ministerial Statements under Standing Order 40, the:

1. Minister for Defence and National Security;
2. Minister for Women, Children and Poverty Alleviation; and
3. Minister for Education, Heritage and Arts.

Each Minister may speak up to 20 minutes. After each Minister, I will then invite the Leader of the Opposition, or her designate to speak on the statement for not more than five minutes. There will also be a response from the Leader of the NFP, or his designate to speak for five minutes. There will be no other debates.

I now call on the Honourable Minister for Defence and National Security to deliver his statement.

Sexual Offences

HON. RATU I. KUBUABOLA.- Honourable Deputy Speaker, this morning, I would like to make a statement on a very sensitive topic, Sexual Offences.

As you know, Honourable Deputy Speaker, sex crimes involves a broad spectrum of factors and issues nor does it differentiate communities. By its very nature, it disrupts the norm and shakes the very fabric of our society. This is one category of crime that casts judgment on morality and values, values that are supposed to be the foundation on which a family is built.

Sex crime should be everyone's concern. Honourable Deputy Speaker, it is the topic of conversation in our homes, in our interactions, in sermons, churches and literally everywhere, and it is also on the political agenda of the FijiFirst Government. The Fiji Police Force is working tirelessly to investigate and bring to justice sexual offenders.

Sexual offences range from indecent assault against a female or a male, indecency and unlawful sexual intercourse with a girl under the age of 16. Today, some children are not safe even in their own homes, whereas it is very sad. In many cases, perpetrators are members of their own families. Often, the very people who are entrusted to nurture, raise and protect, become the abusers.

As far as the Fiji Police Force is concerned, Honourable Deputy Speaker, there is zero-tolerance to sexual abuse. There is also a No Drop Policy, and no reconciliation of perpetrators and victims in sexual abuse cases.

The Sexual Offences Unit of the Fiji Police Force, Honourable Deputy Speaker, specialises in investigations of cases that are sexual in nature, including those concerning women and children. In addition, under the Family Law Act strict enforcement of the Family Law Act and compliance to DVRO, mandatory child abuse reporting and restraining orders for children are followed. Further, the Police in partnership with other stakeholders, are involved in mainstreaming advocacy and awareness programmes.

Honourable Deputy Speaker, our police officers are required to attend to sexual offences within 24 hours.

On victim visitation and support; there are ongoing programmes of mentoring, counselling, case investigation, feedback, victims and witness counselling, for court purposes. State houses for victims and juvenile offenders are pursued with the Ministry of Women and Social Welfare. There is a mandatory legislative requirement to report and relocate child victims to secure and safe housing by Social Welfare.

Honourable Deputy Speaker, there are helplines setup and 24 hour Police and other stakeholder helplines are available for victim support, reporting and referrals. The Fiji Police Force is using a multi-platform approach using the *vanua*, religious organisations, youth groups, as well as women's groups, to address sexual exploitation and abuse in the communities.

Honourable Deputy Speaker, there has been education awareness in schools carried out by the police officers during school visits. Police officers talk about crime and sexual offences to students during such visits. Other educational programmes in schools complement such awareness and advocacy programmes such as, cadetship, careers expo, family parliament, bluelight, scholastic programmes, and so on, et cetera. The Crime Stoppers programme, call centres, media programmes like talk-back shows, media releases and crime prevention, and also add to an increased awareness and prevention.

Honourable Deputy Speaker, under the Domestic Violence Act 2009, a person who has reached the age of 18 becomes an adult. A child is defined under Child Welfare Act as a person below the age of 18 years old.

Sexual Offences are defined under the Crimes Act 2009 - Part 12, sections (1), (2). A Sexual Offence is when a person's consent to an act is not freely and voluntarily given. It is obtained either by force, threat or intimidation; fear of bodily harm, exercise of authority, false and fraudulent representation on the name or purpose of the act, and mistaken belief caused by the accused that he/she is the person's sexual partner.

Honourable Deputy Speaker, in 2016, out of the 3,132 criminal cases reported where women were victims, 559 were sexual offences which is 17.9 percent. Some offences have recorded increases in 2016 when compared to the previous year. The offences include:

- Rape increased by 5.2 percent;
- Assault with intent to commit rape by 300 percent;

- Sexual Assaults by 116.7 percent;
- Abduction of persons under 18 years of age with intent to have carnal knowledge, increased by 100percent;
- Indecent assault increased by 34.5 percent;
- Defilement, persons who were defiled in the previous years' actually reported the case this year by 300 percent, and;
- Incest by relative.

Honourable Deputy Speaker, in 2016, of the total 1,226 criminal cases reported on child victims, 632 cases were sexual offences against children which is 51.5 percent. A decrease of 26.3 percent recorded for male victims in 2016 when compared to 2015, while an increase of 0.5 percent recorded for female victims in 2016 when compared to 2015.

Honourable Deputy Speaker, some offences have recorded increases in 2016 when compared to the previous year and these offences are:

- Rape increased by 20.7 percent;
- Attempt to commit rape by 45.5 percent;
- Sexual assaults increased by 8.3 percent; and
- Abduction of persons under 18 years of age with intent to have carnal knowledge by 57.1 percent.

Irrespective of figures and statistics, Honourable Deputy Speaker, offences of any type against our children should not happen or be tolerated.

Honourable Deputy Speaker, His Excellency the President, the Honourable Prime Minister, the Honourable Minister for Women and Social Welfare and the Commissioner of Police are already actively advocating against sexual offences and domestic violence in our communities. Let us all support their work because we need to work together to fight against this evil in our communities.

As leaders and parents, we can preach and teach the importance of family values in our own homes. Our children need to see us parents, Honourable Deputy Speaker, as good models to value others. We must speak out against sexual offences.

Parents and relatives must not assume a child would tell that they are being sexually abused. We need to learn to recognise signs that a child is being abused and also how to properly deal with it. So often, we associate sexual abuse to violent rape. We do not recognise that very serious harm can be caused by many other kinds of sexual interactions with children, including unwelcome and inappropriate touching, exposure to pornography, witnessing sexual acts or even sexually demeaning and threatening comments.

Honourable Deputy Speaker, we need the *turaga ni koros*, village elders, community heads and faith-based organisations to join us in the fight against sexual offences. Cultural platforms, like the *Talanoa* should be used to promote moral values. In some cases, when someone is being abused, it just seems so much easier and less stressful to mind your own business and not to be involved.

Honourable Deputy Speaker, however, the Fiji Police Force needs the help of everyone, help from the churches, religious organisations, the private sector, schools, and even right here in Parliament. For guidance, we look within the cultural setup to practices what should be promoted and to look in religious books for lessons to guide us.

The Fiji Police Force, Honourable Deputy Speaker, is working in close partnership with other Government agencies to attend to sexual abuse cases and sharing of information and resources is being undertaken. Occasionally, people believe that they would recognise abusive behaviour, if it was happening. Yet, Honourable Deputy Speaker, harmful sexual behaviour continues because adults were not aware that, that was going on. The sad truth is that, sexual offenders continue to live in our midst with children exposed to inappropriate and abusive sexual behaviour.

In the recent weeks, Honourable Deputy Speaker, I have had dialogue with police officers, with the private sector, the churches and with many advisers, and we have looked at sexual offences from sociological perspectives, psychological viewpoints, from human rights and also health perspectives. And I strongly believe, Honourable Deputy Speaker, that our values are degraded and there is a lot of lip-service. Little is done to live the value we regularly say we embrace; the practices of love, trust and respect. Barriers are broken and taboos are removed in cultural settings.

During my visit to Vanua Levu two weeks ago, Honourable Deputy Speaker, I met Police Officers and they raised their concerns that reported sexual offences in villages and settlements were increasing. In our discussions in the Provinces of Bua, Macuata and Cakaudrove it seems that an increasing number of people are accessing pornographic sites. Smart phones are accessible and affordable. Even children can access porn sites on their smart phones. Anyone, including children, can access these websites.

To hear that there are groups gatherings to view pornography is alarming. I also understand that there may be other factors for the increase of sexual offences but if Police officers are raising their concerns from rural and isolated areas, then something must be done to address this problem.

Honourable Deputy Speaker, I understand that to some, the issue is about human rights and the right to do as you please in the confines of your own homes. The correlation between viewing adult sites and sexual offences is debatable, but it is an issue worth exploring, if we want to fully understand this issue.

Just a correction, Honourable Deputy Speaker, some of the Decrees that I had mentioned before, they are no longer Decrees they are now legislation or Acts, forgive me for that misinformation.

In conclusion, Honourable Deputy Speaker, the painful reality is that, sexual offences are increasing in our country and the Fiji Police Force needs all our support to tackle this problem.

Thank you, Honourable Deputy Speaker.

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

HON. M.D. BULITAVU.- Thank you, Honourable Deputy Speaker, I thank the Honourable Minister for Defence for his Ministerial Statement. Of course it is a big issue, it is a big problem and it is worrying. It is distressing, Honourable Deputy Speaker, to see the increase in trend of sexual offences.

Surprisingly, Honourable Minister for Defence, this particular statement should probably have come from the Honourable Minister for Women and Social Welfare but nevertheless, it is all our duty in regards to this.

There are two approaches; the NGO's approach into this is mostly rights based. Educating the rights, advocacy as the Honourable Minister had alluded to. The other aspect from the Fiji Police Force

is the crime-based approach that they are taking in regards to their No Drop Policy, Duavata Community Policing, et cetera, which has created awareness into the rural community.

There is also an increase in regards to this particular issue in urban areas which the Honourable Minister has rightly alluded to, given the technologies we have. But what can we do? Many problems had been highlighted by the Honourable Minister, but what are the solutions? We are trying to find solutions to fight this moral decay in our society. There has to be a certain kind of evidence-based approach to the problem of gender violence. These all come about when people do not understand gender equality or be educated in regards to gender inequality because these particular offences are normally committed to women and children.

We agree that children are no longer safe, but what does the statistics tell us? Honourable Deputy Speaker, if you had been following the media more recently, one of the issues is the alarming figures that was published in the *Fiji Sun*. The Courts are also finding it difficult to prosecute this particular cases because of victims, Honourable Deputy Speaker.

In regards to how we can combat intimidation, isolation and control, these are other dynamic areas that this issue is escalating to. Also, there really needs to be a morale-based approach on how we engage with the *vanua* and the church. It has to come through a bigger and wider framework of things, on how communities engage and how people can voluntarily come in and report cases, which has been another problem.

Another issue, Honourable Deputy Speaker, that was highlighted by the NGOs recently is even police investigating, in regards to cohesive confessions. Most of the detained people are also subject to certain kind of brutality which also comes into the picture in this particular cases, Honourable Deputy Speaker. Those are also some of the areas that the Honourable Minister for Defence can perhaps, look into in that regard.

The other issue, more probably the administrative part, is the laxity in our police with regards to statements. Most of the statements when they come to Court, are missing in regards to how they properly manage those case management systems that they should have. This affects the trial proper as well, Honourable Deputy Speaker.

On the other hand, Honourable Deputy Speaker, from investigation to trial, probably on how the victims are kept in a place where they will be able to give evidence more voluntarily and in a conducive environment. These are probably some of the areas that we can look into, on how to improve our systems. We acknowledge the effort so far but again, the right message has to come from the right people and the Fiji Police Force cannot do this alone. It has to engage other stakeholders to probably, combat this bigger issue which is causing a catastrophe to our nation, and how we can improve on this to lower the figures which is appalling at this particular time. Thank you, Honourable Deputy Speaker.

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

HON. PROF. B.C. PRASAD.- Thank you, Honourable Deputy Speaker. I thank the Honourable Minister for his statement.

I tend to support the initiatives and the efforts that his Ministry and the Fiji Police Force are trying to put in to address this very, very alarming trend in terms of sexual offences in our country. I think it is deeply concerning when we hear the statistics and it appears to be the underlying current environment in our country for which our most vulnerable – the women, children, disabled persons and the elderly are now exposed, given the statistics that we have just heard.

As Honourable Bulitavu pointed out, I think it would be very easy for us as legislators to rush to search for knee-jerk solutions, such as harsher penalties and treatments, I think they are very important. They ought to be part of the broader solution. But I believe, Honourable Deputy Speaker, we ignore at our own peril, the deeper social fragmentation, and I think the Honourable Minister alluded to some of those that are occurring in our midst. Some of it or the lack of it is becoming a catalyst for some of the senior sexual offences.

Of course, Honourable Deputy Speaker, there are other issues, such as poverty, social issues, emergence of hard drugs in our country. These are important issues that ought to be part of the solution that we will be seeking. I would therefore also ask the Honourable Minister when he is looking at this drastic situation with the National Security Framework and I think he is right, we need to also look at it from a sociological framework and understand that laws and penalties are not necessarily complementary to what might be happening within the society with respect to other issues, so we need to understand that and I agree with him.

I think we need to make this call to religious and faith-based organisations to take more interest in educating our people in raising and understanding of these issues which may not be directly sexual offences but those that are around those offences and that may be aid and abet the occurrence of such offences in the country. So really I think together with the law, we need to look at other innovative and perhaps more non-traditional approaches to addressing some of these alarming increase in sexual offences in the country.

Honourable Deputy Speaker, I think it also calls upon us as legislators to amplify the voices of not only the law enforcement agencies but those such as NGOs which are involved in creating that awareness which are involved in helping the victims of sexual offences so that we can provide the solutions as a collective group rather than leaving it to certain agencies or certain stakeholders because the problem is alarming, it is deeply concerning and the statistics are deeply worrying as well. Thank you, Deputy Speaker.

HON. DEPUTY SPEAKER.- Thank you, Honourable Member. I now call on the Honourable Minister for Women, Children and Poverty Alleviation to deliver her statement.

Update – Ministry of Women, Children and Poverty Alleviation Programmes

HON. M.R. VUNIWAQA.- Honourable Deputy Speaker, it is my pleasure to address you and the Honourable Members of this august House, especially as we near the end of the fiscal year 2017. The past nine months have been a good transition for me as a Minister for Women, Children and Poverty Alleviation, especially with the support of the Honourable Assistant Minister and the Permanent Secretary. Although the Ministry has its fair share of challenges, we have achieved many things over the period of the current fiscal year. I wish to inform the House today on the worthy achievements of my Ministry since September last year.

The Poverty Monitoring Unit evaluates Government's poverty alleviation programmes and makes policy recommendations to the Ministry and Cabinet. Through the monitoring, the Unit is committed to ensuring that all such programmes deliver actual outcomes in terms of improving livelihoods and reducing poverty and that Government assistance effectively targets the less vulnerable in society.

In this fiscal year, the Unit has conducted surveys in the Northern Division, Central Division and Western Division to gauge the impact of programmes such as squatter upgrading and resettlement by the Ministry of Local Government, Agricultural Market Authority, upgrading of cane access roads, rural and outer islands agriculture development through the Ministry of Agriculture, rural housing assistance,

agricultural extension crops, Fiji ground water assessment and development programmes through the Ministry of Lands and Mineral Recourses, drainage and flood protection through the Ministry of Agriculture, rural electrification through the Ministry of Infrastructure and Transportation and the scholarship programmes under TSLB.

Honourable Deputy Speaker, after the surveys were conducted, the Unit had completed three brief monitoring reports on ground water assessment and development, rural electrification and HART. These reports were formulated through interviewing beneficiaries of the programmes, researching and consultations with line agencies, the monitoring report highlights Government's commitment to the programme, the impact on beneficiaries, lessons learnt and the areas for improvement.

Furthermore, currently the Unit is in the final phase of completing its monitoring reports for current financial period on the following programmes:

- Squatter upgrading and resettlement
- Agricultural marketing authority
- Upgrading of cane access roads
- Rural and out islands agriculture development
- Rural housing assistance
- Drainage and flood protection and
- Scholarship programmes

Honourable Deputy Speaker, the Unit has maintained the poverty information centre whereby the Poverty Monitoring Unit is collecting information on Government poverty alleviation programmes on a quarterly basis. Currently, the Unit is collating baseline information for a 144 programmes that has been identified from the Budget Estimate for 2016-2017.

The Poverty Monitoring Unit intends to collect at least in the last five years data on poverty alleviation programmes. To gauge the impact of these programmes on poverty reduction in Fiji.

Honourable Deputy Speaker, furthermore, in terms of social welfare programmes, the Department of Social Welfare has 24,807 recipients under its Poverty Benefit Scheme which is 2279 more than the recipients in the system at the beginning of the fiscal year, after new approvals and termination of cases over the year.

Madam Speaker, 3,531 has been the total number of new approvals alone between August, 2016 to April, 2017. The Department has also completed 1,931 reviews of ongoing cases which have resulted in termination of some cases as a result of findings that proved improved living conditions or death of recipients. The reviews were also the basis of increased or decreased allowances for the recipients. A total of 2105 applications for the Poverty Benefit Scheme have been declined as it was established by caseworkers that the applicants did not meet the criteria for this assistance.

Honourable Deputy Speaker, we currently have 4,058 recipients under the Care and Protection Allowance Programme. The Care and Protection Allowance, Honourable Deputy Speaker, is a programme that has been put in place particularly targeted at children who are living in situations of poverty. This sum of 4058 is an increased by 569 since August, 2016 and 788 have been the new approvals alone over this period. Only 51 cases of new applications for care and protection allowance have been declined, whereby applicants did not meet the criteria for this assistance.

Honourable Deputy Speaker, under the Social Pension Scheme, we have 25,492 recipients, which has seen an increase of 5,330 since the beginning of this fiscal year. In the period between August, 2016 to April, 2017, 6973 new cases have been approved, 970 terminated and 41 have been declined.

Honourable Deputy Speaker, 1,123 Social Pension Scheme cases have been reviewed by the offices over this period as well, of which the majority were terminated, particularly due to the passing away of the recipients.

Honourable Deputy Speaker, at this current time as we speak, we are working in conjunction with the Registrar General's Office to put in place a mechanism that would hook on to those recipients who do pass away so they can be eliminated from the system.

Honourable Deputy Speaker, a concerning issue for my Ministry has been the number of fire cases that have been reported within this fiscal year. We have assisted 158 families that lost their homes to fire within these 9 months with the \$1,000.00 fire victim assistance, and some are waiting to be assisted in the new financial year. I call upon all Fijians to take great precaution to avoid fires. Fire is a very common, unpredictable disaster that can result in the loss of human lives, as well as in the physical destruction of homes, businesses, neighbourhoods, livestock, and wildlife. In addition, fires may cause serious emotional distress to children and families.

Honourable Deputy Speaker, another one of our major concerns is the number of child welfare cases that have been reported to the Ministry over the period from August 2016 to April 2017, we have received under the Mandatory Reporting System within the Child Welfare Act of 2010, a total of 787 cases, the highest number of cases reported in March, and the highest number of cases were recorded from the South Eastern Division overall. I am therefore, very heartened by the Ministerial Statement by the Honourable Minister for Defence, highlighting the issue of sexual offences and the impact it has on our children and families in Fiji.

Honourable Deputy Speaker, since the Child Welfare Decree was put in place from 2010 and in conjunction with the Child Help Line of 1325 under the FijiFirst Government, we have seen an increase in the reporting of crimes against children and the abuse of children.

With the proper legal mechanism in place and the avenues readily available to Fijians across Fiji, it has given them the impetus to report on these crimes that previously did not have the legal nor the mechanism to be reported to authorities.

A total of 143 cases were referred for counseling and currently, we have 32 children under the care of the State with care plans in place to ensure every child's wellbeing is taken care of. Welfare Officers have also placed children under kinship and foster guardianship and continue to monitor their progress on a timely basis. In terms of children in conflict with the law, we have a total of 29 juveniles under State supervision, with the majority being from the Northern Division.

Honourable Deputy Speaker, given the alarming statistics surrounding child welfare, the ministry through the support of the National Coordinating Committee on Children organized for the first time a series of children's symposium in the Central and Northern Divisions, whereby children came up with their own manifesto to be presented to a panel of stakeholders. The manifestos contained their recommendations on how to strengthen their participation and enjoyment of rights in terms of religion, culture, health, education, family relations, safety and their involvement in making policies affecting them. The last symposium of the year is scheduled for the 01st of June for the Western Division. This is in fact part of the buildup to the Annual Prevention of Child Abuse and Neglects Celebration (PCAN) that my Ministry does every year.

Apart from these, there are ongoing community awareness programmes run by relevant officers who visit villages and settlements in an attempt to disseminate relevant information relating to child welfare.

Honourable Deputy Speaker, we recognize the need to continue creating awareness on the rights of a child to live a life free from abuse and neglect. Therefore, we made it our business to take up the Prevention of Child Abuse and Neglect, also known as the 'Blue Ribbon' campaign to every district, instead of the usual divisional or national event, where an average of 500 to 800 children and adults participate. The main theme of the PCAN campaign was 'Great Childhoods Begin at Home'. The theme was to remind us of the importance of a family unit as the foundation for the protection of children.

Honourable Deputy Speaker, to further drive the importance of the family unit as a strong fabric for a socially just and fair society, my ministry celebrated the International Day of the Family earlier this month at Bemana, Nadroga. This was also an opportunity to provide social and legal services to the people of Bemana and the surrounding areas. We are currently looking at sustainable ways to further highlight the critical role of the family in society.

Honourable Deputy Speaker, it gives me pleasure to inform this august House that the ministry through the Department of Social welfare and the National Council of Older Persons also hosted Fiji's First Biennial General Assembly of Older Persons on the 13th-14th of December, 2016 in Suva, which was attended by Government representatives, relevant statutory bodies, private sector representatives, representatives of the United Nations agencies, Civil Society Groups, relevant Non-Government Organizations and Older Persons Associations.

The assembly was held with the objective to create awareness on ageing, creating comprehension of existing stakeholders that provides services or programs for older persons, highlight government's commitment as strategic plan for the next 5 to 20 years and to register agencies under the National Council of Older Persons (NCOP) as per the NCOP Act of 2012.

The outcomes of the Biennial General Assembly of Older Persons are that the stakeholders are now sensitized on a wider range of issues on the implications of ageing on the public sector, families and communities. There is also consolidation of information towards the development of a directory of services and programs for Older Persons. Also achieved are preliminary developments towards formalized platforms to secure segregated data to reflect recipients of services above the age of 60 years and above with views of the stakeholders secured.

We have fostered partnerships towards addressing the four goals under inclusion, protection, health and enabling environments for older persons in Fiji and have earned new registrations of NGOs under NCOP Official Register.

Honourable Deputy Speaker, also on the 01st of October, 2016 we celebrated the International Day for Old Persons at all State-owned institutions for older persons around the country. The theme for last year was 'Take a Stand against Ageism' and the key message to all.

The International Day of Older Persons is an opportunity to highlight the important contributions that older people make to society and raise awareness of issues and challenges of ageing in today's world. All too often, older persons face negative perceptions of older workers; age limits, penalties and denials of service imposed by insurance service providers and financial institutions.

Ageism rests on the assumption that discrimination against older persons is the norm and acceptable. It manifests itself in both, individual and institutional behaviours and decisions that have a significant negative impact on the lives of older persons, contributing to their marginalization and social exclusion. Older women are further disadvantaged by attitudinal factors approving the use of violence, ageism and sexism, particularly cultural values and social systems. It is very timely that we began talking more openly about ways to treat our elders with less discrimination and more respect.

Honourable Deputy Speaker, another noteworthy achievement of the Ministry as a whole has been the implementation of the 'Help for Homes' initiative throughout the 12 priority areas that were affected by *TC Winston*. The Fijian Government took a bold stand on rebuilding our affected families after *TC Winston* to introduce a welcoming initiative and that is to rebuild Fiji and to build back better.

The initiative has already taken place in 3 phases. The Fijian government has invested to date \$132 million in the Help for Home programme with \$87 million in phase 1, \$20 million in phase 2 and another \$25 million in the third phase. All in all, 36,461 families in the 12 priority affected areas have been assisted. It was very clear that there were challenges to having full coverage in each of the priority areas. The clear factor in achieving full coverage was the connectivity for Vodafone to issue the M-Paisa Help for Home (HFH) card. The structural damage to the transmitting towers for Vodafone after *TC Winston* was one of the reasons behind the differences in coverage by each priority affected area.

There were 9 hardware companies were given the tender to provide building materials for the Help for Home beneficiaries. The Fijian government carefully reflected on the delay in supply of building materials and the need to assist families displaced or sheltered with other families. This led to the exclusion of Vinod Patel, RC Manubhai and Carpenters in the approved list of hardware retailers in phase II.

They are now included in phase III as they have almost complied with the conditions placed upon them. To complement the Help for Homes initiative, other Government Ministries like the Ministry of Rural Development and the Ministry of Youth together with FNU have been running carpentry trainings in areas that were badly affected by *TC Winston* with the aim of empowering Fijians to be able to rebuild their homes and at the same time attain a lifelong skill which can be used as a means of livelihood for themselves. Home building initiatives are also being carried out by Non-State Actors like Habitat Fiji, Soroptimist International and others.

Honourable Deputy Speaker, the Ministry also commissioned our *Kadavu Eagle*. The *Kadavu Eagle* is the first of its kind for us and has been provided by the ministry for the Departments for Women and Social Welfare alike to improve our service delivery in the province of Kadavu, with a population of just over 10,000, 75 villages and a total area of 411 square kilometres, Kadavu is the fourth largest island in Fiji. Without much infrastructure and development, getting around the island has been a difficult task, let alone providing our services to the whole island. The challenge for the staff had been the difficulty in getting around to serve the people they have been mandated to serve therefore, travelling by boat has been the primary means of transportation for all of them.

The travel expense has now been subsidized highly with the provision of the *Kadavu Eagle*, a boat used by our staff to visit the villages in the remote Kadavu areas. Honourable Deputy Speaker, together with the *Kadavu Eagle*, my Ministry is celebrating the commissioning of three outreach buses that were provided to us by the Japanese Government through UNDP for the REACH (Rights Empowerment and Cohesion for Rural and Urban Fijians) Programme which is linked to the sustainable development goals through the empowerment of women and girls and the promotion of peaceful and inclusive society for sustainable development, provision of access to justice for all, and building effective, accountable and inclusive institutions.

I am very pleased and acknowledge the support of the Legal Aid Commission, the Fiji Police Force and the Human Rights and Anti-Discrimination Commission, whereby their officers have been accompanying welfare officers and Women Interest Officers to rural communities to create awareness to transform lives of deserving members of our country and be inclusive in our outreach services.

Honourable Deputy Speaker, the Department of Women also have a lot of achievements in the current fiscal year. I would like to highlight one particular one in relation to programmes targeted at the elimination of violence against women.

Again, Honourable Deputy Speaker, I would like to acknowledge and thank the Honourable Minister for Defence for his ministerial statement and for highlighting yet again this issue of domestic violence. With the right legal platform in place through the Domestic Violence Act of 2009 and the toll free line of 1560, it has opened up an avenue for ordinary Fijian women out there and men who are victims of domestic violence to have an avenue and the legal mechanism in place, a strong one too to be able to address the incidents of violence in their lives. We have seen an increase in reporting and we put this down to the ease at which people can now report the incidents of violence in their lives.

There are a lot of programmes being carried out by my Ministry at the moment, Honourable Deputy Speaker towards the elimination of violence against women. The final topic I would like to speak about, Honourable Deputy Speaker is the Economic Empowerment of Women and the National Women's Expo which will be held from the 14th to the 16th of June this year at the Vodafone Arena. It will include 500 women from all parts of Fiji who will congregate in Suva as a way of showcasing their works of art that they come up with as a means of economic empowerment. Thank you, Honourable Deputy Speaker.

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

HON. S.V. RADRODRO.- Thank you, Honourable Deputy Speaker. At the outset, can I request for 20 minutes to be able to respond sufficiently to the submission by the Honourable Minister?

(Chorus of interjections)

HON. DEPUTY SPEAKER.- It is only for five minutes. Thank you.

HON. S.V. RADRODRO.- Honourable Deputy Speaker, I had requested for extra time because the Ministry is a very important Ministry in our nation because it looks after Poverty Alleviation, Children and Women and Poverty Alleviation, Deputy Speaker. I have a lot of reservation having it placed in that Ministry because it is a very cross-cutting issue and then it is placed in a Ministry that does not have sufficient budgetary resources to be able to monitor Poverty Alleviation in the country.

For example, let us look at rural housing, those who have suffered during *Cyclone Winston* are still living in tents and in terms of Rural Electrification, there are areas just outside Suva Urban like Nairevurevunicagi as I had mentioned yesterday. They are still not accessible to electrification and we look at roads, even just around here and those that have been mentioned in the previous questions. They spoke volumes on the poor conditions of our roads and we look at Poverty Alleviation in terms of education.

Again, in the last question session, we heard about those students not accessible to the programmes by the Ministry of Education because they are not accessible to electricity, go to the community.

(Honourable Members interject)

HON. S.V. RADRODRO.- In terms of health, in Nabouwalu, Solevu, are not accessible to the ambulance services. Also on health, there are those senior citizens that are at home and they are not accessible to the health services by way of visitation to their homes, and particularly Honourable Deputy

Speaker, those that are in a very vulnerable situation and needing assistance like wheelchair and other walking aids. It would help greatly if the Ministry of Health go and visit or allow the public health nurses to be able to continue and visit these members of our community, particularly those that have suffered from amputations because of the high NCD and we have often heard, even the previous Health Minister highlight in this House that the high death rate is from NCD and yet after amputations they are just left alone at home.

Honourable Deputy Speaker, in terms of social welfare, there had been a lot of new initiatives and we can applaud and thank the Ministry for that but then there are still others that are out there in the community that are not accessible to these services. I thank the Honourable Minister Vuniwaqa for quick responses in the cases that I had referred to her but there are more cases out there that need assistance in terms of the pension for the senior citizens, pension, in terms of busfare because these are Government initiatives but it is not reaching them.

Honourable Deputy Speaker, in terms of the children of Fiji, I acknowledge and thank the Honourable Minister for Defence for bringing up those very important issues and I ask the questions and I was really looking forward to hearing the Honourable Minister Vuniwaqa to respond or to provide responses to the issues brought about by the Minister for Defence because those are issues that remain to be answered, and I ask, "*Na cava nai wali ni leqa?*", "What are the solutions to these issues" as highlighted by the Honourable Minister for Defence, and we should not just brush it aside, they need to be answered.

The way of answering that is, we are recommending to the House if a Commission of Inquiry on violence against women and children could be instigated by the other side, the Honourable Minister for Women and the solutions as picked up by the Honourable Minister for Defence is that, we have to push-up our moral values ...

(Chorus of interjections)

HON. S.V. RADRODRO.- ... that is what that is lacking and moral values will come about by engaging with the faith-based organisation, as alluded to by the Honourable Minister for Defence.

(Chorus of interjections)

HON. DEPUTY SPEAKER.- I will call on the Leader of the NFP or his designate.

HON. P. CHAND.- Thank you, Honourable Deputy Speaker, I thank the Honourable Minister for her valuable updates and I also take this time to commend her intervention yesterday on the debate on education where she raised some very salient points about gender parity in the education sector. Hopefully the Education Minister paid careful attention to this.

(Laughter)

HON. P. CHAND.- Honourable Deputy Speaker, the value of our women cannot be overstated. The NFP believes this wholeheartedly and let me say that we acknowledge right now that behind the three of us here are some formidable women from our homes, communities and circles who keep us grounded in check and some of the very important points that the Honourable Minister raised is one, Poverty Alleviation and today, as we move on, we see the cost of living in this country, rising very, very high.

HON. OPPOSITION MEMBER.- Very true.

HON. P. CHAND.- People are finding it very difficult to buy groceries at the end of the week with the pay they have. One of the major concerns in the Northern Division where I come from, Honourable Deputy Speaker, is the expiry of land leases that are not being renewed, and there are a lot.

(Chorus of interjections)

HON. P. CHAND.- Honourable Deputy Speaker, the Honourable Nawaikula is not in Government.

(Laughter)

HON. P. CHAND.- This Government has got a lot of unprecedented things to do, and they should take responsibility. The cost of living, Honourable Nawaikula has not raised it, it is this Government that has raised it. Honourable Deputy Speaker, one of the major reasons is that, there are lot of young people, especially from the Northern Division, who are migrating to Suva and various other places, which cause elderly family members to be left behind, therefore, they are unable to cultivate their farms.

The other issue that she mentioned was the Social Welfare Scheme. I think in 2014 during the FijiFirst Party campaign, they were telling the people that they will give everyone, 70 years and over, Social Welfare allowance. They promised that in many meetings but it did not come by.

Nowadays, many people who request the Social Welfare assistance are told that since they have family members who are working, they are not able to get it. So, I would love to see that something is done to help the poor people, people who do not have jobs and especially, lot of cane farmers who have lost their cane farms because their leases have not been renewed.

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

HON. P. CHAND.- Honourable Deputy Speaker, I will get back to the Honourable Attorney-General with regard to what he said yesterday. That is not a problem.

Honourable Deputy Speaker, on the fire cases that was talked about, there are lot of fires nowadays and it is heartening to note that the Ministry has some remedies in those situations. I would like to ask if results of those investigations could be given to us so that we know the reasons why these fires occur. I believe, in most of the squatter settlements, this is happening, so this is something to note and it is important.

On child abuse, as we heard from the Honourable Minister for Defence and National Security about children, sexual offences, et cetera, I think it is also good to note that some steps are being taken and these things might improve.

Honourable Deputy Speaker, it is indeed my hope that valuable work being undertaken by the Honourable Minister and her Ministry is supported, particularly poverty alleviation programmes and fair goals of prioritising, in our upcoming Budget announcement. They sing a lot of songs, one small thing and they will jump up and down, but let me tell you that many of the things we hear from the Government side are, many a time, misleading. Figures that are given to us are not correct, but we have no recourse because the FijiFirst's paper, *Fiji Sun*, records it like that. It is very unfortunate.

Honourable Deputy Speaker, I thank the Honourable Minister once again for her Ministerial Statement to this House which is very heartening and very good. Thank you.

(Honourable Members interject)

HON. DEPUTY SPEAKER.- Honourable Members, at this point, we will adjourn proceedings for lunch. Lunch is being served at the Big Committee Room.

Parliament will resume proceedings at 2.30 p.m. Thank you, Honourable Members.

The Parliament adjourned at 12.44 p.m.

The Parliament resumed at 2.35 p.m.

HON. DEPUTY SPEAKER.- Honourable Members, we will continue from where we left before lunch. I will now call on the Honourable Minister for Education, Heritage and Arts to deliver his statement.

Benefits of FEMIS to the Ministry, Schools and Teachers

HON. DR. M. REDDY.- The Honourable Deputy Speaker, Honourable Leader of the Opposition and Honourable Members of Parliament; thank you very much for giving me the opportunity to speak on the topic: Benefits of FEMIS to the Ministry, School and Teachers, our stakeholders.

Honourable Deputy Speaker, the Fiji Education Management Information System (FEMIS) is a web-based application which captures live and real time data for all the 942 ECE Centres, 736 Primary Schools and 172 Secondary Schools, as well as the 17 Special Education Schools in Fiji. FEMIS captures data on a wide range of education statistics, ranging from student data, teacher data, schools, infrastructure, examination, assessments, attendance and finances.

Honourable Deputy Speaker, we are thankful to the Access to Quality Education Programme of DFAT, commonly known as AQEP, which has fully funded the development of FEMIS since 2013. They have assisted us by providing an expert consultant, as well as a data analyst for the development and maintenance of FEMIS in the early stages. They have also assisted us in the funding of FEMIS trainings for our teachers and administrators at the school level. There is not one primary or secondary school in Fiji that has not received FEMIS training.

Honourable Deputy Speaker, as we are a developing nation, we still have problems with our internet systems. There are approximately 190 primary schools and two secondary schools that do not have internet access. To get data from the schools that do not have internet access, their respective Education Districts sends the paper-based FEMIS forms to these schools, and the schools submit the filled forms to the Education District, who then submits the data entry into FEMIS on their behalf. So, for those 190 primary schools and two high schools where internet connection is an issue, we get the data on the respective forms filled by them, and the data is uploaded by Admin Officers at the nearest District Education Office.

Honourable Deputy Speaker, the data regarding schools, teachers and students captured in FEMIS for primary and secondary schools for 2017, are as follows:

School Type	No. of Schools	No. of Teachers	No. of Students
Primary	736	5,754	146, 651
Secondary	172	5,140	67,803

Honourable Deputy Speaker, not all private schools are captured in FEMIS. The reason is mainly because private schools are not receiving the grants from the Ministry of Education and, therefore, they really do not have any obligation to submit data to us.

Honourable Deputy Speaker, access to FEMIS is controlled by user accounts and levels. Every authorised user is provided with a username and password. The FEMIS policy is strictly adhered to when giving users access. The different access levels in FEMIS include:

- teacher login. Individual teachers can login and they only can access to certain data that they may require;

- school login, the school administrator or the school head will have that password. Certain aspects of data that they do not need to be accessed are blocked off and they will only access certain data;
- district login, these are the Education Officers. They also have the login access they are posted at the Ministry of Education headquarters in different sections as secondary, primary, et cetera.

Honourable Deputy Speaker, first and foremost, FEMIS is the only database that contains all information and education data that can assist in the implementation of Sustainable Development Goal (SDG) 4.

Honourable Deputy Speaker, this database is very important because using this data we can, at any particular point in time, tell factually where we are in terms of delivery of SDG 4 or other Goals which are dependent on Goal 4.

Honourable Deputy Speaker, let me now elaborate on how FEMIS allows the Ministry to monitor the indicators of SDG4. SDG4 is to ensure inclusive and equitable quality education and promote lifelong learning opportunities for all. It has seven targets and three means of implementation.

SDG 4.1 is to ensure that all girls and boys complete free, equitable and quality primary and secondary education, leading to relevant and effective learning outcomes. Honourable Deputy Speaker, inclusion of Tuition Fee Free Grants (FEG) allocations and voucher acquittals has enabled the process for FEG distribution to be transparent. The allocation of FEG is calculated based on student roll from FEMIS. So when we want to roll out the grant, immediately with a click of the button we get the exact student number data, and based on the student number data we calculate how much grant should be given to each school. That is why we encourage schools to quickly upload the student data, but the Term 1 grant is based on the previous year's student number.

The FEG is based on the audited class roll which clearly states the number of local students in a school at different levels. This process has increased efficiency in the FEG distribution. The expenditure of FEG allocation is acquitted by schools using FEMIS, thus making this process transparent, accountable and efficient.

In order to assist the stakeholders, FEG related reports are readily available to School Heads, Management, District Officers, Ministry Headquarters and Accounts Section. So with this there is hardly any chance for any dispute because all parties will have access to the same data. The Management may say; "This is our student number", the School Head may say; "This is our student number", our Finance Section may say; "This is the student number for this school", but when all parties have access to one data, there is no issue of any dispute.

The Accounts Section also uses FEMIS to monitor the progress of FEG usage by the schools. So there is a built-in system where we would know how the grant is utilised monthly by the school. The schools are required to update the data on FEMIS about what portion of the grant had been utilised and for what areas, the listed areas, or for repair and maintenance section.

Honourable Deputy Speaker, one of the indicators of SDG 4.1 is completion rates of primary school students, as well as secondary school students. Another indication is the level of literacy and numeracy.

SDG 4.2 is to ensure that all girls and boys have access to quality early childhood development and care so that they are ready for primary education. I am happy to announce that 226,071 individual student records for ECE, Primary and Secondary are captured in the FEMIS.

Honourable Deputy Speaker, with a click of a button, detailed student information could be accessed with individual student records. Amongst others, the information available in FEMIS include student's personal details, subjects, attendance, health details, exam results for Literacy and Numeracy Assessment, history of schools they have attended, home address and parent's basic details.

Teachers, schools and Ministry of Education can run summary reports on student attendance at any point in time. Students with a click of a button can run summary reports on school roll aggregated by age, gender, et cetera. Honourable Deputy Speaker, you might have noted the presentation by my colleague the Honourable Minister for Women and Social Welfare, talking about having data breakdown by gender. This is an amazing database that we have where the gender dimension can be obtained with a click of a button.

Honourable Deputy Speaker, you may have noted in the past that I had talked about attendance of staff, as well as students. This student attendance is also being used to measure the effectiveness of the initiatives of the Government to remove barriers to education. This information system that we have, provides very detailed data on students' attendance.

Honourable Deputy Speaker, FEMIS is also used to identify students who are out of school. These are the children who have not completed their academic year or did not enrol for the next level. So if you find that from Year 5, the number of students in a school are not the same in the following year, Year 6. That means we need to go and find out where have these students gone from Year 5, and this data is available on FEMIS.

The FEMIS data has assisted in the research of the initiative that we recently began; "No Child Being Left Behind". There are around 155 students identified from the Nausori and Suva and Lautoka Education Districts, who will benefit from this initiative. This noble initiative has given another chance for the children of our country to study and excel in life.

Honourable Deputy Speaker, SDG 4.3 is to ensure equal access for all women and men to affordable quality, technical, vocational and tertiary education. Our IT Section is working on getting the gross enrolment for Technical College of Fiji Campuses and is working very closely with the Higher Education Commission to include data for universities and other tertiary institutions. At the moment, we do not have the high education sector institutions data on FEMIS, but we are looking at creating a separate module for that as well.

Honourable Deputy Speaker, SDG 4.4 is to substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills. Again, our IT Section has already created the module and relevant applications in FEMIS, and is working closely with the Technical College of Fiji to get all relevant data updated before the end of the year.

Honourable Deputy Speaker, SDG 4.5 is also closely related to SDG 5. It involves eliminating gender disparities in education, and ensures equal access to all levels of education, including persons with disabilities. FEMIS provides a very detailed primary data based on gender, ethnicity and disabilities by levels and by district.

Honourable Deputy Speaker, SDG 4.6 is to ensure all youth and a substantial portion of adults, to achieve literacy/numeracy. This is a work in progress as Technical Colleges of Fiji was

recently introduced, we have made progress by including it into FEMIS but the data is continually being updated to calculate youth, adult literacy and numeracy ratio.

SDG 4.7 is to ensure that all learners develop knowledge and skills to promote sustainable development such as, human rights, gender equality, global citizenship and cultural diversity.

Honourable Deputy Speaker, the Textbook module, another module added to the FEMIS system has been developed so that the Ministry of Education can plan timely distribution and utilisation of textbooks in schools. This will enable the Ministry to track and monitor accurate number of textbook copies dispatched to schools, in order to address the textbook issues in schools. This will have huge cost savings for the Ministry in terms of meeting the actual demands for the schools and eliminating the problem of over-supply and under-supply of textbooks.

Honourable Deputy Speaker, FEMIS has an Online Leave module. Early last year, teachers used to apply manually for leave. We have developed an online system where teachers can go and apply for leave on FEMIS and it will go to respective persons - the Head Teacher, the Education Officer, Director and the Director HR. Once it is approved at different levels, it will then pass through different levels who would approve it and automatically, they will get an approval letter of their leave.

Furthermore, Honourable Deputy Speaker, the Library module has been developed in FEMIS. This is where schools keep a record of their library rooms, books and staff. The Library Services of Fiji uses the library module in FEMIS to monitor the status of libraries in schools.

The Library Services of Fiji has also assisted schools that do not have sufficient library resources. The ultimate aim is to use the FEMIS data to progressively ensure that all school libraries are well equipped with the relevant books and educational resources, so that the literacy of students could be enhanced. In addition, SDG 4.a, is to build and upgrade education facilities and infrastructure that are child, disability and gender sensitive.

Honourable Deputy Speaker, we have an Assets Register that has been developed in FEMIS which captures the school infrastructure details. The information captured on assets includes; school's building information, number of ablution toilets, science labs, computer labs, water facilities, water tanks, hand washing facilities, proper disability accessible toilets, menstrual hygiene facilities, water quality data and school equipment.

The Asset Monitoring Unit of Ministry of Education uses FEMIS to monitor the status of assets in schools. The assets data, especially regarding water, sanitation and hygiene (WASH) is very important as it needs to be reported on SDG 6 as well.

Honourable Deputy Speaker, SDG 6 which is the Water, Sanitation and Hygiene, known as WASH, is something that we are vigorously pursuing in our schools.

Honourable Deputy Speaker, SDG 4.c is to increase the supply of qualified teachers. Teacher information can also be viewed in FEMIS, and we are using FEMIS to check on the teacher status, their registration status, the leave records and various other HR issues with regards to the teacher on the FEMIS.

Honourable Deputy Speaker, schools revenue and expenditure details are captured in FEMIS. Audited financial statements data of the previous year is entered by the Primary and Secondary Schools in FEMIS. The revenue records all the income of the school and expenditure records, all the expenses for the previous financial year. The audited financial reports for the previous year is one of the requirements for the release of the school grant. So sometimes we do get complaints from schools that

the grants are not released, the requirement is that they must hold their AGM and submit audited financial accounts. We do understand that there maybe a few exceptions, and we take that into account and release grants subject to getting the audited financial accounts.

Honourable Deputy Speaker, students receiving transport assistance and distribution of vouchers to students are also recorded in FEMIS. There are reports that are readily available to the Transport Assistance Unit in Ministry, to monitor the distribution of vouchers to Districts and schools. The Schools, Education Districts and Headquarters can also generate reports to know the details of students receiving transport assistance.

Honourable Deputy Speaker, you will note that last year or the year before, there were some complaints about delay in provision of transport vouchers. We have fixed all those. This year there was not a single complaint from any school about delay in receiving transport vouchers because firstly, we changed the system, and secondly, we ensured that our FEMIS data is up-to-date and we are able to get data from that on how much voucher should be given for different years in different schools.

Honourable Deputy Speaker, online student registration for examinations and E-exams are also done through FEMIS. Teachers are required to upload student information correctly, and they are given student index numbers which they carry through for the entire primary and secondary schools.

Honourable Deputy Speaker, schools are shown in the Map of Fiji. The information shown on the map includes; schools addresses, staff, enrolment and the damage assessment from *TC Winston*. This page was designed after *TC Winston* to get a visual representation of the schools that got damaged, as well as the different damage ratings based on the severity.

Honourable Deputy Speaker, this system also has disability module where the assessment tools are provided to the schools to assist in assessing students with disability.

Honourable Deputy Speaker, recently we also have enhanced the system to include school canteens and information regarding the kinds of items that are sold out of these canteens.

Honourable Deputy Speaker, in the early stages of development, FEMIS was used to meet the education statistics related to students, teachers and schools. FEMIS captured individual details of students rather than only the number of students which was kept in the previous application, SIMS.

Since 2015, we have enhanced the system of the database to get a comprehensive statistics about the entire school system including, supporting infrastructure and supporting institutions.

There have been 4,427 officers including, school heads, teachers, FEMIS's Administration Officers in schools and Ministry of Education Administration Staff who were trained in using FEMIS. The crux in terms of the value of FEMIS depends on two things, Honourable Deputy Speaker, firstly; uploading of data by responsible officers and secondly, uploading of accurate data. Thank you.

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

HON. M.R. LEAWARE.- Honourable Deputy Speaker, allow me to begin by thanking the Honourable Minister for Education for informing this House about the FEMIS. We value this initiative of the Ministry of Education as it assists in data collection, data analysis, examination, index numbers and the sharing of other vital information. However, the same cannot be said about the information provided for the special needs of the school.

Honourable Deputy Speaker, I must declare my interest in this matter as a former teacher, having spent many years dealing with the Fiji Education Sector at all levels. What I found about FEMIS is that, it needs regular updating. We have had cases where there have been double entries, like one student changing school and problems with entering those students who enrol with time from private to public schools.

Sometime ago, Honourable Deputy Speaker, schools were issued circulars that the Ministry of Education will employ full Administration Officers to deal with FEMIS but this did not eventuate, causing extra workload on the office staff. I request, Honourable Deputy Speaker, if the Ministry of Education could go back to the ideology of having full time Administration Officers dealing with FEMIS and other aspects of policy implementation and supplies, which I am sure will be very helpful in resolving a lot of backlogs and issues in schools.

The second issue I intend to highlight, Honourable Deputy Speaker, is the issue of time response to requests on supplies, by schools. There have been cases where no supplies were made, late supplies were made and there have also been cases where inadequate supplies have been made to schools. However, it is disconcerting to note that CMF Secondary School was promised \$105,000 which had been committed by the Ministry of Education towards the School. Vinod Patel and Company Limited delivered the materials to the School, but the Ministry of Education withdrew their commitment, leaving the parents to pay for the debt themselves. This is unfair, and the Honourable Minister should compensate the School for the amount that they paid for the said project. This is very depressing for the school and parents, and it will affect the output as education stakeholders.

Thirdly, Honourable Deputy Speaker, I am alluding to the issue of communication which is related to FEMIS. The Ministry of Education takes five to 15 weeks in several cases, after numerous reminders to respond to schools, school managements and other stakeholders. In turn, school heads are issued circulars or send directives to make immediate response and report to a particular event without ample notice.

Honourable Deputy Speaker, this is not how you deal with human resources. The Ministry of Education has failed miserably in dealing with stakeholders on time, in the appropriate manner and to make timely assistance, as well as providing adequate supplies. This is very disconcerting.

The fourth issue I intend to raise, Honourable Deputy Speaker, is the issue of teachers who reach the age of 55 years, are retired on the next date after attaining 55 years of age. This leads teachers to slow down, affects students' moral and output, and confuses them. It also contributes to instability and a sense of insecurity in the school system and amongst teachers. What I pledge with Honourable Minister is to allow those who have already reached their retiring age to continue to teach until the end of the year and I strongly believe it would be good for our education system as a whole.

(Chorus of interjections)

HON. M.R. LEAWARE.- Honourable Deputy Speaker, the Honourable Minister needs to learn and needs to listen.

Honourable Deputy Speaker, maintaining a high quality information system with the assistance of Information and Technology is a noble concept.

We support the reservations that I had expressed, which is addressed will do a lot of good to the Fijian education set-up.

With those few words Honourable Deputy Speaker, I thank the Honourable Minister responsible and I thank the House for listening. Thank you.

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

HON. P. SINGH.- Thank you. I thank the Honourable Minister for his statement and we appreciate that automation is the key in helping us in this modern day and age and this is welcome Honourable Minister.

(Honourable Member interjects)

HON. P. SINGH.- The data as you mentioned, collected and they are furnished are all of course streamlined a lot of your initiatives, one being the bus subsidies where you really touch on the one sector, one stage, bus fares and which will adversely effect of course a lot of students. I would like to say, Honourable Deputy Speaker, that good data helps us to arrive at some good policies and I hope that this data would be used to arrive with some good policies which would better the education system in this country and not being politically translated.

However, once again we have to ask the question, how this directly leads to the positive outcomes as highlighted by the Honourable Leader yesterday for the quality education of our children? How does FEMIS have a direct positive outcome for our children, valuable public funds are being diverted, yet again towards a balanced approach? Obviously, this and other ministerial updates are being given here because of the upcoming budget debate.

Unfortunately, I think the Honourable Minister cannot show us an exemplary national examination result gained and employment is right at the end of the tunnel whilst the Honourable Minister has been in charge, only then will those currently under the age of 17 and older be able to indicate these efforts next year.

Honourable Deputy Speaker, the old school systems revolve around teachers, parents and management and it was all about dis-allowing however in this way connect with the ministry and FEMIS I believe was set up to remove the disconnect and connect with the ministry through automation. However, children spend a lot of time with teachers in school and teachers as you know they need proper training and there is a lot of work that has been put in place.

The Ministry is working in that direction but what I urge the Honourable Minister is that the teacher's salary be commensurate with the work they do. There are different, and I will give you an example. Before there were teachers graduating with certificates in teaching, it was later and there were others who were graduating with diplomas with different base salaries and what happens is, now most of the teachers attain diploma are not coming to the school system but their salaries remain at the certificate level.

So, this is a disparity. I would like the Honourable Minister to look into this whether the base salary are for diploma holder and a certificate holder is the same because according to my information the base salary for diplomas are at the base salary of certificate holders and Honourable Deputy Speaker, the school management and teachers they have a very good link and this is where it should be pursued aggressively and the school students, it is for the benefit of the students and whole education system in this country that whatever initiatives the Ministry of Education puts out it translates into good policies and not politics as the Honourable Leader said yesterday. Thank you.

HON. DEPUTY SPEAKER.- Thank you Honourable Members, Parliament will now be suspended to make way for the Honourable Speaker to continue for the rest of the sitting afternoon.

HON. SPEAKER.- Thank you Honourable Members you may be seated. Next on the Agenda is Consideration of Bills and I have been informed that there are no Bills for consideration and we go on to the next item on the Agenda.

MULTILATERAL CONVENTION TO IMPLEMENT TRADE TREATY RELATED MEASURES TO PREVENT BASE EROSION AND PROFIT SHIFTING

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

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

That Parliament approves that Fiji signs and ratifies the Multilateral Convention to Implement Trade Treaty Related Measures to Prevent Base Erosion and Profit Shifting with reservation under Article 4(3)(e).

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

HON. SPEAKER.- Thank you. I invite the Honourable Acting Prime Minister to speak on his motion.

HON. A. SAYED-KHAIYUM.- Madam Speaker, as we are aware that this treaty was referred to the Standing Committee on Foreign Affairs and Defence and they have given their report back to Parliament with the reservation on the ratification of Article 4(3)(e) under the Article.

Just by very brief introduction, Madam Speaker, the treaty seeks to address tax avoidance for Base Erosion and Profit Shifting, which is in fact a global problem, not only for industrialised countries of course, but also for emerging economies and developing countries.

Base Erosion and Profit Shifting occurs when tax planning strategies that exploits gaps and mismatches in tax rules are used artificially to shift profits to low or no tax location where there is little or no economic activity resulting in little or no overall corporate tax being paid. It is for this reason that a large group of countries including G20 and developing countries as well as the Organisation for Economic Cooperation Development (OECD) developed a comprehensive package of effective measures against base erosion and profit shifting.

Following the agreement of this package, a group of countries developed a multi-lateral convention to implement trade treaty related measures to prevent base erosion and profit shifting or known as the Convention, to ensure better coordination and consistency in the implementation of the base erosion and profit shifting measures which require modification to various trade treaties also.

Madam Speaker, the text of the Convention was adopted last year on 24th November. The Convention modifies all Covered Tax Agreements in a synchronised and efficient manner to implement the tax treaty measures developed during the base erosion profit shifting projects. The term Covered Tax Agreement means an agreement for the avoidance of double taxation with respect to taxes or income whether or not other taxes are also covered.

Madam Speaker, I would just like to probably put that as an introductory remark to Parliament and I am sure the Honourable Members would want to comment on that and then perhaps I can then summarise in respect of the raised articles that are in the Convention itself and the rationale of course for the proviso to articles 4(3)(e). Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. The motion is now open for debate. Honourable Netani Rika?

HON. LT. COL. N. RIKA.-Madam Speaker, I rise to make my short contribution to the debate on the Multilateral Convention to implement trade treaty related measures to prevent Base Erosion and Profit Shifting (BEPS).

Madam Speaker, BEPS refers to tax avoidance strategies that exploit gaps and mismatches in tax rules to artificially shift profits to low or no tax locations where there is little or no economic activity. Although, some of the schemes used are illegal, most are not. This undermines the fairness and integrity of tax systems because businesses that operate across borders can use BEPS to gain a competitive advantage over enterprises that operate at domestic level.

Madam Speaker, tax avoidance is legal but tax evasion is illegal, but many organisations try to create schemes and structures to try and avoid tax. Most of the jurisdictions cannot do anything because it is a legal way of structuring things, finding loopholes in the laws and trying to set up structures that will actually allow them to minimise their tax bill. Madam Speaker, a notable example of this is the Apple Inc. The Apple Inc., an American Company registered in Ireland for the mere reason of avoiding to pay high tax. However, recently the European Union (EU) actually went after the company and now tax laws have changed because most of these US companies are registered in Ireland because tax is very low. So, the US was losing out in that matter, so they have changed the laws. This convention will surely address tax evasion.

Madam Speaker, the same thing with Google. They never paid any single tax in Australia but now Australia has caught up with them. In our local scene, the Fiji Water case, when it went to court, all the way it lost the case on transfer pricing scheme and we lost the case simply because we were not well informed about how they were structuring things. Now, Fiji Water is sold to Unilever, but they were transferring their profits to the US and very little tax paid in Fiji. I believe that has been addressed now by charging some cents on the source. Madam Speaker, the most important way of collecting tax is equality on source. Ratifying the Convention will surely improve the current tax trend.

Madam Speaker, the existing agreement for the avoidance of double taxation with respect to taxes on income, whether or not other taxes are also covered, the signing party will be notified after the Convention comes into effect.

Madam Speaker, parties can make reservations in line with the provisions of the Convention where a substantive provision does not reflect a minimum standard, for example, provision related to hybrid mismatches and measures against avoidance of permanent establishment. The signing party is generally given the flexibility to opt out of that provision entirely or in some cases out of part of that provision. Where a party uses a reservation to opt out of a provision of the Convention, that provision will not apply as between the reservation country and all other parties to the Convention. Accordingly, no modifications will be made to any of the covered tax treaties of the reservation party in this respect.

Madam Speaker, in our case we have recommended reservation under Article 4 (3) (e). Madam Speaker, I thank you for your indulgence.

HON. SPEAKER. - Thank you. Honourable Howard Politini.

HON. H.R.T. POLITINI. - Madam Speaker, the Honourable Acting Prime Minister Attorney-General and Minister for Economy, I rise in support of the Multilateral Convention to implement trade treaty related measures to prevent Base Erosion and Profit Shifting (BEPS).

To begin with, Madam Speaker, tax avoidance through BEPS is a global problem, not only for industrialised countries but also for emerging economies and developing countries.

BEPS occurs when tax planning strategies which exploit gaps and mismatches in tax rules are used to artificially shift profits to low or no tax locations, where there is little or no economic activity, resulting in little or no overall corporate tax being paid.

For this reason, a large group of countries, including G20 and developing countries, as well as the Organisation for Economic Co-operation and Development (OECD) have developed a comprehensive package of effective measures against BEPS. Following the agreement of this package, these groups of countries developed the Multilateral Convention to implement tax treaty related measures to prevent Base Erosion and Profit Shifting (Convention) to ensure coordination and consistency in the implementation of BEPS measures which require modification to trade treaties.

The text of the Convention was adopted on 24th November, 2016. The Convention modifies all Covered Tax Agreements or (CTAs) in a synchronised and efficient manner, to implement the tax treaty measures developed during the BEPS project.

The term “Covered Tax Agreement” (CTA) means an arrangement for the avoidance of double taxation with respect to taxes on income, whether or not other taxes are also covered that is in force between two or more parties; jurisdictions or territories which are parties to an agreement described above and for whose international relations a party is responsible; and with respect to which each party has made a notification to the depositary listing the agreements as well as any amending or accompanying instruments thereto, identified by title, name of parties, date of signature, and, if applicable at the time of the notification, date of entry into force as an agreement which it wishes to be covered by the Convention.

The Benefits of the Convention: The ratification of the Convention is in line with the overall tax policy framework, and is also consistent with the enactment of the Income Tax Act 2015 that has provided a series of international tax provisions to counter tax avoidance. Some of these provisions include clarity on the definition of ‘permanent establishment’ (PE), source rules, residency rules as well as provisions relating to transfer pricing and minimising treaty abuse.

The Convention will provide safeguards against base erosion caused by the Abuse of Fiji’s Covered Tax Agreements or CTAs, that normally occurs when the Multi National Enterprises (MNEs) adopt a number of international tax planning strategies such as setting up of Permanent Establishments (PEs) in third jurisdictions or territory to obtain treaty benefits, artificial avoidance of PEs and splitting up of contracts. It will also address the issue of tax avoidance and tax evasions through a uniformed national approach to strengthening institutions, policy procedures and the country’s tax base. It will neutralise this type of abuse by giving Fiji and its treaty partners, appropriate mechanisms to tax the profits that have been shifted across to their respective jurisdictions.

The Convention is highly relevant to Fiji especially with the robust dispute resolution mechanism, such as the Compulsory Arbitration, as this will have a positive impact on Fiji’s foreign direct investments and International trade flows.

In conclusion, Madam Speaker, I support the Multilateral Convention to Implement Tax Treaty related Measures to Prevent Base Erosion and Profit Shifting with the way forward aligning Fiji’s taxation system and compliance for all taxpayers for all sectors of Fiji’s Economy. Thank you, Madam Speaker.

HON. SPEAKER. – Thank you. Honourable Professor Biman Prasad?

HON. PROF. B.C. PRASAD. – Honourable Speaker, I rise to support the motion before the House, especially I noted the Attorney-General, in fact, Honourable Government Members who have spoken already said very clearly the need for us to sign this treaty.

Madam Speaker, this is part of the broader global issue, I mean, we have had increasing economic integration but now increasingly, more multinational companies integration. There is more and more of what we call 'intra-multinational company trade.' The other issue that probably is very, very important and would be addressed in terms of this treaty is because of the nature of the economy itself, I mean we all know that the service component of our economy is increasing.

The digital economy, the digital products, the location of these products are not necessarily where the consumers are. So, I think as a result of this increasing globalisation of economies, globalisation of firms multinational companies, there is also correspondingly very aggressive international tax planning and as a result, governments do lose substantial amounts of revenue and I agree that there is tax avoidance.

Also, Madam Speaker, I think there is always a thin line between tax avoidance and tax evasion and if we are not part of this international treaties where we can put our laws within that framework and have the ability to deal with those issues, we could also have tax evasion. So really I think the treaty on base erosion and profit shifting is a timely one and the OECD itself recognises that sometime back and this treaty really is the calumny of all that discussions that took place.

Essentially if we are not part this, I mean governments are harmed because there is always erosion of revenue. And as I said, because of the nature of the global economy, we are susceptible to that and in fact there is now increasing realisation by citizens of different countries as to how multinational firms might be avoiding taxes as a result of the nature of the economic activities spread around the globe.

Individual tax payers also harmed, if we are not careful because sometimes when companies do not pay the appropriate tax, especially multinational companies, the burden of paying taxes actually shifts to the residence of that country.

So, I think this treaty also is useful in the sense that citizens of countries who, in the absence of good tax burden carried on by multinational companies and firms operating at cross borders, the citizens of the countries would be burdened with that. So in a sense if we are not part of this, if we do not have the systems, individual taxpayers could be harmed.

Businesses; there is always this view about how domestic businesses are treated and how foreign businesses are treated, and if domestic businesses feel that multinational companies are able to avoid taxes, then there this feeling of unequal treatment. So, really businesses can also be harmed if we are not careful. So really I think this is a treaty that we ought to be part of, we ought to sign. And it is, I guess internationally Madam Speaker, it is a timely treaty in terms of allowing different countries to be part of it and using the knowledge, the framework and at the same time making sure that we develop our own capacity.

I think it is also an important component while we discuss this, that the capacity of our own tax departments, FRCA here, must also be enhanced and we must ensure that there is proper training, capacity building so that we are able to understand the components of this treaty and how our own tax laws will support that and allow us to benefit from this.

So it is very important for us to look at that as well. Thank you Madam Speaker.

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

HON. RATU S. MATANITOBUA.- Madam Speaker, Honourable Acting Prime Minister, Attorney General and Minister for Economy and the Honourable Leader of the Opposition, I rise in support, Madam Speaker, of the Multilateral Convention to implement tax treaty related measures to prevent BEFS.

To begin with, Madam Speaker, tax avoidance through BEPS is a global problem, not only for industrialised countries but also for emerging economies and developing countries.

Madam Speaker, Part 4 comprises Articles 12 to 15. Article 12 addresses the artificial avoidance of permanent establishment status through commissioners or agents arrangement.

Article 13 addresses artificial avoidance of permanent establishment through specific activity exemption.

Article 14 relates to splitting up of contracts. For instance, if an entity conducts business in Fiji in fragmented days but the total number of days present in Fiji is more than 183 days in aggregate, the entity will be recognised as having a permanent establishment for tax purposes.

Article 15 describes conditions under which a person will be considered to be closely related to an enterprise.

Madam Speaker, with this short contribution, I support this convention.

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

HON. B. SINGH.- Thank you Madam Speaker. Madam Speaker, the Acting Honourable Prime Minister, Attorney General and Minister for Economy, Leader of Opposition and Honourable Members.

I rise to make a short contribution on the motion before this august House.

On 24th November, 2016, more than 100 jurisdictions concluded negotiations on the multilateral instrument in light of the opportunity for tax avoidance by multinational enterprises and implementing robust tax treaty and tax planning strategies which exploit gaps and mistakes, which maps out in tax rules to artificially shift profits to known or unknown tax locations where there is little or no economic activity.

Madam Speaker by ratifying the Convention, Fiji will be saved from loss of productive time via monthly bilateral negotiations and renegotiations in relation to the implementation of tax treaty changes. Further, Fiji would gain a competitive edge to maintain integrity in the tax system through voluntary compliance by all taxpayers and *viz-a-viz* businesses operating across borders will gain a competitive advantage over enterprises that operate at a domestic level. Madam Speaker therefore, ratifying the Convention is of a major significance for Fiji as a developing nation.

Every economy has heavy reliance on corporate income tax and Fiji is of no exception and thus multinational enterprises are obligated to pay their taxes due where economic activity or value attrition occur or resource country to enable economic growth.

Madam Speaker, the robust framework gives the developing country and businesses greater sanity by reducing disputes over the application of international tax rules and standardising compliance

requirements. Therefore, Madam Speaker, setting on adoption of the convention marks a turning point into our tax treaty.

With these words, Madam Speaker, I thank you for your indulgence.

HON. SPEAKER.- I now give the floor to the Honourable Jilila Kumar.

HON. J.N. KUMAR.- The Honourable Acting Prime Minister, the Honourable Leader of the Opposition and Honourable Members, I would like to also contribute to this motion before the House.

Base Erosion and Profit Shifting, in a layman term, Madam Speaker, is a strategy used by organisations and companies in trying to set up structures and schemes to avoid tax. When they avoid tax, most jurisdictions in the world cannot do anything because it is a legal way of structuring this by studying those loopholes in those legislation, trying to set up structures and eventually will allow them not to pay so much tax.

This Convention came about by G20 countries. These countries, Madam Speaker, are mostly from European Countries including, European Union. They asked OECD, OECD is the Organisation for Economic Co-operation and Development to come up with an actual plan to ensure that these organisations and companies to pay their fair share of tax. So, it is also important to highlight in this House that there are 15 actions points in this whole framework. And I would like to use one of those action points to let us know how this Convention can combat BEPS, and this is Action point 13 which is a Country-to-Country Reporting.

Madam Speaker Country-to-Country....

(Hon. Member interjects)

HON. J.N. KUMAR.- Awh, do not disturb me!

(Hon. Member interjects)

HON. J.N. KUMAR.- Do not disturb me! They are disturbing me.

(Laughter)

HON. SPEAKER.- Honourable Member, please ignore the injections.

HON. J.N. KUMAR.- Thank you, Madam Speaker.

Madam Speaker, Country-to-Country Reporting will ask these companies and organisations to give this information such as, where are their employees? Where are their permanent establishments and how much revenue they earn from those businesses? And how much profit is earned before tax and how much tax is being made, how much capital is used in those businesses and they have to declare the value of their tangible assets?

Madam Speaker, in Fiji's situation this is the very moment that FRCA is waiting for, to have these measures and instruments to enable them to get tax from our companies in Fiji that are legitimately and rightfully due for our nation.

This, Madam Speaker, will also improve and make our economy healthier. As we all know once our economy become healthier, we will create a lot of job opportunities and when we create a lot of job

opportunities, we will be able to solve a lot of social ills and social problems in our nation. For example, we will improve services, such as health services, education services, infrastructure services, social welfare services, and this is why I wholeheartedly support this Convention.

Before I take my seat, Madam Speaker, please, it is very important for us to thank G20 and OECD for coming up with these measures and initiatives so that the whole world is going to fight against BEPS. Thank you, Madam Speaker for your indulgence.

HON. SPEAKER.- Honourable Faiyaz Koya.

HON. F.S. KOYA.- Madam Speaker, I stand to reaffirm my support for the motion put forward by the Honourable Attorney-General, that Parliament approves that Fiji signs and ratifies the Multilateral Convention to Implement Treaty-Related Measures to Prevent Base Erosion and Profit Shifting with reservation under Article 4(3)(e).

Madam Speaker, this Convention will implement minimum standards to counter treaty abuse and to improve dispute resolution mechanisms whilst providing some flexibility to accommodate specific tax treaty policies. It will also allow Government, Madam Speaker, to strengthen the monitoring, compliance and the enforcement of tax treaties. It will also provide solutions for governments like Fiji, to close the gaps in existing international rules that allow corporate profits to disappear, as mentioned earlier, or to be artificially shifted to low or zero tax environments which are also referred to as tax havens where these companies have little or no economic activity.

Madam Speaker, the OECD estimates that the revenue losses from BEPS are conservatively estimated at US\$100 to US\$240 billion annually. That is equivalent of about 4 percent to 10 percent of global corporate income tax revenues, and this is a significant amount of money, Madam Speaker.

Furthermore, there are a large number of bilateral treaties whereby updating these bilateral arrangements are burdensome and time consuming so the new Multilateral Convention helps to actually solve this.

In the past, Madam Speaker, we have faced difficulties whereby companies have shifted profits. The Fijian Government has missed out on much needed revenue to deliver services to Fijians.

Madam Speaker, by signing this Convention and eventually by domesticating the Convention into Fijian laws, we will strengthen our laws, thus reducing the tax leakages from our economy.

We are also sending a strong signal, Madam Speaker, to the business community and investors that while the Fijian Government is working hard to provide a conducive business environment and while our businesses are prospering, we require you to pay your fair share of taxes so that the Government can continue to deliver services to all Fijians. This also, creates further investor confidence, Madam Speaker, in the Fijian economy and the legal framework, and has been adequate to protect their interest also and ensures that there is a level playing field for all investors.

With that, Madam Speaker, I thank you, and I support the motion.

HON. SPEAKER.- Thank you. Honourable Bulitavu?

HON. M.D. BULITAVU.- Madam Speaker, I rise to support the motion that is before the House that Fiji ratifies the Multilateral Convention to Implement Tax Treaty-Related Measures to Prevent Base Erosion and profit Shifting with reservation, in particular under Article 4(3)(e).

Madam Speaker, I concur with Honourable Members who have spoken before me that we really need to protect Fiji's tax base, and also put in measures to prevent the shifting of profits to other tax havens.

Madam Speaker, with that, Fiji also has a black economy out there and that also needs to be brought into our financial system so that those monies out there could also be deducted by the current taxation system.

The other notable thing, Madam Speaker, which could probably help FRCA is the training of more skilled tax auditors, specialising in forensic auditing in trying to identify the very complex structures that many multinational companies use to find loopholes in our taxation system and to avoid paying tax by shifting profits elsewhere where they will not be taxed or Fiji will not be able to catch up on them.

The other issue that would be very important for us as well, given that Fiji is also thriving in online sales and how we can counter that. Probably, Fiji, through FRCA, should also have some kind of Memorandum of Understanding in training with Australian Government in regards to how Australia is combating Google cases, Amazon.com which are current cases that are before the courts in Australia and how Australia has managed to catch-up with these big companies in regards to online profit sales. So we also need to send our tax auditors across, to learn from other jurisdiction so that it becomes beneficial to our economy.

Madam Speaker, the other issue is the sharing of information between FRCA, FIU, plus other jurisdictions on the sharing of vital intelligence in regards to these multinational companies who have other residency area of operations in other jurisdictions, their information to be available whether they are operating as third parties or whether they are actually registered as a business.

Madam Speaker, the reservation to Article 4(3)(e), it will also be very important to Fiji because it gives a country who has reservation on this the powers to actually say that wherever a company is registered by residency, that does not matter but once it operates in Fiji, that company will be taxed in Fiji. That is the gist of this particular reservation.

Madam Speaker, I urge the House to support this motion because it is beneficial to our foreign direct investment, it protects our tax base, it also aligns our domestic taxation system and policies with international standards and best practices, Madam Speaker. With that, Madam Speaker, I support the motion which is before the House, with reservation to Article 4(3)(e).

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

HON. A.M. RADRODRO.- Madam Speaker, I would just like to make my small contribution in supporting this motion. Just like to make my commentaries on the challenges that had been identified by the Committee. even though we are all for adopting the international legislations but the challenges in terms of the domestic infrastructure that we have, we would probably like to request the Honourable Minister to advise us; what and how are these challenges going to be tackled in terms of correlating into this taxation Agreement, Madam Speaker.

The first challenge that was highlighted is that, all the reporting entities - FRCA, the Auditor-General, Reserve Bank of Fiji, FIU, they shared the same concern during their submission, that there is a need to strengthen collective collaboration in terms of information-sharing, as has been alluded to by my colleague. Maybe, we can get an indication on how is it that going forward, that we are going to tackle these challenges.

Secondly, we need to improve on the existing operational systems by the introduction of new equipment and technology to enhance FRCA, RBF and FIU capabilities in securing our taxation base, banks, financial and capital markets.

Madam Speaker, the third is, enhancing capacity building by introducing tax audits in the local universities' accounting, taxation and financial administration curriculum. Probably, we can be updated on how and when will these challenges going to be resolved.

The fourth, Madam Speaker, is to enhance training with foreign encounters in tax administration, tax auditing and border control to identify, monitor and detect local and foreign currencies illegally taken out of the country through the airports and ports of entry. I think, these are the challenges that cannot be swept under the carpet. The Minister needs to inform Honourable Members of House and to, at least, give us an indication and timeline, whilst we adopt this BEPS Agreement, we also need to be identified and notified of how these challenges are going to be addressed.

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

HON. V.R. GAVOKA.- Madam Speaker, I also support this motion and I just wish to highlight a few points to help us appreciate where we are in supporting this motion and make the effort to make our tax collection more stronger so that we can increase on Government revenue. We all here, the Honourable Minister of Economy is saying that revenue collect is now \$3.1 billion. By this, if we tighten up these loopholes, we will definitely increase on that. I always wonder, what is the full potential for a country like Fiji in terms of its revenue? It is \$3.1 billion, can we increase it by 10 percent or 15 percent every year? But this will come about, Madam Speaker, if we are vigilant because as Government is saying economic growth has been consistent for the last five or six years and that should come together with the revenue for Government.

What you have here, Madam Speaker, is something that should have happened. I think the whole world now realises that the global players had been moving profits around without properly accounting for it and paying their dues in the jurisdiction where they earn these profits.

For us in Fiji, Madam Speaker, some very blatant examples can go back more than 100 years. Dr. Wadan Narsey has recently written a book about the exploitation of the *Girmitiyas* by the CSR. At one point in Fiji, Lautoka was the biggest Sugar Mill in the Southern Hemisphere. I mean, looking at the context of today, in the Southern Hemisphere, Lautoka was biggest Sugar Mill and CSR Fiji was funding most of the operations of CSR Australia. When you put it in that context, the small Fiji and big Australia, how much did we lose out in terms of revenue? I would doubt if were are really charging CSR the profits they would have made from us.

If you look at Vatukoula, Kerry Packer's Company, Women's Weekly, had shares in Vatukola back in the 1930s. Again, shifting gold to Australia, how much did we lose out? And you know, Vatukoula, we were told about 90,000 tonnes of gold had been mined in Vatukoula from that day till today. These are lost opportunities for Fiji, not only Fiji but the whole world. Imagine countries, like Latin America and Africa, who were mined by conglomerates and shifting that wealth away from those Continents. So the time has come, Madam Speaker, and we need to be vigilant and the vigilance has got to be our own people monitoring this.

I like the recommendation here that we should train our people. There is a professor, who presented to the Committee and is a specialist in that area and he is suggesting that it should be part of USP curriculum. We do not have that yet, so it must be done. These are complex issues and Fiji should take ownership of this by training specialists in this field.

Today, we are lax in this, Fiji water, for example, is a sad story. They extract something from Fiji, sell it at a high price overseas and we do not make much out of it. We only charge percentages on the volume they are extracting. That is a sad story, Madam Speaker.

Today, we all know about Greece. Greece has one problem, it is very lax in its taxation. Fiji should not be like that, we should be vigilant in the way we collect our taxes.

I would also caution against the concessions we give to overseas companies. We should not be giving too much away, we must always think about our tax base. Papua New Guinea recently has decided to start taking back some of the concessions given to overseas companies because they realised that so much activities are happening, but Government revenue kept falling. So these are areas we need to take into consideration as we debate this issue.

Madam Speaker, if you look at the Report here, it also calls for multi-lateral approach to these issues and I would urge Government to get into and confirm PACER, get into the Economic Partnership Agreement (EPA) with the European Union, all these things are part and parcel of a multi-lateral approach to a community. It will help us in all these areas.

We have to be mindful today that there is now the President of America, who does not believe much in multilateralism. He only believes in bi-lateral deals, so I believe we need to go away from them and continue to trade together. I am sad that the Trans-Pacific Partnership (TPP) will not happen because the Americans are not in it, but those are the types of bodies that we need to belong to, in order to fully realise our potential and by extension our revenue base for our country.

Madam Speaker, I support this wholeheartedly but I would like Government to take note of the some of the issues I have raised as we progress in the collection, and protection of our economy. Thank you, Madam Speaker.

HON. SPEAKER.- Thank you, there being no other input. I will now give the floor to the Honourable Acting Prime Minister to speak in reply.

HON. A. SAYED-KHAIYUM.- Madam Speaker, I was simply going to talk about the Agreement itself but obviously a number of issues have been raised, some of them are very valid which I probably should comment on but before I do that, I would like to thank all Honourable Members who actually supported the ratification of this very important Agreement.

As we see in the motion, Madam Speaker, there is actually a reservation that we have asked for, and that reservation relates to Article 4(3)(e). We want to draw the attention of Parliament that whilst we have this reservation in this particular clause, there may be a time when we actually lift our reservation in this particular clause, as FRCA settles into the Agreement itself.

There are a number of Double Taxation Agreements (DTAs) that we do have, Madam Speaker, that are actually quite archaic, and we have DTAs with a number of countries. And if I could just highlight to you which countries they are, and those countries are: Australia, New Zealand, Papua New Guinea, Japan, South Korea, Malaysia, Singapore, United Kingdom, UAE, Qatar and India.

However, the one with Japan, Madam Speaker, in fact, goes back to our colonial days. So we actually have a DTA with Japan via UK because we were then a British Colony, and that DTA has not been updated. So there are a number of issues that FRCA needs to deal with.

We have, on a number of occasions, said to our bilateral partners including, Australia, New Zealand and even other countries; "The DTA is actually quite outdated, we need to update it." We have

been told to join the queue. We are a smaller jurisdiction, a smaller economy so we are not necessarily given that level of preference over the larger economies. But nonetheless, this is why we have this reservation on this particular Article but just to draw to the attention of Parliament that we may actually withdraw from this reservation, once FRCA settles in with this Agreement.

Madam Speaker, the point is that, all the Honourable Members who have spoken and highlighted that it is very, very important for us to ensure that we are able to collect the right taxes. As has been shown by Honourable Rika when he spoke about how *Google* and various other companies and Honourable Bulitavu also spoke about that, and that is essentially what lot of multinational corporations do.

But I would also like to bring to the attention of this Parliament that it is very important for Fiji to also give a signal to the rest of the world that we are actually signing up to treaties, that that announces that we believe in international best practices. I think it is very important to send that message, whether it has to do with taxation or environment or labour standards or any other international best practices, we need to say that we actually adhere to that because it does give you a point of difference. It does actually help you position well.

It also ensures that those companies that actually want to come and invest in your country and want to do the right or legitimate things and want to adhere to international standards, actually feel attracted to that. So it is very, very important for us to be able to send that signal to the rest of the world.

Regarding profit shifting and about not paying taxes, we find also that phenomenon with local companies. We had mentioned this quite a number of times in this Parliament that for decades, a number of Fijian companies in Fiji have actually set up companies offshore. There is one recent ones that has come to light where it is a supermarket chain in Fiji. When they actually buy their products, for example, from New Zealand, rather than buying it from the Fijian company based in Fiji from the New Zealand Company directly then retailing the product, they actually set up their own company in New Zealand. Their company in New Zealand actually buys the product from the Kiwi supplier and then sell that product which they have just bought, to their Fijian-related company at an exorbitant price.

What actually happens is that, when it lands in Fiji, we think; “Oh, this particular lamb chops is about a \$13 a kilogramme”. So I said; “Look, I will pay \$13 a kilogramme and it has come from New Zealand”. But in fact that lamb chops can be bought directly from the supplier in New Zealand at probably about \$3 a kilogramme.

They land it in Fiji for \$12 a kilogramme, sell it to us for \$15 a kilogramme, so we think they are only making a \$3 margin. What happens is, two things. Firstly, they are able to shift Fijian currency out of the country. They shift the money and that is what you call ‘profit shifting’. Some may argue, that it is asset shifting. They move cash out of the country and then on the flipside also, they are actually able to charge us a higher margin. We may think they actually have a margin of \$3 when the margin may be, in fact, \$10. So we have discovered companies that are doing that, there has been a lot of concerted effort, we as Government are very committed to this, so FRCA obviously needs to be lot more vigorous and rigorous in the implementation and compliance aspects.

I completely agree that FRCA may not necessarily have had, for a number of decades, the right resources. We currently have a HR person from New Zealand. We also currently have a New Zealand person in Customs, who is actually at our borders training our people to build the capacity.

Of course, there has been corruption at the borders too. We have had people who have been charged at the border but that is straying to the area of Customs collections, but nonetheless, the capacity does need to be built. We believe there could be enough room also to bring in specialist audit teams in

the meantime, to target a number of sectors in Fiji, to target a number of companies that whilst there is a lot of urban talk about them doing XYZ, they have never really been investigated.

We similarly know that the law at the moment prohibits a person from owning more than two pharmacies. But we also know that there are pharmacists, who actually run more than five or seven outlets but what they do, is they get another pharmacist and set up the pharmacy under that person's name, but its only name. So they are able to bypass the law. There is a lot of those kind of shenanigans that are actually taking place at the moment.

I completely agree with the statements made about the fact that during the colonial period, many companies benefitted. In fact, as studies shown earlier on that the CSR operations in Fiji was subsidising CSR operations in Queensland. I mean, these things obviously have happened in the past. We need to ensure that we do not necessarily have those things happening again.

PACER Plus within the context, can be a path down that way too. We do not want to get exploited, and this is why Fiji has been, as the Honourable Minister for Industry and Trade has mentioned, that on a number of occasions, just because we have a couple of other countries saying; "You need to sign up with PACER Plus", it does not mean it is particularly good for our sovereignty. Does not mean it is particularly good for our economic rights and economic well-being for the future. In the same way, multilateral agreements need to be looked at within our own sovereign context.

Fiji, unfortunately, for example, rushed to sign the WTO Agreement when other larger economies, with much better capacity actually held off negotiated, but perhaps even those days, people like to go and sign these agreements so that they can get invited to the right cocktail parties and have those kind of big bang whistle things that used to happen.

But the reality is, Madam Speaker, that whenever we look at any agreement, whether it is a bilateral agreement, or whether it is a multilateral agreement, we need to look at what is good for Fiji, whether that agreement gives us that level of flexibility to be able to exercise our own muscle if we want to make the right economic decisions, because many multilateral agencies actually restrict your ability to be able to make your own sovereign decisions; whether it is in the finance sector, whether it is in the banking sector. Fiji has got a good future, given in particular our young, our youth population, and the level of technology penetration in Fiji to be able to foster the services sector.

The services sector in Fiji actually has got a lot of good footprint for it if we get the things right so this is why for example we are bringing the cable to Vanua Levu. There is a lot of opportunities in the ICT sector. So, Madam Speaker, the reality is that, we have in Fiji a number of issues that we are facing which we want to address locally of course. There are various areas in Fiji, for example, where we have declared tax-free zones in the North West of Viti Levu, Vanua Levu, Taveuni, Kadavu, Lomaiviti and Lau. These are the areas that one may consider economically depressed in the sense that there has not been very much large scale investments which did not necessarily attract the private sector.

One of the reasons is because necessarily we have not got the right infrastructure, lower population base or because of the economies of scale but there may be specialist companies that may want to go there and be able to benefit from these kind of tax break that have been given to them. But of course, all tax breaks must have a life, it must end at one point in time. Unfortunately in the tourism sector, for example, in fact since the advent of the commercial tourism in the '60s, you have seen some companies have not paid any taxes at all despite being the largest contributor to our GDP on its own, it has paid only \$8 million in taxes so this is the reason why we made those changes a couple of years ago, but at the same time we have given tax breaks for the medical field, for the housing field because that is where we need a lot of investment. That is where we need to bring the new technology, that is where we need to provide the

services to our own people. So as a result of that, for example, it is precisely the reason why MIOT is here in Suva today because of the tax break that has been given but of course that tax break given to the medical sector should not continue for the next 50 years.

It must have an end of life because that is how you actually target your development and target and complement your taxation with the development. So, Madam Speaker, we of course once again thank all the Members and everyone that stood up and actually spoken in favour of the ratification of this. We would like to thank all of you for that. As soon as this is done, we of course will be able to launch the instruments to be able to get Fiji to be a party to this agreement and we have in fact a team going from FRCA, Madam Speaker, and I think it is in Paris, I stand to be corrected, where the Conference will take place and where Fiji will actually ratify this Convention and send a signal to the rest of the world that we are very much part and parcel of these group of countries that want to ensure that people pay the right taxes even though there may be multilateral companies.

HON. SPEAKER.- Parliament will now vote.

Question put.

The question is:

That Parliament approves that Fiji signs and ratifies the Multilateral Convention to Implement Trade Treaty-Related Measures to Prevent Base-Erosion and Profit-Shifting with reservations under Article 4(3)(e).

Does any Member oppose the motion?

HON. MEMBERS.- No.

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

Motion agreed to.

HON. SPEAKER.- For the information of Honourable Members, there are two motions from respective Chairpersons of Standing Committees, one, by the Chairperson of the Standing Committee on Public Accounts and the second motion by the Chairperson of the Standing Committee on Economic Affairs.

From the outset, I wish to clarify that the wording of the motions allow the Parliament to debate the contents of the Reports. At the end of the debate we will be voting merely to note the reports.

I now call upon the Chairperson of the Standing Committee on Public Accounts to move his motion.

AUDIT OF GOVERNMENT COMMERCIAL COMPANIES AND COMMERCIAL STATUTORY AUTHORITIES 2009-2013

HON. A. SUDHAKAR.- Madam Speaker, I move:

That Parliament debates the Report of the Standing Committee on Public Accounts on the Audit of Government Commercial Companies and Commercial Statutory Authorities from 2009 to 2013, Volume 1 which was tabled in Parliament on 28th September, 2016.

HON. M.M.A. DEAN.- Madam Speaker, I second the motion.

HON. A. SUDHAKAR.- Thank you, Madam Speaker. Madam Speaker, in the September, 2016 sitting, I presented this report of the Public Accounts Committee on the Audits of Government Commercial Companies and Commercial Statutory Authorities from 2009 to 2013. This was my first report since taking up the Chair of the Public Accounts Committee. We had numerous reports of the OAG pending before the Committee and therefore, we divided our reports into three volumes; this was Volume 1 of those reports.

There was a huge backlog of reports that was pending before the Committee and therefore it took us sometime to deal with this.

At the start, we had looked at 14 different entities and we had reported on the reports of those 14 entities. Those 14 entities are for the record:

1. Airports Fiji Limited;
2. Fiji Broadcasting Corporation;
3. Unit Trust of Fiji;
4. Ports Fiji Limited;
5. Fiji Public Trustee Corporation Limited;
6. Rewa Rice Limited;
7. Fiji Ports Corporation Limited (which has two branches, Ships and Heavy Industries Limited, Ports and Ports Terminal Limited);
8. Viti Corporation Company Limited;
9. Housing Authority of Fiji;
10. Public Rental Board;
11. Fiji Hardwood Corporation Limited;
12. Yaqara Pastoral Company Limited;
13. Fiji Higher Education Commission; and
14. Ministry for Local Government.

This Committee comprises of two Opposition Members and three Government Members and those are myself, including the Deputy Chairperson, Honourable Mohammed Dean; and Honourable Alex O'Connor; and the two Opposition Members are Honourable Ratu Sela Nanovo and Honourable Aseri Radrodro.

We had looked at the Reports of the Auditor-General on these 14 entities and it should be noted that these entities, some of these reports were about seven to eight years old, therefore some of these matters that are mentioned in here will no longer be relevant but in any event audit, as we all know, is an important part of improvement in public administration.

It is very essential to point out areas where the companies and there are certain authorities that may be lacking in their accounting. It is not something to be feared but encouraged and welcomed.

The CEO for Airports Fiji Limited captured this sentiment well when he stated in his public submission and I quote his short paragraph:

“Audit is very necessary in order to ensure State-owned enterprises and the funds of Government (which is taxpayers’ money) is spent well. I make a general observation; in many instances, audit is treated as creating fear in people where the one mistake out of a 100 is focussed upon so much that the executive in State-owned enterprises or the Government sector stop making any decisions at all with that fear factor. The State-owned

enterprises must grow and develop in accordance with the government's vision but it is important to understand that it is not perfect. It is never going to be perfect as long as mistakes are picked up rightfully by the Auditor-General's Office and your Committee and then they are not repeated."

Madam Speaker, I would also like to mention that there are 14 recommendations in total made by this Committee which relate to respective entities. Of these two, I shall state Recommendations 2 and 3 are of matters that are for future. What had happened was that, we were looking at reports that were six and seven years old but at the time of presentation, the officers present from those entities gave us some views on what they were going to do in the future years. So Recommendations 2 and 3 are not really relevant to the period which we were discussing, but it is current so therefore, those are in future plans for the future and may not be discussed at length when it comes to the scrutiny of the reports of that period.

We also had assistance from respective entities in briefing us on the Reports of the OAG and also to help the Committee in terms of its work and those entities were the:

1. Reserve Bank of Fiji;
2. Office of the Auditor General;
3. Ministry of Finance, which is now the Ministry of Economy;
4. Ministry of Public Enterprises;
5. Fiji Revenue and Customs Authority;
6. Fiji Independent Commission Against Corruption; and
7. Fiji Institute of Accountants, which we invited to assist the Committee in its work.

It also mentioned in the report, the number of OAG Reports that have been tabled in Parliament and which are yet to be scrutinized. The part that was done by my predecessor, the report that we discussed earlier and parts are currently been done by us.

One of those recommendations, Recommendation 1, if I can just speak briefly on that was that there were instances where some officers of this particular entity, AFL was paid more than what was his contract. In fact what happened was that he performed some duties outside his job description and for which he was paid more. But those are instances that was irrelevant in those times but we had noted in our recommendation that there should be proper scrutiny of future contracts in those terms which I am happy to state that has been now curtailed.

As I mentioned earlier, Recommendations 2 and 3, are for the future is not relevant to the period which we are looking at. Thereafter, we can look at Recommendation 4, that was in regards to the entity, Public Trustee Corporation Limited.

At that stage they were not sure of where or how the investment portfolio was handled and one of the recommendations was that, "where all relevant to statutory authorities should review the investment portfolio strategies" and again one of the issues that was current in those days and it is now under control.

Recommendation 5; was in respect of Internal Audit, as we had earlier pointed out in the first report that it is important for each entity to have internal audits of their assets and liabilities and how they implement irrespective systems. Why it is important is because the Government puts in money in these entities with the vision that these entities will earn revenue for the Government and that little in return help the entire nation, but if the internal control systems are not strong and there are leakages then we miss out on our investment and the returns are minimal.

Recommendation 6; we have heard from the respective entities that when we questioned and queried them on why the accounts were not submitted on time, we were advised that some of the entities did not have the full membership of board and they could not meet or they did not have the CEO or the Chairperson of the board. There was a recommendation that the composition of the board should be looked into as far as the composition is concerned.

Recommendation 7; some issues that were picked up at that time that the international financial reporting standards should be maintained across all entities which should then give us the accounts in a language that is understandable to all that is the accountants in that particular respective ministry or statutory authority, the auditors and the Public Accounts Committee, which will of course help all the entities in their work in terms of auditing.

Recommendation 9, is an important one that should be adhered to by all the entities and that is when recommendations are made towards an entity from the Office of the Auditor General or even the Public Accounts Committee, they really should treat these recommendations as a priority issue, to respond to with full and expressive answer as well as implement relevant changes that were agreed to.

There was one entity that we had noted when queried by the OAG, they had basically noted no comments at this stage. There were numerous sections where there were no comments and the recommendations were not implemented in time, but then that was again an issue that was six to seven years old. There are some improvements in the sector that we have noticed now.

As the Honourable Minister for Civil Service was elaborating in the morning about the staffing how merit based appointments will solve some of our problems.

Recommendation 10, we have noted that there were some entities that the officers or the accounting officers were unclear of their financial duties and the responsibilities of the entity itself. This is probably the lack of expertise. Some of those staff as we have heard they rose through the ranks without really having the expertise and we hope that the merit based appointments as implemented by the Government currently will have this staffing issue sorted out and we are seeing some more results of that which I will present in the future reports.

In Chapter 3 on general recommendations that are not specific to a particular entity but it is applicable to all the 14 entities that we had looked into at that stage and the general recommendations, I will read them if they are adhered to, we will assist these entities and the statutory authorities to perform their duties diligently.

Recommendation 11, there still remains a backlog of financials that are yet to make it to the Audit Office from some entities, for up to 5 years - this is unacceptable; The Public Accounts Committee flags the importance of submitting all our outstanding financials to the OAG as the priority issue for all entities. The expectation then is to have an annual financial statement for each year to OAG by March of the following year, in accordance with International Financial Reporting Standards.

That was a problem that was existing at that stage, Madam Speaker. The general practice is that once the books were closed in those days, was 31st December, now it is 31st July, within three months the entities were required to submit the accounts to the OAG and the OAG will then take another three months to audit those accounts and then report it to the line Minister, who would then present the Reports in Parliament. There was about a gap of nine to twelve months before the accounts actually came down for scrutiny before the PAC, that is the ideal timeframe but there were entities that we found out there state they were not submitting it for up to five to six years. That pretty much is under control.

Recommendation 12; there are still signs of inadequate internal audit procedures within several entities. The PAC flags the importance of internal audit for good governance and encourages all entities to reflect on their internal audit policies and procedures which strengthen them where necessary.

It should be noted again that this was the position about six to seven years ago and a lot of entities have a proper internal audit system now.

Recommendation 13; Staffing challenges remain within many entities. This appears in various forms. The staff to work ratio does appear to be a challenge in several entities as does these skills and capacity to perform those duties. This also appears at senior levels within some entities whether it is a minimum number of board members actually been appointed or having separation of duties as per governance standards. PAC encourages a reflection from each entity on this issue of staffing in order to lift performance to another level. As alluded to earlier, the appointments now that are being based on merit will and to some extent has resolved the issue.

The final recommendation was on the special projects. There were some special projects undertaken by some entities. It remains a disappointment that examples of infrastructure or project failure continue to appear in the audits of various entities. While these examples seems to be reducing very quickly over the past decade, PAC request all entities to be vigilant and ensuring taxpayers dollars are spent wisely and efficiently.

Madam Speaker, that was the Volume one of the Report. There are Volumes 2 and 3 also that have been prepared and I will be discussing them at a later date, but at this juncture, I would like to state that whilst the problems existed, as I mentioned earlier in six to seven years ago, there were some problems that existed and those ministries have come back to us plus some of them have those recurring issues, some of them have been able to adhere to the recommendations of the Audit office and the PAC and those will be worked upon.

At this juncture, I would also like to thank all those entities that actually appeared and were not hesitant in elaborately and with honesty telling us their problems and those entities, as I have mentioned like the Reserve Bank of Fiji, FICAC, et cetera who appeared with the committee to assist us in terms of advisory roles. It should also be noted that in the first set that we have presented today, there were no issues of malpractice that needed to be reported to FICAC, or other investigative bodies. So there was an improvement in terms of mal-administration or malpractice in entities that were highlighted earlier, in the earlier report that was presented and discussed earlier this week.

I hope that the entities in future will adhere to the recommendations and improve the capacity and their performance in terms of accounting so that the Government gets maximum returns on its investment and its funds which is invested in these entities so that the taxpayers' funds and money that has been utilised it comes with the maximum value. I thank you, Madam Speaker.

HON.SPEAKER.- Thank you very much. Honourable Members before we go on to the debate I would like to remind Members to restrict the debate to the content of the report covering the reporting period 2009 to 2013 only. Thank you. The House is now open for debate and I invite input - Honourable Aseri Radrodoro.

HON. A. M. RADRODRO.-Thank you, Madam Speaker, as a PAC member I would like to thank the fellow members of the committee for the work that we were able to conduct together to objectively scrutinize the various commercial entities reported as submitted by the Auditor-General for the years concerned in this period covered.

From the outset, I must say that the final product produced before us, Madam Speaker, is somewhat disappointing, because for me personally, it has failed to capture an objective or highlight the seriousness of some practices that were obviously noted during the audit process and of which we from the Opposition made recommendations for referral to FICAC for investigations, especially noting from the Chair's Foreword, Madam Speaker, on the report that commercial entities reviewed, PAC found no outstanding issues needing referral to investigative bodies such as FICAC and the relationship between most entities which we had differing views about, Madam Speaker.

The final report as we have before us today, Madam Speaker, I believe should come back to the Committee to provide a final collective summary, however this was not done. You would have noted we from the Opposition had sought clarification on your views on the procedure for the final signing of Committee Reports and this is an area we hope that the Committee Chairman can take note in the future.

I pick on some issues that were recommendations, Madam Speaker. Firstly on Recommendation 13 on the staffing challenges. During the Committee's scrutiny we the Opposition Members had strongly voiced our concerns on the continued failure by AFL to appoint a CEO, and the Chairman acting as Executive Chair of AFL since 2011. Likewise for Post Fiji, the current Chairman has led their company in the absence of a CEO for a significant number of years now. Such crucial positions, Madam Speaker, because accountable leadership and thus to eliminate possible conflicts of interest and corruption arising, the positions have to be filled with urgency to claim a non-availability of locals to adequately.

(Honourable Member interjects)

HON. SPEAKER.- Point of Order.

HON. A. SUDHAKAR.- The issues that my member from the PAC has highlighted, first is that this report which was discussed in the committee level, he is not allowed to present a minority report on his own. The Honourable Member cannot do that...

HON. SPEAKER.- That is not a point of order. You are making clarification and not a point of order.

HON. A. SUDHAKAR.- It is Point of Order to what the Honourable member is saying because the relevance he is saying corruption but there was no such evidence heard by the committee at this stage. The Honourable Member mentioned that the CEO and the Executive Chair

HON. SPEAKER.- Issues you are raising really refers to the content of the report. Point of Order is merely on the rules and procedures of the House.

HON. A. SUDHAKAR.- Yes, Madam Speaker, the Honourable Member is going outside the bounds of this report.

HON. SPEAKER.- You will reply in your right of reply and you can respond.

HON. A. SUDHAKAR.- Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. Please continue Honourable Radrodro.

HON. A.M. RADRODRO.- Thank you, Madam Speaker. To claim the non-availability of locals to adequately fulfil these roles should be hypocrisy as Post Fiji under its Acting CEO happens to be a local and recorded a profit in 2012. So why has not this person acting so far been simply appointed CEO, Madam Speaker, is there a special criteria one has to have?

Similarly, Madam Speaker, Viti Corp Limited, the last reporting period was in 2005 and it has been maintained or looked after by the staff of the Ministry of Public Enterprises. So the last reporting for Viti Corp Limited was in 2005.

Madam Speaker, in support for Recommendation 5 on the importance of internal audit strategies and Recommendation 13, there are instances questionable practice were carried out as example in the Airports Fiji Limited Audit as appearing on page 11 of this report a questionable ex-gratia payment to the former General Manager Finance was approved by their Board in 2009, amounting to \$156,709, balance to the payments was facilitated because the person had conducted work outside of his contract and subsequently they have corrected this by making written contracts of employees broader in nature to encompass similar incidents of work without having to make extra ordinary payments of compensation as such.

It is important that to avoid possible incrimination of board members on allegations of conflict of interest, clear guidelines on financial decisions are put in place to avoid the vulnerable exposure of management. As was experienced in one of our Government Commercial Entities recently, the CEO was jailed for an accusation for receiving facilitative payments, he was not owed by his Board. It seems to be a similar incident in this instance in AFL.

That is why Recommendation 8 is concerned, Madam Speaker, some Government commercial entities are facing difficulties in complying with International Financial Reporting standard as required by the Fiji Institute of Accountants body because they are guided by very different reporting template under the Reserve Bank of Fiji. This is very important because we have indicated the lack of consultation by FIA which is clearly highlighted through the Housing Authority example, where they had to follow the RBF reporting guideline and in doing so, they received qualified audit opinion.

Lastly, Madam Speaker, this morning we heard the Honourable Minister for Economy outlined the requirements in implementation and monitoring procedures and systems GCF requires countries to have, to be able to access climate change mitigation and adaptation assistance for development purposes.

So again I commend strongly for the implementation of Recommendation 5, otherwise these small auditing challenges and relevant to the Auditor General's Report could very well lead to further challenges for us as we report back to those that we will disperse these funds for us. As a matter of professional principle, Honourable Speaker, those are my concerns highlighted on the onset with the manner in which this motion was brought before this house, I am unable to support this report. Thank you.

HON. SPEAKER.- Honourable Mohammed Dean.

HON. M.M.A. DEAN.- Thank you, Honourable Speaker, for giving me the opportunity to put in short information. Madam Speaker, what Honourable Radrodro has been alluding...

(Honourable Opposition Members interject)

HON. M.M.A. DEAN.- .. This is on the content of the report. Now let me explain...

HON. SPEAKER.- Speak on the content of the Report as I had mentioned.

HON. M.M.A. DEAN.- Madam Speaker, the content of this report was done in a consensus manner. This issue that some of the issues that are not here in this report as alluded by Honourable Radrodro which he suggested that to put in this report, this is totally wrong. This is in regards to this report, never ever in our meeting this issue was highlighted by the Honourable Member that he is not

happy with the content of the Report, and if there is an indication that whatever he is saying is right, that is not in the Minutes. They can always have a look at the Minutes, they can always have a look at the verbatim, and it is not reflected there. It was done on a consensus basis whereby all the members agreed that this will be the recommendations that we will be putting in this Report and accordingly this Report was tabled in Parliament.

Madam Speaker, I would like to just focus on Recommendation 11 in regards to the backlog of the financial reports. The entities which were identified who were having this problem, they came later to the Committee and they have informed that they are ready with the Reports, most of it has been tabled to the Office of the Auditor-General and it will be tabled in Parliament either in the next Parliament sitting or afterwards, but they have said that most of the entities have obliged to the recommendations that we made to be updated with these Reports and it is already with the Office of the Auditor-General.

The only issue that we have had with the Public Accounts Committee was not tabling the Report earlier this year in the first sitting of Parliament which was way back in February. Madam Speaker, there are guidelines given in the Standing Orders as to how we are to report when we are doing our reporting which is supposed to be tabled in Parliament. We have to follow guidelines. Those issues which are not reflected in the Audit Reports, even though we used to ask entities out of interest. Those issues were not reflected in the audit reports, So, if the Honourable Member is saying that some of the issues which they have highlighted, for example, board issues and all that those issues were not there in the Audit Reports.

Madam Speaker, he just said it. Those issues were not there in the Audited Reports. Those were just in forms of supplementary questions that we were asking as Members of the Committee. But whatever the content of the Report will be in actuality what were reflected in the Audited Reports of these entities that were tabled in Parliament and that came to us, the Honourable Members, who are part of the Public Accounts Committee. So I would request Honourable Aseri Radrodro to withdraw his statement...

(Laughter)

HON. M.M.A. DEAN.- ...I would request Honourable Radrodro to withdraw his statements that the issue he has highlighted that the Committee did not take heed of and did not put in this Report and I do not why he is playing this tune that he is not accepting this Report when, as a matter of fact, he never brought this issue up in the meetings that we had afterwards.. Thank you, Madam Speaker.

HON. SPEAKER.- Thank you, Honourable Mohammed Dean for the clarifications that you have made and on your request for the Honourable Aseri Radrodro to withdraw his statement, that will be noted in the *Hansard Report*.

Honourable Niko Nawaikula?

HON. N. NAWAIKULA.- Madam Speaker, I wish to make a brief contribution. This motion is asking us to debate the Public Accounts Report on the Audits of Government Commercial Companies and Commercial Statutory Authorities 2009 – 2013. The Report contains about 14 Recommendations, and I wish to refer to some of the things that are raised here.

HON. SPEAKER.- May I request the Honourable Leader of the Government in Parliament to move his motion to suspend Standing Orders?

SUSPENSION OF STANDING ORDERS

HON. LT. COL. I.B. SERUIRATU.- Madam Speaker, I move:

That under Standing Order 6, so much of Standing Order 23(1) is suspended so as to allow us to sit beyond 4.30 p.m. to complete the debates on Motions 2 and 3 as listed on today's Order Paper.

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

HON. SPEAKER.- I take that we have all agreed to the motion?

HON. MEMBERS.- Yes.

Question put.

Motion agreed to.

HON. SPEAKER.- Honourable Niko Nawaikula, please continue.

**RESUMPTION OF DEBATE –
AUDIT REPORT OF GOVERNMENT COMMERCIAL COMPANIES
AND COMMERCIAL STATUTORY AUTHORITIES 2009-2013**

HON. N. NAWAIKULA.- Madam Speaker, I wish to refer to some of the matters that are raised in the Report. Firstly on Page 11, on some audit query that was raised to the Committee, it reads: “An *ex-gratia* payment to the former General Manager Finance of \$156,790”. This is in relation to Airports Fiji Limited. Then it goes on to say that the Committee looked into this and they found that in 2009 the Board strictly (this is the Board of Airport's Fiji Limited) look at the job description of the Manager and determined that the particular work he did was outside of his job description. That, to me, was a clear finding or, at least, a *prima facie* evidence that this matter needs to be looked at further by someone who is an expert in that.

(Laughter)

HON. N. NAWAIKULA.- And when you consider the Public Accounts Committee and the Auditor-General and FICAC, the only body that can look further into that is FICAC. So, I am totally surprised and disappointed by the recommendation of the Chairman and if I can quote where he says:

“Within each of the commercial statutory entities reviewed, PAC found no outstanding issues needed that needed referral to investigative body, such as FICAC.”

So I am totally disappointed r because you are not the expert.

HON. A. SAYED-KHAIYUM.- Neither are you!

(Laughter)

HON. N. NAWAIKULA.- The Auditor-General is also not the expert. The only people who have the expertise, who can look further into this is FICAC and he should have learnt from the previous Chairman of the Public Accounts Committee. He said these bodies should share information and FICAC

should be allowed to do its own investigation but, not like this, this is stopping it. He should learn from him because he knows more than he does.

Going further to the next page after that, there is an observation there.

HON. M.M.A. DEAN.- Point of Order, Madam Speaker.

HON. SPEAKER.- Point of Order?

HON. M.M.A. DEAN.- Madam Speaker, the Honourable Nawaikula just said....

(Chorus of interjections)

HON. SPEAKER.- Please, I would like to hear the Point of Order.

HON. M.M.A. DEAN.- Madam Speaker, Honourable Niko Nawaikula just said to the Chairman of the Public Accounts Committee that he does not know things and he should learn from the previous Chairman. I think he should withdraw that statement, the Honourable Chairman knows what he is doing.

HON. SPEAKER.- Thank you. I was going to address the issue myself. I would like you to withdraw that statement with no explanation.

(Laughter)

HON. N. NAWAIKULA.- I withdraw that statement.

Going further, on to Page 12 and this is on the findings of the Savusavu Airport upgrade. The Committee was informed the Savusavu Airport upgrade was fully scoped under the design and build model which ended in a dispute with the contractor. Certain disciplinary actions were taken internally within AFL that led to the termination of the contractor.

The point I wish to raise here is that, even now this type of attitude by the Government is still prevalent. Government officers attending to their work poorly - poorly scoped, poorly managed and I can give some examples. Even in this year's Auditor-General's Report, Naboro Landfill had the same problem - poorly managed, no foresight, no planning,

HON. A. SAYED-KHAIYUM.- That is not a Government Commercial Company. That is not the Government ... know the difference.

HON.N. NAWAIKULA.- But it is recurring, it's recurring and recurring.

HON. A. SAYED-KHAIYUM.- Do you know corporate governance or not?

HON. N. NAWAIKULA.- The Ministry of Health, the project that they have in Makoi, the Makoi Health Centre.

HON. A. SAYED-KHAIYUM.- Madam Speaker, a Point of Order.

HON. SPEAKER.- Point of Order?

HON. A. SAYED-KHAIYUM.- Madam Speaker, you had said for us to comment on the contents of the Report. Madam Speaker, the Ministry of Health, the Ministry of Environment they are

not the subject matter of the Report. The subject matter of the Report as the Report says is, “Audit of Government Commercial Companies and Commercial Statutory Authorities”, Madam Speaker.

He is also, Madam Speaker, confusing that these types of entities are separate to the Government Ministry. So, again, he is trying to merge both of them, apart from the fact that it goes outside the scope of the Report and the contents of the recommendation and indeed the findings of the Committee. Secondly, he is also confused and is confusing both of these two separate entities together. So on the point of the relevant Standing Orders, it is not relevant to this particular Report, Madam Speaker. Thank you.

HON. SPEAKER.- Thank you. I take your point of order and I agree with you and you really had detoured; keep yourself to the content and not divert outside of the Report.

HON. N. NAWAIKULA.- Let me say this again, this Report was made for the period 2009 to 2013. My point is that it is still happening.

On page 15, this is on FBC. There is an anomaly there of \$5.58 million in their balance sheet and this is what the Committee said, “the Committee was informed that FBC had initially taken a loan from Fiji Development Bank with an initial interest rate of 12 percent for the purpose of the upgrade project. It was also mentioned that the restricted cash of \$5.58 million is the cash available in overseas accounts.” The point I wish to state is this; the company, Fiji Broadcasting Commission has been unfairly subsidised by Government. In the budget that we had in the last few years, Government has been pumping money into this and there is an anomaly here which is pointed out by the Public Accounts Committee. They should clear up.

On page 21, this is in relation to Post Fiji Limited. The Committee noted that the management has adopted tender irregularities. “The Committee noted that management has adopted a transparent tender process with tenders getting advertised in the daily paper and the Tender Committee expressing ExComm.”. The point is, it is referring here to tender irregularities and the point I wish to make is that it is still prevalent for example, Ministry of Agriculture. Now if you look at the Auditor’s Report for last year...

HON. A. SAYED-KHAIYUM.- Madam Speaker, point of order!

HON. SPEAKER.- Point of order.

HON. N. NAWAIKULA.- It is still happening.

HON. A. SAYED-KHAIYUM.- Madam Speaker, the Ministry of Agriculture is not the subject matter of this Report, it is a Government Ministry. This is about, again audit of a Government commercial company and commercial statutory authority. They are a separate to a Ministry, Honourable Member.

HON. SPEAKER.- I am sure you will not repeat the same thing..

HON. N. NAWAIKULA.- I will not repeat it but the point is that, the whole purpose of this is that we learn from our malpractices in the past, that is the whole point and it is still happening.

HON. A. SAYED-KHAIYUM.- It is a separate entity.

HON. N. NAWAIKULA.- Let me just conclude. What they did was, \$50,000 is the limit of the tender so they split it up and this was pointed out by the Auditor-General.

Next, ...

(Laughter)

HON. N. NAWAIKULA.- Madam Speaker, it is nearly ending, do not worry.

Rewa Rice Limited, the company failed to provide general ledgers for all accounts for the year 2008. Recurring departments failing to submit their reports in time but the one that takes the cake is Fiji Hardwood Corporation Limited. Just look at what it says here, “the audit report for the year ended, 31 December, 2005, they reported the inability to ascertain the accuracy of the reliability of the books of the accounts maintained for that year.”

HON. A. SAYED-KHAIYUM.- 2005.

HON. N. NAWAIKULA.- Public Accounts Committee is concerned that the audit query does not exist yet for Fiji Hardwood Corporation for the past seven years. There you go!

(Laughter)

(Honourable Members interject)

To conclude, Madam Speaker, I simply feel that you should allow these three bodies, the Public Accounts Committee, Auditor-General as well as FICAC to work together to share information. The Public Accounts Committee, its work will not be worthwhile. It is not purposeful unless they come to some kind of conclusion, people getting charged on things getting better. Thank you.

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

HON. RATU S.V. NANOVO.- Thank you Madam Speaker. I would like to draw our attention again to the view that was raised by my colleague, Honourable Dean, regarding the issue that was raised by my colleague Honourable Radrodro. I do wholly support the issue that was raised by Honourable Radrodro, and in addition to that, our concern also stems from the final report that was compiled by the Chair.

HON. SPEAKER.- Order! Order!

It has been said that what Honourable Radrodro said was actually not correct.

HON. RATU S.V. NANOVO.- No, no I support what was

HON. SPEAKER.- Then you are supporting something that is not

(Laughter)

HON. RATU S.V. NANOVO.- I disagree with what Honourable Dean came up with, but I support the comments raised by Honourable Radrodro.

(Chorus of interjections)

HON. SPEAKER.- I think if you keep yourself to the issues rather than supporting someone who was unsupported

(Laughter)

HON. RATU S.V. NANOVO.- Well I support the report from Honourable Radrodro. Our concern in here, Madam Speaker, was the final report that was compiled by the Chairman.

HON. SPEAKER.-On that particular issue?

HON. RATU S.V. NANOVO.- Yes, because we thought that after compiling that report he will come back to the Committee to advise us of what has transpired so that we can go through the report and all agree to that, but unfortunately, this was not done, that is why....

HON. M.M.A. DEAN.- Point of order!

HON. SPEAKER.- Point of order!

HON. M.M.A. DEAN.- Madam Speaker, the final report always comes to the Committee Members to have a final look, so I do not know where this information is coming from. He should withdraw that statement. Thank you.

(Laughter)

HON. SPEAKER.- If I have to make a ruling to that point of order, your request to withdraw the statement is noted. Thank you.

HON. RATU S.V. NANOVO.-I mean, once he completed the Chair's Foreword, he should come back to the Committee for us to relook at it and all of us to agree on it and to sign the report. If you can recall, Madam Speaker, in our last sitting, I did seek clarification on this from you, Madam Speaker, as to who should be signing the report; should it be the Chair alone; or all of the Committee Members and there was no clear direction from the Chair. Maybe that is why this fault arose. That is all, Madam Speaker.

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

HON. CDR. S.T. KOROILAVESAU.- Thank you Madam Speaker. I just want to make a short contribution in support of the Report that is before the House.

Madam Speaker, looking through the reports and recommendations, it has a total of 14 recommendations on the 14 entities that have been looked at by the Public Accounts Committee and I would like to congratulate the Public Accounts Committee for covering a huge area of report since it covered the 2009 to 2014.

I understand the issues that have been raised by some of the Members on the contents of the report and the general comments that they stated, but Madam Speaker, this is basically looking an overall performance of Government entities which covers various aspects of different companies that belong to the Government.

In that respect it would not be ideal to expect that every entity will perform in uniformity. It has its own challenges, every individual company has an area of different expertise and different conditions to trade in. For a fact, you cannot compare Fiji Ports Corporation Limited to an entity that works within the land area because of the different status and background to the business that is being engaged in but looking through the recommendations that have been given here has highlighted the deficiency that exists within the trading of the various business arms of the Government.

It is totally wrong to be specifically saying that this corporate body has lacked in this but it should be looked at in totality. At the end of the day, it is what hits the bottom line at the end of a business trade or in a financial year that actually dictates the performance of a business, and I think in looking at the different entities that have traded here. If we had looked at and compared the different ministries with the corporate entities, then you will give some leverage and some balance of comparing that because in a Government ministry, it is totally a management position where the Civil Service manage that leadership within a corporate governance within the business which is a little bit difficult because there are a lot of players that play in the commercial entity within that body. I thought I should just highlight that Madam Speaker so that it be clarified. Thank you.

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

HON. P. CHAND.- Thank you, Madam Speaker. I would refer to page 12 of the Report, it talks about budget allocation for an airport in the North and then it ends up with the CEO saying 'I will say that as of now, we have not been able to find a space in Seaqqa'.

So in Recommendation no. 2, it says, "All relevant authorities and communities assist AFL, Fiji Link and others in the preliminary process of locating a space large enough and flat enough and without impediment to allow for progress on an airport for the North."

We believe that in the 2016 Budget, there was an allocation for the airport in Seaqqa and now we are being told that another place is being looked for - another location. Whilst this programme will take pretty long I believe, looking for land is not easy.

There are serious problems at the Labasa Airport, many a times when THE weather is not very good, and I believe something should be done urgently at least in the short-term to have lights at the Labasa Airport so that landing could be easier during bad weather and not only that, I believe night landing would also benefit the people of Labasa when travelling.

In today's day and age, there are a lot of business people who want to travel to Suva, the Suva business people who go to Labasa can come back to Suva

HON. SPEAKER.- I think you are venturing out.

HON. A. SAYED-KHAIYUM.- Point of order.

HON. SPEAKER.- Point of order.

HON. A. SAYED-KHAIYUM.- It is not contained in the Report. The Honourable Member should also note that money was not made available for the building of it but for the exploration of an alternative site in Labasa. He is now getting into the operational aspects of the airport, which is not the subject of this particular Report. It is about the audit of the organisation, the comment, the recommendations come by the Committee in respect of alternative site but the Honourable Member is talking about an existing site and what should be done on the existing site which is outside the scope and we have addressed this on a number of occasions. We have in fact various comments made in this Parliament but again if the Honourable Member can stick to the Report itself, Madam Speaker. Thank you.

HON. SPEAKER.- Thank you. I totally agree with you because I was going to bring up that point as well. You are venturing outside of the Report when you are specifically talking about the areas to be identified to that and also the budget that was for 2016, that is outside of the Report.

So, please keep your comments to the content of the Report, Honourable Parmod Chand.

HON. PROF. B.C. PRASAD.- Madam, just a point of order. I have had several point of orders with respect to the ruling you make in terms of the debate and the contents. I mean I remember yesterday, we debated the Standing Committee on Social Affairs Committees Report and my understanding..

HON. SPEAKER.- That relates to today's

HON. PROF. B.C. PRASAD.- This is related to this point of order that is coming because I think we should have some latitude in raising issues emanating from the recommendations, from the Report. So, I think we must have some latitude in raising issues emanating from the Report and from the recommendations. Otherwise I mean, yesterday, the Honourable Attorney-General went on and on and we talked about a lot of issues and some very relevant issues, not exactly based on the Report. I did the same and so those are very relevant issues to be discussed in relation to the Report.

So, I do not think we should really restrict the debate, I mean simply because it is not directly on the Report but there are issues emanating from the Report which have relevance. So, maybe Madam Speaker, we need to ease up a little bit on the time.

HON. A. SAYED-KHAIYUM.- Madam Speaker, can I just respond to that point of order?

HON. SPEAKER.- Yes, please.

HON. A. SAYED-KHAIYUM.- Madam Speaker, yesterday if the Honourable Member wants to talk about it and if you allow me to mention just one or two sentences on it. We had talked about respective ministries, we talked about Ministry of Education, Culture and Heritage and we talked about the vision and values of the ministry.

Obviously, then we talked about, I assume that is what he is going on about, the Honourable Member. Today, we are actually talking about an audit of these entities, the operational aspect whether an existing airport should run night lights or whatever it is, is not part of this audit.

The audit, the Honourable Niko Nawaikula is not here, actually talks about audit issues unfortunately he got the entities wrong, but the point of the matter is that we are talking about an audit issue, not about operational aspects.

It is like saying 'well Nadi airport maybe needs to have some more flood lights to make their runway look good' it is not the subject matter of this, whether it is Nadi, Labasa or Nausori. The subject matter of this Report is about audit and it is about how we can improve it, whether there is any anomalies we can discuss all that and whether the CEO or Executive Chairman, not what the Honourable Parmod Chand is going on about.

HON. SPEAKER.- Thank you. We need to be very focused in a way that we are conducting the debate and please confine yourself to the content of the Report and recommendations need hearing.

HON. P. CHAND.- Thank you Madam Speaker. I was reading Recommendation 2 and when this recommendation does not have provision for anything better, I was just suggesting an alternative.

HON. SPEAKER.- I think your suggestion can come by way of substantive motion later on but not right now.

HON. P. CHAND.- Because many times when we put motions and questions they are all most of the time rejected and we are unable to.

(Chorus of interjections)

HON. P. CHAND.- In Business Committees we are unable to bring that; “this is not right, that is not right, you should talk about this, you should not talk about those benefits,” well simply, it is just a sports competition.

HON. SPEAKER.- Please stick yourself to the content of the Audit Report.

HON. P. CHAND.- Thanks. On this Audit Report, I would say that I did not see anything in the Audit Report about the Waiqele Airport and in conclusion I say this, there should be lights at the airport.

HON. SPEAKER.- Please do not repeat what you had just said. There was a Point of Order brought on that.

(Chorus of interjections)

HON. A. SAYED-KHAIYUM.- Madam Speaker, I think the Honourable Member is actually disrespecting the Chair because you have made a ruling.

HON. PROF. B.C. PRASAD.- The Chair is that side.

HON. A. SAYED-KAIYUM.- No. I also have a duty to ensure that the Parliamentary sanctity and procedures are adhered to. Madam Speaker, the Honourable Member, despite you giving a particular ruling decides to be very clever about it and in the end tries to sneak it in. This is not Parliamentary behaviour, Madam Speaker, we should all have some form of decorum and finesse. We need to have some finesse in this Parliament.

(Laughter)

HON. SPEAKER.- Thank you. You are quite right. I now give the floor to the Honourable Veena Bhatnagar.

HON. V. BHATNAGAR.- Thank you Madam Speaker, just a very short contribution to the motion on the floor. Actually reading Recommendation 6, it says “The Ministry of Public Enterprise to assess the board make-up of each commercial statutory authority in Fiji to ensure the minimum number of board members are in place. In addition to having the minimum number, Madam Speaker, on behalf of the Ministry for Women, Children and Poverty Alleviation, we asked for an analysis of the gender make-up of the various boards of the Government, commercial companies and commercial statutory authorities.

We welcome initiatives like that taken by the CEO of FHL who actively sought for qualified board members in all FHL subsidiaries. Similarly, our Honourable Prime Minister recently appointed a female board member at iTLTB. Personal initiatives like that from male leaders will go a long way in cementing the advocacy work done by our ministry and our partners in the non-state sector and UN agencies towards the attainment of the SDG 5 for gender equality and empowerment of women and girls.

We call on the male leaders in all sectors of our nation to drive the call for gender equality in the various institutions that they may have. All Parliamentarians and ex-Parliamentarians we need to

consistently advocate for gender equality in whatever Parliamentary business we are interested with, and if we can continue the advocacy in our personal space and in public space, a lot can be achieved. Thank you, Madam Speaker.

HON. SPEAKER.- Honourable Minister for Education.

HON. DR. M. REDDY.- Madam Speaker, I will make a short comment about two general themes that cuts across the discussion. Firstly, it seems to me that the Members from the other side

HON. OPPOSITION MEMBERS.- Talk about the report.

(Chorus of interjections)

HON. SPEAKER.- ... the report, please.

HON. DR. M. REDDY.- Madam Speaker, Government's statutory commercial companies, executive bodies are borne out of the desire to instil a business culture. Now, the discussion did not talk about how this transformation lead to efficiency gains from the financial side, and the broader objective of Government to deliver a very important public good.

Madam Speaker, it is rather unfortunate that you see Members on the other side digging in on little little things without talking about the two important aspects, whether the Government commercial companies are financially efficient and what are the indicators that demonstrate that they are doing really well.

Secondly, how is the public good being delivered out of the statutory commercial companies and statutory bodies, Madam Speaker?

Thirdly, Madam Speaker, some Honourable Members have been talking about the board and the Executive Chairman, unfortunately, they do not understand ...

(Honourable Member interjects)

(Laughter)

HON. DR. M. REDDY.- that we have the board, the principal and the Executive arm which is the agent it is called the Principal Agent.

Madam Speaker, in a small country, it is very difficult to find good people to be on the board.

(Chorus of interjections)

HON. DR. M. REDDY.- They know very well when they imposed the kava ban. Madam Speaker, there is scarcity to get good people to serve on boards as well as to become CEOs. Therefore there will be cases, instances, where you will find that you will take time to appoint a separate CEO and Chairperson.

Madam Speaker, I think to look at the overall report, the report demonstrates that albeit all the difficulties, the commercial companies have done well. We need to support them, we need to look at upgrading their technical capacities so that they can do better in terms of delivery of the public good that they are in charge of. Thank you.

HON. SPEAKER.- Honourable Leader of the Opposition?

HON. RO T.V. KEP.A.- Madam Speaker, on Recommendation 3, this is under the Nausori Airport Upgrade and on this land acquisition for the Airport, the concern is from the landowners that although one *mataqali* land is deposited in the Land Bank, the other *mataqalis* whose land is also being negotiated seem to be getting a better deal than the *mataqali* whose land has already been acquired through the Land Bank. They also want this land acquisition issue resolved, Madam Speaker.

HON. SPEAKER.- Which Recommendation are you talking about?

HON. RO T.V. KEP.A.- Recommendation 3.

HON. SPEAKER.- Can you read the Recommendation, please?

HON. RO T.V. KEP.A.- “All relevant ministries and entities assist the Ministry of Lands to finalise land acquisitions for the Nausori Airport Upgrade, in order to allow AFL to move into the planning phase of the Airport Upgrade and Expansion” and I am talking here about the land acquisition, Madam Speaker. So the land acquisition which is a very important component to this upgrade, Madam Speaker, that the concern is from the landowners and I have already gone into that, in that, one *mataqali* has already

HON. A. SAYED-KHAIYUM.- Again, the Honourable Leader of Opposition is straying into an area that is not specific to the actual substance of this report. This report, again, Madam Speaker, this is a Report of the Public Accounts Committee on the audits of the Government Commercial Companies and Commercial Statutory Authorities.

Madam Speaker, the recommendation reads that “All the relevant ministries and entities assist the Ministry of Lands to finalise land acquisitions for the Nausori Airport Upgrade in order to allow AFL to move into the planning phase of the Airport Upgrade and Expansion.” That is a recommendation which is what we are actually debating *viz-a-viz* the Report, Madam Speaker.

And the Honourable Leader of Opposition is going on about operational issues pertaining to AFL’s negotiations with different landowning units. That obviously those negotiations may still be ongoing and she actually may be prejudicing the ongoing negotiations by commenting on it when it is outside the scope of this Report.

The Report, Madam Speaker, of course (and I have got some comments on this Report too). I think the Committee may have strayed into areas that it should not have, but the fact of the matter is, it does not allow us to go into areas that is not the subject matter of this Report. It is about an audit of AFL, it is not about what premium or non-premium payment that AFL is offering, not just the landowners, maybe to some supply of other goods. The Honourable Leader of Opposition is actually straying into that area which she should not be, Madam Speaker, with respect.

HON. SPEAKER.- Just take note of the comments.

HON. RO T.V. KEP.A.- Madam Speaker, that was on the land acquisition.

HON. SPEAKER.- But they do not go into the mechanics of the land acquisition.

HON. RO T.V. KEP.A.- But I have already said what I wanted to say on that, Madam Speaker.

HON. SPEAKER.- You should not be talking like that against the ruling of the Speaker, I would like you to withdraw that.

HON. RO T.V. KEPA.- Which one, Madam Speaker?

HON. SPEAKER.- What you have just said, I have made a ruling.

HON. RO T.V. KEPA.- I withdraw it, Madam Speaker.

HON. SPEAKER.- Thank you.

HON. RO T.V. KEPA.- On Recommendation 10, Madam Speaker, it reads:

“The responsible Ministry (which is Education) outlined the status of the Fiji Higher Education Commission as an independent reporting entity, as officers presenting and the Audit Office were unclear of the financial duties and responsibilities of the entity itself.”

Madam Speaker, they are through reliable sources, what they are asking for here is that, the funding that comes through to the Fiji Higher Education Commission comes directly through to them so that they are truly independent, other than it coming through the Ministry of Education. That is their concern, Madam Speaker.

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

HON. V.R. GAVOKA.- Thank you, Madam Speaker. Madam Speaker, let me just touch on a number of recommendations which suggest to me that overall, these State-owned enterprises are in a real mess. If you look at Recommendation 6, “the Ministry of Public Enterprises to assess the board member make up of its Commercial Statutory Authority in Fiji to ensure that the minimum number of board members are in place.”

We are talking about the period from 2009 to 2013, Madam Speaker, and we had a *coup* in December, 2006, that was to have cleaned up this country including the proper structure of boards which the *coup* makers believe would create transparency and clean up Fiji.

HON. RO T.V. KEPA.- And no more *coups*.

HON. V.R. GAVOKA.- when you look at Recommendation 9 “when recommendations are made toward an entity from the Office of the Auditor-General, the entity should treat these recommendations as a priority issue to respond to”

Saying that, these 14 entities have no respect for the Auditor-General, no respect for the due process and again I say, the *coup* in 2006 was to clean up Fiji. Now we are talking about 2009 to 2013 and the clean-up did not happen. Has it happened or not?

(Honourable Members interject)

HON. V.R. GAVOKA.- When we go to Recommendation 11, “There still remains a backlog of financials that have yet to make it to the Audit Office” and they say this is unacceptable.

HON. MEMBER.- Because of previous governments.

HON. V.R. GAVOKA.- Why in this country, why do you have to suffer so much in 2006 when five to six years later things are worse than ever before?

(Chorus of interjections)

HON. V.R. GAVOKA.- Madam Speaker, I was a CEO of an organisation and I used to be frightened of the Auditor-General. Auditor-General came, I used to be frightened. There are people here in this organisation who are not frightened of the Auditor-General and we wonder, what happened to the clean up? Why did this country suffer so much with all the clean up? That was promised and never never happened.

We have this Recommendation 13, “Whether it is a minimum number of board members actually being appointed, or having separation of duties as per governance standards (for example Chair and CEO would be ideally separate.) That is basic, that is fundamental.

(Chorus of interjections)

HON. V.R. GAVOKA.- You allowed it to happen during your rule, during the time when you run this country.

HON. CDR. S.T. KOROILAVESAU.- International countries have executive chairman.

HON. V.R. GAVOKA.- Madam Speaker, we were told very specifically, there would be no executive chairman. We were told that in December, 2006, there will be no people, no one will be sitting in multiple boards, there will be no multiple boards.

(Chorus of interjections)

HON. V.R. GAVOKA.- Madam Speaker, this report testifies sadly to the failure of the regime and by extension FijiFirst, and I think it is time they stand up with people of Fiji to say “sorry, we took you for a ride by saying we are going to clean up Fiji because the mess is worse than ever.” You look at me look at Fiji Hardwood.....

(Honourable Members interject)

HON. V.R. GAVOKA.- Fiji Hardwood is supposed to be taken over by new management but things are loose, they have not produced any financial up to 2015. In any jurisdiction, you get fired for that but with the FijiFirst people, they only write the rules for themselves and the rest of Fiji can go to

(Chorus of interjections)

HON. V.R. GAVOKA.- I am just going to remind them, Madam Speaker, last, in 2014, 41 percent of the people did not vote for FijiFirst, in 2018, I think about 60 percent will not vote for FijiFirst, if not, 70 percent. Thank you, Madam Speaker.

(Chorus of interjections)

HON. SPEAKER.- Honourable Ratu Kiliraki, you have the floor.

HON. RATU K. KILIRAKI.- Thank you, Madam Speaker. May I make a small contribution to highlight the lack of financial reporting and submission from Councils, I quote:

“There are some municipal councils lagging behind five years, some entities either state owned enterprises lacked behind by a few years. We have found also that provincial councils are lagging behind by about 20 years. So, Suva City Council, the last report was 2011, Lautoka City Council, 2011; Nadi Town Council 2013; Nasinu Town Council 2012; Tavua Town Council, 2015..

HON. A. SAYED-KHAIYUM.- Madam Speaker, Point of Order!

HON. SPEAKER.- Point of Order!

HON. A. SAYED-KHAIYUM.- I do not see any municipal council being reviewed by this Committee. This again Honourable Member, I am going to read the content and the heading of this report. “Report of the Public Accounts Committee on the Audits of Government Commercial companies and Commercial Statutory Authorities.” Municipal Councils do not fall into this category.

Municipal Councils, Madam Speaker, are not listed on the Table of Contents of this Report.

HON. N. NAWAIKULA.- That is the last one.

HON. SPEAKER.- He is reading from the Report.

HON. A. SAYED-KHAIYUM.- The Ministry of Local Government

HON. RATU K. KILIRAKI.- The Ministry of Local Government comes in the Table of Contents - 2.14 and it is on Page 44 and 45 of the Report.

HON. SPEAKER.- Thank you.

HON. A. SAYED-KHAIYUM.- My apologies. I have the humility to say sorry. You guys should learn – have humility.

(Laughter)

HON. RATU K. KILIRAKI.- What I am trying to say, Madam Speaker, the people in these municipalities and also the 14 Provinces in Fiji, that is 20 years of no financial reports. So, that is the issue that I want to raise

HON. N. NAWAIKULA.- Exactly.

HON. RATU K. KILIRAKI.- That is brought out by the PAC.

HON. SPEAKER.- There is no other contribution, Honourable Attorney General?

HON. A. SAYED-KHAIYUM.- I think, perhaps, I should make a contribution as Minister for Public Enterprises.

Madam Speaker, just to highlight to the Honourable Members, a Government Commercial Company by definition are entities that are incorporated under the Companies Act that has the objective to operate as a successful business and be profitable and efficient as comparable businesses which are not

owned by the State. So, their benchmark is other limited liability companies that operate in the private sector as Honourable Minister for Fisheries pointed out.

A commercial statutory authority, Madam Speaker, is an entity that is established by their own statutes and have commercial and social objectives. So, for example in creating the Housing Authority under the Housing Authority Act. For example, create the National Marketing Authority under the National Marketing Authority Act whereas the others are actually limited liability companies and has its own board and they are already independently with their limited liability companies.

Madam Speaker, I would like to point out a correction to the Report. In regards to Section 2.9, which is on Page 37 of the Report, it refers to the Housing Authority of Fiji as having qualified reports.

Madam Speaker, in fact if you look at the Housing Authority Reports, it actually does not have qualified reports and I have got the Housing Authority Reports here with me and those years that they state for qualified in fact were non-qualified. So, that is a correction. It does talk about emphasis of matter in the report it does not mean it is a qualified report. I think the report needs to be corrected on that basis, Mr Chairman. If we could draw that to your attention, please.

Again, Madam Speaker, I like to point out that for 2009, 2011, 2012 were unqualified reports again. In 2007, 2008 and 2010 reports were unqualified but had an emphasis - the matter. So, overall, they are all unqualified reports and that needs to be corrected in the report.

Madam Speaker, we would like to, of course there are a number of issues that were raised by the other side in respect to the subject matter. I do not really want to get into doing a tit for tat response but we would like to have are some comments in respect of the actual recommendations themselves.

Recommendation 1, refers to the High Salaries Commission. It does not exist anymore. So the report should actually make a note that it does not exist anymore and the way that is done is that the independent bodies can actually carry out a job evaluation exercise through independent bodies whether it is PricewaterhouseCoopers or whoever it is, they make recommendation, it then goes off to the relevant ministry and also has the approval of the Honourable Prime Minister in respect of the CEO positions of those respective organisations. They also then are able carry out other job evaluation exercises for the rest of the staff.

The airport issue, Madam Speaker, they commented on that about Seaqaqa, Nasarawaqa, et cetera. It has actually been looked at. There were some allocations made in the budget. Actually, the boss simply does not go and conk in the airport. If you do, for example find a site, there needs to be some funding made available for the geotechnical survey, whether the land will be able to hold on to the weight of a plane landing. All those sorts of preliminary work needs to be done for one to be able to make a decision whether a particular site is suitable for an airport or not.

So it also means that you have to incur some costs if some allocation was made in the budget to incur those costs for the preliminary studies but it also goes to show that there is actually a commitment to build such an airport for Vanua Levu and we believe that an airport in Vanua Levu is very critical and a good airport that actually has the opportunity to be able to expand itself. As we have said, one day hopefully that 737 or A320 can land in Vanua Levu and we hope that sooner rather than later. So we need to be able to ensure that we find a proper site for that.

In respect of, Madam Speaker, again the Nausori issue I do not want to comment on that as highlighted that those issues are being looked at.

In respect of the responsibility of investment policy risk management, yes, we know that the Board of course has the responsibility of developing that. We have also the State-owned enterprises have investments as their core activity which is Fiji Public Trustee Corporation and Unit Trust of Fiji, they are the key ones that do the investment.

In respect of the internal audits strategies, many of them actually have their own internal auditors upon the request of those Boards, Madam Speaker, the Ministry of Public Enterprises have assisted some State-Owned Enterprises, and they did not have internal capacity for internal audit. For example, Fiji Rice Limited and Copra Millers of Fiji Limited respectively in 2013 and 2016. Also, in some of the cases the Ministry of Public Enterprises carried out internal audit as part of the monitoring function and of course this included Fiji Hardwood Corporation Limited from 2012 to 2014, Yaqara Pastoral 2015 to 2016, which also included Biosecurity Authority of Fiji.

Madam Speaker, in respect of the Recommendation 6 regarding the Board Members, yes, Madam Speaker, we did as Honourable Minister for Education highlighted. We did have problems appointing Board Members, in particular from 2007 right up until Elections time because there were travel bans in place, the travel bans actually did not only apply to the person who was appointed but to their spouses and children also. As you know, Madam Speaker, through your experience, that was the reality. So many, many people who did actually want to come forward to be appointed to the Board did not come forward to be appointed to the Board even though they expressed their desire because we have people, for example children who are actually pilots or flight attendants, et cetera. They said they will get stigmatised or castigated so they did not, Madam Speaker.

The reality is, that we still roll with the punches and yes, some of the boards have minimal numbers but the reality, Madam Speaker, is now those boards actually have the numbers and that is what matters and the reality, Madam Speaker, is those organisations actually are doing well.

AFL is going to give us a dividend pay off of \$40 million - unprecedented. A state-owned enterprise in Fiji giving a dividend payout of \$40 million; Fiji Pine Limited unprecedented payout to landowners. I can cite many examples on this and we have already done this in this House, Madam Speaker, and this is what we also should be looking at.

That is not to ignore if there is any governance issues within those organisation, that is the purpose of the Auditor-General to pick that up and for those organisations to remedy those issues and to fix that up and move along. That of course we all accept.

Madam Speaker, again, we do not understand why the recommendations were made regarding the Reserve Bank of Fiji Recommendation 8 “should review its policy to ensure all requests of all entities are in line with the international Financial Reporting Standards.” I do not know if that is to do with Reserve Bank of Fiji itself or whether we are asking the Reserve Bank of Fiji to look at other entities, I am a little bit confused regarding that, maybe the Chairman can actually respond in his submission.

Madam Speaker, I highlighted the Housing Authority issue. Madam Speaker, regarding the issue of Recommendation 9 “When recommendations are made toward an entity from the Office of the Auditor-General the entity should treat these recommendations as a priority issue”, we accept that, your recommendation is noted, Madam Speaker. Of course we need to ensure that the Office of the Auditor-General can seek the Minister’s assistance in following up with the Management’s comment from the state owned enterprises and we actually started the process already.

Madam Speaker, the Fiji Higher Education Commission actually is not (a) falls within this definition that I have said. It is actually a Commission, it is an independent commission, and it is not a commercial entity nor is it created by a statutory per se within their normal definition.

Madam Speaker, in respect of the backlog of financials, I can give you some examples the PAFCO's Financials updated to 2016; the Fiji Hardwood now is updated to 2015; Fiji Rice is now updated to 2013, 2014, 2015, are currently in progress; FBC is now updated to 2016. So a number of these organisations Honourable Niko Nawaikula inadvertently probably read it out, he probably do not want to read it out because at the time of this Report, even the 2005 Fiji Hardwood Corporation audits were not done.

So, a lot of it was to actually go back into time to ensure that that audit trails were actually established, you cannot simply go out and take out 2007 to do the audit when you actually have not done 2004, 2005 and 2006. I mean you just cannot pluck the years out, you have to ensure that is all done progressively and in a linear fashion.

Madam Speaker, the other issue that was also highlighted was they talked about Viti Corp. Viti Corp, Madam Speaker, was actually created during the SVT Government days to simply own that land. The land outside Navua Bridge which now FNU leases. So the only asset that Viti Corp actually owns is one piece of land and which is also leased out to FNU.

Madam Speaker, the total receipts of Viti Corp Limited is a \$129,000, that is the company's earnings and simply owns a piece of land. So I mean you will obviously have to put this into perspective, they are making it sound as if Viti Corp is a multi- million dollar company, has got a multi-million dollar transaction - that is the only asset it owns.

Madam Speaker, the other recommendation was about inadequate internal audit procedures which we highlighted earlier on. The staffing challenges, yes, again the Open Merit Recruitment System has been adopted by some state-owned enterprises and statutory bodies, they have actually come to the Civil Service Reform Unit and said that they want to be part of this, can you help us roll it out? Can you tell us what the internal guidelines will be and how we can actually go ahead and do that, Madam Speaker?

Again, Madam Speaker, in respect of infrastructure implementation. That has of course been improved substantially. The issue about Executive Chairman that was also raised, Madam Speaker, which was also in the Report as the Honourable Minister for Fisheries has highlighted, it is not an uncommon practice in the corporate sector but in Fiji, we are happy to note that today all of the entities that are actually had an Executive Chair the only two entities that actually have an Executive Chairs is AFL and the other one is Fiji Pine.

The Fiji Pine Executive Chair was insisted upon by the landowners. The landowners wanted him to stay on for the next five years but it has only been agreed that he will stay on there for three years. It is only upon the insistence of the landowners because of the benefit they saw as synergising between the board and the daily operations of Fiji Pine.

The amount of money that the landowners have now got through these operations and the fact that we have now paid off debts of Fiji Pine going back to 1970s or 1980s, it is a testimony to the fact that the actual operations and the financial position of that company is in a very, very good state.

Similarly, Madam Speaker, and I think that is the point that is perhaps being lost on some of the Honourable Members.

The other point, Madam Speaker, is that, they talk about Fiji Hardwood Corporation being in a mess. I can tell you, Madam Speaker, Fiji Hardwood Corporation has a debt exposure of \$23 million.

Today, that debt exposure of Fiji Hardwood Corporation is \$5 million to \$6 million. It was sitting on the largest plantation of mahogany, what was it doing in carrying a debt of \$23 million, Madam Speaker?

These are things that we need to talk about if you are actually serious rather than scoring political points if you are serious about building capacity and actually addressing these matters that the Auditor-General does raise because the Auditor-General's Office, Madam Speaker, is not about political points scoring but actually how to improve these organisations. We need to look at the philosophical basis of why we are actually carrying out an audit.

The philosophical basis of carrying out an audit is to point out where things had gone wrong and then how it can be improved and then we need to move along because these entities are critical. Some of these entities are of course are evolving with the time, some of them they need to be restructured, some of them probably no longer need to be around. Some of them need to probably go to public-private partnerships, but the whole point is, that it provides the return to the shareholders and it also provides, as the Honourable Minister for Education did highlight in his statement actually to be able to provide a particular level of service that all Fijians actually deserve and require.

So, Madam Speaker, I am glad that some of the Honourable Members in this House only about 18 months ago did not like FICAC. Now, everyone loves FICAC and want to all go to FICAC which is great, which is wonderful but the reality, Madam Speaker, is we simply do not go running up to FICAC just because there has been some anomaly identified in the Auditor-General's Report. It is not prima facie evidence as Honourable Nawaikula states and that is why everyone had a bit of a chuckle.

The reality, Madam Speaker, is that yes there are some issues that have been identified, we need to address them and in fact a lot of them have been addressed but we also need to look at the overall objective of these entities and we of course would like to recommend that the Committee makes note of some of the corrections that do need to be made. Thank you, Madam Speaker.

HON. SPEAKER.- Thank you, there being no other input I now give the Chairperson of the Standing Committee on Public Accounts Committee to speak in reply.

HON. A. SUDHAKAR.- Thank you Madam Speaker. I would like to take this opportunity to respond to some of the issues that were raised.

Madam Speaker, one of the first issues that was raised was that the Committee, the way the report was handled, it seems like I have edited a lot of it. Madam Speaker, the process of the Committee is that when we invite these entities to come and present to us, they come and speak about the background. What they have been doing, what are their future plans, now these are not the audit issues that we include in the report anyway.

We had the discussion with the Chairs and yourself, Madam Speaker, about the relevance of the topics that are covered in the report. It is only the audit issues that are being raised in the Reports of the Auditor-General that are covered.

Now the presenters might speak on a lot of things about their future plans and that is why I started with the caveat that Recommendations 2 and 3 are basically coming out from their future plans and we had thought to make a recommendation to encompass that part but it does not really affect the audit issues.

Now these matters were all in the report and it has to be taken out because it will not comply with our functions in any event. Honourable Nawaikula raised that I should learn from the previous Chair and how he presented his report. If I remember correctly, the report he presented on Monday was only signed

by him and no other Members, so that is where we got the queue from. So I signed the report because I edited it and then in fact I took out all those irrelevant matters away.

(Honourable Member interjects)

HON. A. SUDHAKAR.- Yes, the Standing Order has been changed, the rules of the game has also changed.

At the hearing, Madam, let me explain, there are a lot of matters that are raised and we ask questions by way of background. If we are asking about the composition of the Board and it is not picked up by the Office of the Auditor-General, then it is something that we do not report on. In fact, there were questions raised by Members on the salaries and perks and allowances of members, of officers and Board Members but these are questions by way of background, mostly raised by the Opposition Members. It was not an audit issue and I ruled on those questions that it should not be included in the Report and I think I was correct on that because subsequently we have had that discussion with yourself, Madam Speaker, that only matters that are relevant should go in the Report.

The question on Recommendation 8 that was raised by Honourable Attorney-General, what we found was that in those days, the Housing Authority or the entity was complying with certain guidelines that the Reserve Bank provided to submit their accounts. Now while doing that, they did not meet the IFRAS standards so it was the IFRAS standards on one side and the Reserve Bank guidelines on the other. While reporting, they missed some points because they were following the Reserve Bank guidelines and thus they received a qualified report. Now upon inquiry, we were told that they should comply with the IFRAS standards to have unqualified reports, that was the only error that they had.

Furthermore, Madam Speaker, there was an issue raised by one of the Honourable Members on the other side that why matters are not referred to FICAC? Madam Speaker, it should be understood that FICAC deals with matters of corruption, matters that are of corrupt nature, we cannot report everything to FICAC. FICAC does not have the jurisdiction to deal with contractual matters. So if someone has done some extra work outside the contract and he was paid some more remunerations for that, it is purely a contractual matter, a civil matter, it has no element of corruption and it may not be referred to FICAC.

Now if someone or some staff of a particular entity has paid money to a suspicious entity and then has benefited from it, has taken a chunk out of that money and made a deal with the supplier as we have found out in later report, now that is an issue that FICAC would deal with, not every matter. I think Honourable Nawaikula pointed out why was that particular matter not referred to FICAC. FICAC does not deal with all these matters. In fact the Public Accounts Committee we will not be looked upon at a very good light if it referred everything to FICAC because FICAC will think that we are not taking things seriously.

The other issue, Madam Speaker, that we should always have at the back of our mind is that the jurisdiction of the Public Accounts Committee is curtailed under Standing Order 109 and I will read the relevant parts: “The Committee must only examine how public money has been dealt with and accounted for in accordance with the written law and must not examine the merits of the underlying policy that informs public spending”.

Now if I may elaborate a bit more on that. When I was in the Victorian Parliament as part of the Whips Tour and Honourable Prem Singh was there with me, we had this discussion. Now if tomorrow the Government decides to buy 10 nuclear submarines instead of building hospitals and roads, it is a policy decision. The Auditor-General’s Office or the Public Accounts Committee cannot question that policy decision. Now how the procurement of the 10 nuclear submarines are done, whether the tenders were called, whether the best possible use of the public money was made, the procurement process, how

the money was paid, whether the reconciliations were done, whether cheques were kept properly, whether the electronic funds transfer was done properly, that is what the Public Accounts Committee is interested in, it is not the policy. The Government might well decide to go and buy the submarines tomorrow instead of building the hospital. It is not for the Public Accounts Committee to discuss the issues that is why I edited the Reports and brought in line with the Standing Orders.

The other issue that was raised, Madam Speaker, as it was rightly corrected by the points of order was that, whilst the recommendations in a general nature say or speak on things such as the airports or the entities may get together to assist Airport Fiji Limited, but that should be read in context with what the report actually says and what were the merits of the argument in those days.

Now, if there is a future project to build an airport in Labasa, that is not encompassed by this report. So the Committee rightfully saw, used the Standing Orders and heard the submissions, of course if one reads the verbatim and the minutes there are extraneous matters entered into the verbatim and in the minutes because the submission were made by the current board, the current employees of these entities who were there to explain to us the functions.

Now those functions may have been different six years ago so that is the bottom line when I prepared this Report which I have signed like my predecessor, it only took account of the relevant matters, all the extraneous matters were excluded. Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. Parliament will now vote to note the content of the Report. I remind Honourable Members that once the vote is taken on the motion it ends there and the Report will not be debated again in Parliament.

Does any Member oppose the motion?

(Chorus of “ayes” and “noes”)

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

<u>Votes Cast</u>		
Ayes	-	24
Noes	-	12
Not Voted	-	14

There being 24 Ayes and 12 Noes, 14 Not Voted, the Motion is agreed to.

Thank you Honourable Members we anticipate another robust healthy debate in the next motion and therefore, we will take a break now we will adjourn for refreshment and we will resume at 6.00 p.m.

The Parliament adjourned at 5.39. p.m.

The Parliament resumed at 6.04 p.m.

HON. SPEAKER.- Honourable Members, we will now continue from where we left off.

I now call on the Chairperson of the Standing Committee on Economic Affairs to move her motion.

**MINISTRY OF FINANCE'S 2013 ANNUAL REPORT
AND INDEPENDENT AUDIT REPORT**

HON. L. EDEN.- Madam Speaker, I move:

That Parliament debates the Report of the Standing Committee on Economic Affairs on the Ministry of Finance's 2013 Annual Report, as well as the Independent Audit Report of the Whole of Government Financial Statements and Appropriation Statements of the Republic of the Fiji Islands for the year ended 31st December, 2013 which was tabled on 28th September, 2016.

HON. V. NATH.- Madam Speaker, I beg to second the motion.

HON. SPEAKER.- I now invite the Chairperson of the Standing Committee on Economic Affairs to speak on the motion.

HON. L. EDEN.- Last year, Madam Speaker, the Ministry of Finance Annual Report 2013 and the Ministry of Finance Independent Audit Report 2013 were reviewed by the Standing Committee on Economic Affairs and our Consolidated Report was tabled in September. The Committee responsible for compiling the Report comprises of the Honourable Vijay Nath, Honourable Dr. Brij Lal, Honourable Prem Singh, Honourable Viliame Gavoka and myself, with the Honourable Jilila Kumar filling in as an alternative member from time to time.

Following our review, and after receiving written and oral submissions from the Ministry of Finance (now Ministry of Economy) Team, the Committee was satisfied with the contents of both Reports. For the benefit of this House, Madam Speaker, I will now highlight some points of interest pertaining to the Ministry of Finance Annual Report 2013 and the Internal Audit Report 2013.

In 2013 Madam Speaker, the Ministry established a Revenue Arrears Taskforce Committee to expedite and recover revenues due to Government. As a result of this, the total arrears of revenue in 2013 dropped to \$147,014,786 from \$193,179,638 in 2012, a decrease of approximately 31 percent. The largest recovery was made by the Fiji Islands Revenues and Customs Authority (IRD), who dropped their arrears from \$60,923,881 in 2013 from \$107,887,503 the previous year. It is pleasing to note, Madam Speaker, that our IRD Department continues to improve on its arrears collection to this day.

In addition, Madam Speaker, the introduction of streamlined debt servicing processes in consultation with the Reserve Bank of Fiji in 2013, proved efficient and less time consuming. Also Madam Speaker, the successful implementation of Electronic Funds Transfer (EFT) to all Ministries across the board, produced a marked improvement with 60 percent of payments facilitated through EFT in 2013.

Now, to the Financial Policy Assurance Unit (FPAU), Madam Speaker. In 2013, the FPAU continued to formulate and implement financial policies across the Whole of Government and as such, saw the formulation and implementation of policies and guidelines. The Unit continued to provide financial advice within its Ministry, as well as to other Ministries and Departments on issues in regards to finance instructions, processes and procedures.

Also in 2013, Madam Speaker, the Ministry of Finance facilitated two separate visits from the International Monetary Fund (IMF), and the main purpose of these visits was to take stock of Government's intention to move towards adopting accrual accounting for the Whole of Government.

In terms of scholarship, the Ministry facilitated a total number of 26 officers from Accounts Section of various Ministries to undertake a first degree in Accounting at either at USP and/or FNU. In addition to this training, the Ministry facilitated training of its own staff as follows:

- 37 officers attended diploma, degree and post-graduate programmes at overseas and local institutions;
- 51 attended capacity building courses overseas;
- 100 staff attended local courses; and
- 481 attended in-house workshops

Now to Government investments in 2013, Madam Speaker. Investments in social services totalled \$7,281,246, and this consisted of shares and/or ownership in companies such as, Post Fiji and Unit Trust of Fiji. Investment and economic services stood at \$216,708,160, and this consisted of shares and/or ownership in companies such as, Air Pacific, Rewa Rice Limited and Air Terminal Services, to name a few. Investments in infrastructure services stood at \$271,985,635, and this included shares in companies such as, Airports Fiji Limited, ATH Limited and Fiji Ports Corporation Limited.

Of note, Madam Speaker, during 2013, the Ministry of Finance successfully divested shares and assets in companies such as, FINTEL. Also, in that year the Ministry introduced a National Fixed Asset Register for all Ministries and completed setups with the Ministry of Health, Fiji Police Force, Office of the Auditor-General, Justice Department and the RFMF.

Overall, Madam Speaker, the Ministry performed very well for 2013 with the net savings identified at around \$4.9 million. This was mainly attributed to underspending in Special Expenditures - \$1.6 million, Established Staff Salaries - \$1.2 million, Maintenance and Operations - \$0.7 million, Purchases of Goods and Services - \$0.4 million and other SEGs - \$1 million.

In closing, Madam Speaker, our Committee was pleased to note that the debt level achieved for 2013 was 49 percent of GDP, well below the target of 50 percent.

Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. Parliament is now open the debate and I invite input, if any. Honourable Viliame Gavoka?

HON. V.R. GAVOKA.- Madam Speaker, I am part of the Standing Committee on Economic Affairs and I would like to share one particular highlight of the Report which I commend very, very strongly. The Chairperson had touched on this, and this is, Madam Speaker, with the scholarships facilitated by the Ministry of Economy to various Ministries and Departments to undertake a first Degree in Accounting from USP and FNU.

Earlier in the week, Madam Speaker, I had spoken about this, in that, the Ministry is in control of the treasury, the total funds of Government. It gives funds to various Ministries and Departments. And as we know from the discussions we have had with Audit and all that, they do not always speak the same language, so to speak, because of the gaps of the lack of qualification. I just wish that this continues because it indicates a lack, a weakness in our system that we do not have enough accounting Degree holders.

Today, we spoke on the Treaty regarding tax and all that, and it has to be an ongoing process and more so today with the way they are collecting revenue. I mean, \$3.1 billion of revenue a year, that was unheard of some long ago. As the economy grows, we are becoming part of the global family of economics and Fiji is reaping the advantage of that, but we need to make sure that we grow our people to be able to manage the accounting of all the revenue that we collect.

So, Madam Speaker, that is my short contribution. I just want to commend the Ministry for this and we hope that other Ministries and Departments would take the initiative to secure scholarships like this, to grow capacity in their own Agencies. Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. Honourable Attorney-General?

HON. A. SAYED-KHAIYUM.- Madam Speaker, just as Minister of Economy, I feel that I need to comment on this, given the fact it does address in particular some of the issues pertaining to the economy and also to the Ministry.

Madam Speaker, at the end of the fiscal year of 2013, the Government's total revenue collection stood at \$2.098 billion, while the total expenditure amounted to about \$2.1 billion. As a result Government achieved a net deficit position of \$37.9 million, equivalent to 0.57 percent of the GDP.

Madam Speaker, the actual net deficit position is within the original budget target of 2.8 percent of GDP, largely attributed to stringent control on operating expenditures and buoyant tax revenue performances. Of course, as the Report does highlight, the tax revenue surpassed projections by \$26.8 million. Strong performance in tax revenue collection was driven and it is very important that whilst we do grow the economy, we need to ensure and I am glad that Parliament, of course, has today approved the ratification of the international Treaty that we hope to sign and ratify, ensuring that we do get the proper tax collections. It is very critical to ensure that we focus on that also, but also to be able to take some fairly smart approaches to the taxation system.

One of them included, Madam Speaker, as you that we know that we announced the reduction in corporate tax from the original 33 percent to 20 percent. Madam Speaker, as you know, it went from 33 percent to 28 percent, and then from 28 percent it went right down to 20 percent.

We also, Madam Speaker, increased the income tax threshold. It used to be about \$8,600, it went up to \$15,600. So there was a reduction in terms of Government revenue from PAYE collections because of the fact that people had more disposable income in their pockets, it lead to consumer-led growth. But also consumer-led growth, Madam Speaker, means that people have more needs for demands and services, which also helps, in turn, to grow the economy.

The reality, Madam Speaker, on the challenges that an economy like Fiji faces is that, we have a very small market base. We do not even have a million people. As economists would tell you, that in order to be able to have some sustainable enterprises within your own country, you need to have that right level of consumer demand for goods and services, which we do not necessarily have. This is why many goods and services, whether it is the opera or whether it is in terms of other range of foods and services that you may get in larger economies, we do not have it here because the population is too small.

That is a challenge for any Government, to be able to keep a particular robustness within the economy, whilst actually your market is not as large as it perhaps, would be or the benefits of getting a large market.

Madam Speaker, of course, in the 2013 period we achieved a total operating saving of \$536.2 million, which is around 7 percent of GDP, and that was our operating savings. Savings compared to

say, 2004 was only \$58 million. Our debt as at 2013 stood at 3.825 billion, equivalent 49 percent of GDP.

The sale of assets that was also highlighted by the Chairperson, we divested our 51 percent interest in FINTEL for a value of \$9 million against the budget figure of \$5 million. ATH, of course, is now the listed company that owns majority of FINTEL which is actually in a good position because you have individual Fijians now who actually can buy shares in ATH, and be able to participate in the capital markets growth that we have seen. Of course now, if you have a company that is listed in the South Pacific Exchange and you pay only a tax rate of 10 percent, that is essentially trying to create that interest in the capital markets.

Madam Speaker, we were also able to pay our debt such as the Kalabu Tax Free Zone, where the 21 million that was raised from the sale of those assets, \$7.3 million was used to pay the loan and the remaining 30.7 million dollars was actually kept in a trust fund to be transferred to the Consolidated Fund.

A qualified report which was due to poor revenue reconciliation in 2013. We take note of the recording of debtors by the Public Service Commission on student loans and procedural issues with accountable advance. In addition, there were also issues surrounding trust fund accounting and recording of inventories for Trading and Manufacturing Accounts (TMA). This is one area, Madam Speaker, where we identified a lot of laxity in terms of the manner in which the TMAs were actually managed. And since then, we have actually put in place a lot of stringent measures.

Of course, marked improvements have been made because of the stringent measures, in particular, the last two years, which have actually resulted in an unqualified report for 2015. Of course, the Treasury Division was revamped, the extra focus on the Whole of Government revenue reconciliation and recording, accounts receivable, formulation of accounting policies and the standing operating procedures.

The introduction of the OMRS as has been talked about in the past couple of days, has also encouraged Officers with strong financial background to seek employment in the public sector, but also we are encouraging people to actually seek further studies which is also very critical and with the remuneration evaluation that we are doing, Madam Speaker, you will see some significant changes to actually incentivise people to further upskill themselves whilst they are working.

A Public Financial Management Improvement Plan (PFMIP), has been developed and approved by Cabinet recently. The PFMIP Report is based on the Public Expenditure Financial Accountability which was undertaken in 2012 by the IMF. In a nutshell, the focus is on enhancing the Financial Management Information System or FMIS, financial reporting based on International Public Sector Accounting Standards (IPSAS), developing a fully-fledged Fixed Assets Register and review the Financial Management Act 2004, and the various subsidiary legislations and also the various regulations and the day to day operating procedures.

The then Ministry of Finance, now Ministry of Economy, in their 2013 Annual Report, a sum of \$77 million dollars was allocated in the 2013 budget of which, 69.3 million dollars or 90 percent was utilised. The key improvements undertaken in the following areas: establishment of the Revenue Taskforce Committee. The Committee comprises of representatives from Government agencies, who are mandated to collect revenue for the State. The Committee is responsible for data validation, reviewing audit anomalies, associated revenue arrears and upraising internal control gaps and accountability flaws in the public sector. The revenue arrears has declined, Madam Speaker, from over \$193 million dollars in 2012 to \$147 million in 2013.

There has been a restructure of the Debt Management Unit with the establishment of a front office, responsible for issuing of Government securities, middle Office which is the Risk Management and the back office which is the accounting function of the Debt Management Office.

We also have, of course, introduced the Digital Payment System, the Electronic Fund Transfer. As was highlighted by the Honourable Chairperson. This is contributing to more efficient, less costly and a swift payment mechanism.

Desktop assessment of Government accounting system with the assistance of IMF, has also been undertaken. The underlying intention was to take a stock of Government preparedness to transit to accrual-based accounting. At the moment, we have a cash-based accounting, and it is obviously not a good position to be in but, of course, we need to be able to get our house in order to be able to move to accrual accounting which many countries have moved on to.

Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. Honourable Professor Biman Prasad?

HON. PROF. B.C. PRASAD.- Madam Speaker, I just want to make a very brief contribution to the debate. I know the Ministry is a very important Ministry, in fact, the key Ministry because many of the things that happened within the economy and the role of the Ministry in terms of supervision of what goes around, is very very important and I think the Report talked about the ease of doing business.

I want to highlight, not to suggest that it is the fault of the Ministry of Economy, but to highlight this very important point that we need to ensure that all other Ministries supporting the ease of doing business are actually on-board because, Madam Speaker, if you look at our ranking, it has actually gone down from 34 in 2006, right up to 97 in 2017. And if I can just give you an example of how this ranking is made, in fact, the ranking for a nation is based on sub-indices and these sub-indices are:

- Starting a business, where you look at the procedure, the time, the cost, and sometimes the availability of capital.
- Dealing with construction permits, again, procedure, time, cost, how easy it is to get that.
- Getting electricity, procedures, time required for a business to obtain a permanent electricity connection for a newly constructed warehouse or another building.
- Registering property, again, procedures, time, cost to register.
- Getting credit (very important), strength of legal rights, index, depth of credit information, and I hope that we would soon have something in place of Credit Bureau so that information is available for credit.

Then we have the issue of another sub-indices - protecting investors, the extent of disclosure, extent of director liabilities of shareholder. I think on this, we were probably better than the others.

Paying taxes, number of taxes paid hours per year, spent refereeing tax return.

Madam Speaker, when you look at a tax system, there are a number of principles behind a particular tax system; the efficiency, revenue measure, administrative simplicity and flexibility. These are some of the principles that you have in a tax system and when you talk about paying taxes, we are

actually talking about how difficult or how easy it is for individuals and taxpayers. So, again, if there is a measure there.

Trading across borders, again, there is a measure in a number of documents, question time necessary to export and import, enforcing contracts and resolving issues such as bankruptcy. So, all these ten indices are very, very important and composite of what goes in each one of them is used to then rank a particular country in terms of its way of doing business. For example, Vanuatu, Tonga, Samoa have slightly higher ranking, they are not too far away from us but they still have higher ranking onus of doing business than what we have for Fiji. Mauritius is a country that we normally compare with a lot of things. Mauritius overall index is 49, in fact there were 23 in 2006 that have gone down to 49 in 2017, but still not far away from 97.

So, what I would urge the ministry to do is to look at, and I think quite rightly, they do identify that this is a very important component of promoting the investments in the economy, making sure that foreign investors have that ease of entering into the country and getting all those indices sorted out.

Madam Speaker, I know we have talked about one-stop-shop in the past, the Fijian Investment Bureau, I have heard these for many years and I am not sure whether the number of investments that we are registering are actually, eventually tie translation to actual implementation.

I think the Ministry has to look very carefully at why we have gone down on the ranking and what is holding us back and what are the different ministries and components of that indices which needs a pension and which needs sorting out so that we can move up the ranking on the usual of doing business in Fiji which is put out by the World Bank. Thank you Madam Speaker.

HON. SPEAKER.- Thank you. There being no other input, I invite the Chair of the Standing Committee on Economic Affairs to speak in reply.

HON. L. EDEN.- Thank you, Madam Speaker. Madam Speaker, in response to Honourable Biman Prasad's comments regarding ease of doing business, I wish to assure him that every ministry is very serious about this. It not only takes a change in policies or tidy up of processes but it also involves the civil servants themselves who actually do the work, which is why we are going through reform at this time.

Madam Speaker, I would wrap-up with a small comparison. When the Bainimarama-led Government came into office in 2007, Fiji's debts to GDP ratio was 52 per cent, by 2013 his Government had brought it down to 49 per cent and today, still under his leadership with the FijiFirst Government, as of the end of April, 2017, it has lowered yet again down to 44 per cent. This is a very clear indication that our Ministry of Finance, now Ministry of Economy, has done and is doing an exceptional job with our country's financing.

On behalf of the Standing Committee on Economic Affairs, Madam Speaker, I ask this House to take note of the Ministry of Finance Annual Report 2013 and the Ministry of Finance Independent Audit Report of the Whole of Government's Financial Statements and Appropriation Statement of the Republic of Fiji Islands 2013. Thank you Madam Speaker.

HON. SPEAKER.- Thank you.

Parliament will now vote to note the content of the report and I remind the Honourable Members that once the vote is taken on the motion it ends there and the report will not be debated again in Parliament.

Does any Member oppose the motion?

(Chorus of “noes”)

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

Honourable Members I thank you very much for your patience and I thank you for today's deliberation and I wish you a restful night.

The Parliament is now adjourned until tomorrow morning at 9.30.

The Parliament adjourned at 6.29 p.m.