

# **PARLIAMENT OF THE REPUBLIC OF FIJI**



## **PARLIAMENTARY DEBATES**

### **DAILY HANSARD**

**TUESDAY, 13TH MARCH, 2018**

**[CORRECTED COPY]**

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## **TUESDAY, 13TH MARCH, 2018**

The Parliament met at 9.30 a.m., pursuant to adjournment.

HONOURABLE SPEAKER took the Chair and read the Prayer.

### **PRESENT**

All Honourable Members were present, except the Honourable Prime Minister and Minister for *iTaukei* Affairs, Sugar Industry and Foreign Affairs, the Honourable Minister for Local Government, Housing, Environment, Infrastructure and Transport and the Honourable Minister for Women, Children and Poverty Alleviation.

### **MINUTES**

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

That the Minutes of the sitting of Parliament held on Monday, 12th March, 2018 as previously circulated, be taken as read and be confirmed.

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

Question put.

Motion agreed to.

### **COMMUNICATIONS FROM THE CHAIR**

#### Welcome

I welcome all Honourable Members to today's sitting of Parliament.

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

#### Minister's Response - Committee Reports

For the information of Honourable Members, I would like to highlight Standing Order 121(6)(b) which states, and I quote:

“...the Minister responsible for the relevant government department must table a substantive response to the standing committee's report within 60 days of receiving the report.”

At this juncture, I would like to emphasise the need for the relevant Ministries to comply with this Standing Order, and provide relevant and satisfactory responses to the recommendations provided in the Committee Reports. The Committee Reports are an important document and the recommendations need to be responded to. Thank you, Honourable Members.

## PRESENTATION OF PAPERS AND CERTAIN DOCUMENTS

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

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

1. Ministry of Education, Heritage and Arts Annual Report January 2016 – July 2016; and
2. Fiji Higher Education Commission Annual Report 2015.

Thank you, Madam Speaker.

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

*(Reports handed to the Secretary-General)*

HON. SPEAKER.- Under Standing Order 38(2), I refer the Ministry of Education, Heritage and Arts Annual Report January 2016 – July 2016 and the Fiji Higher Education Commission Annual Report 2015 to the Standing Committee on Social Affairs.

## PRESENTATION OF REPORTS OF COMMITTEES

HON. SPEAKER.- I now call upon the Chairperson of the Standing Committee on Economic Affairs.

### Standing Committee on Economic Affairs – GPH Staff Public Petition

HON. L. EDEN.- Madam Speaker, the Standing Committee on Economic Affairs was tasked to consider and report back on the Public Petition for Parliament to look into the ill treatment faced by staff and former staff of the Grand Pacific Hotel (GPH).

It should be noted, Madam Speaker, that this Petition was initially assigned to the Standing Committee on Justice, Law and Human Rights but later handed over to the Standing Committee on Economic Affairs. After deliberations and consideration of this Petition, the Committee was in agreement that whilst issues of concern were present back in 2014 and 2015, they have since been addressed satisfactorily as follows:

- In 2014, six grievances were filed; three were settled in 2014, one was settled in 2015 and two were referred to the Tribunal and have since been settled.
- In 2015, nine grievances were filed; four were settled in 2015 and one was withdrawn, four were referred to the Tribunal of which three were settled and one is pending.
- In 2016, two grievances were filed; one was settled in 2016 and one was withdrawn in 2017.

It is important to note, Madam Speaker, that the number of grievances raised by GPH staff has dropped off considerably since 2014, with just two filed in 2016, both of which have been resolved. This is a definite sign that the situation at GPH has improved overall.

One of the contributing factors that brought about this petition was that when the hotel opened in 2014, there were no formal HR policies and procedures in place. This has since been rectified, Madam Speaker, and operations in general at the hotel are running smoothly.

The Committee recommends that the Ministry of Employment, Productivity and Industrial Relations monitors all employers for compliance with the Employment Relations Act 2007.

I thank the Honourable Members of both, the Standing Committee on Justice, Law and Human Rights and the Standing Committee on Economic Affairs, who participated in the production of this report and also the Parliamentary staff who assisted.

I commend this report to Parliament.

HON. SPEAKER.- Thank you. Please hand the report to the Secretary-General.

*(Report handed to the Secretary-General)*

HON. L. EDEN.- Madam Speaker, pursuant to Standing Order 121(5), I hereby move a motion, without notice, that a debate on the contents of the report is initiated at a future sitting.

HON. V. NATH.- Madam Speaker, I beg to second the motion.

HON. SPEAKER.- Parliament will now vote.

The question is that a debate on the contents of the report is initiated at a future sitting.

Does any Member oppose?

*(Chorus of “Noes”)*

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

I now call upon the Chairperson of the Standing Committee on Social Affairs, to have the floor.

Standing Committee on Social Affairs – FNU 2015 Annual Report

HON. V. PILLAY.- Madam Speaker, on behalf of the Standing Committee on Social Affairs, I am pleased to present the Review Report for the 2015 Annual Report of the Fiji National University (FNU).

At the outset, the Committee’s review process was aligned to the Standing Committee’s mandated function stipulated under Standing Order 110(1)(c) (particularly for this case), to scrutinise the University’s administration, budget, functions, organisation structure, policies and the courses/programmes offered in 2015.

The Committee acclaims the FNU’s performance in 2015, despite the transition period. It reported revenue of \$145 million against expenses of \$124 million in 2015. The Committee noted with interest that revenue actually declined for the first time with total costs increasing significantly by 10 percent. The consequence was that, operating surplus fell quite significantly from \$21 million.

With regards to FNU’s commitment, it strives to produce graduates who have critical thinking, communications and leadership skills to be successful in today’s global marketplace. In order to

achieve this, it needs to continue to recruit and retain high-quality academic staff who surpass in both, teaching and research in 2015.

It was noted that regardless of the challenges faced in a number of areas, FNU is committed to meeting these challenges to ensure that it offers an appropriate environment for research, teaching and learning and for the student experience, thus the University is contributing effectively to the betterment of society. As the outcome of the Review, the Committee has produced this bipartisan Report with few recommendations based on its findings.

Despite certain areas of challenges, the Committee recommended that FNU look into substantiating and hiring more qualified staff for the Fiji Maritime Academy. Overall, the Committee commends the progress made by the FNU in its work since its establishment in 2009.

I express gratitude to all the Honourable Members and the Secretariat staff involved in the formulation and compilation of this bipartisan Report.

On behalf of the Standing Committee on Social Affairs, I commend this report to Parliament.

HON. SPEAKER.- Thank you. Please,, hand the report to the Secretary-General.

*(Report handed to the Secretary-General)*

HON. V. PILLAY.- Madam Speaker, pursuant to Standing Order 121(5), I hereby move a motion, without notice, that a debate on the contents of the Report is initiated at a future sitting.

HON. V.K. BHATNAGAR.- Madam Speaker, I second the motion.

HON. SPEAKER.- Parliament will now vote.

The question is that a debate on the contents of the report is initiated at a future sitting.

Does any Member oppose?

*(Chorus of “Noes”)*

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

Motion agreed to.

Standing Committee on Social Affairs –  
Review Report on the Fiji Ports Corporation Limited 2015 Annual Report

HON. V. PILLAY.- Madam Speaker, I am pleased to present the Committee’s Review Report on the assessment made to the Fiji Ports Corporation Limited (FPCL) 2015 Annual Report.

After deliberating on the Annual Report internally, the Committee invited Fiji Ports Corporation Limited (FPCL) to respond to the concerns raised by the Honourable Members in relation to the 2015 Annual Report.

FPCL’s vision is to be the maritime gateway in the Pacific Region through facilitating waterborne transport, trade and commerce and to develop, maintain and improve key seaport and ship repair facilities to enhance the economic growth and prosperity of Fiji.

Fiji Ports owns and carries out maritime operations in the four main different ports of Fiji, comprising of Suva, Malau, Lautoka and Levuka Ports. Fiji Ports is responsible for all declared seaports in Fiji but the main port in Suva handles approximately 54 percent of cargo, whilst Lautoka handles 42 percent. We found that for Levuka, the main cargo was coming from PAFCO and also in Malau, the cargo was from Fiji Sugar Corporation.

The Committee noted with interest that from 2013 to 2015, the organisation experienced its transition period of the ports terminal which was at that time known as Ports Terminal Limited, but now known as Fiji Ports Corporation Limited. So with that Public Private Partnership, the FPCL sold 51 percent.

In 2015, the Government shareholding is 41 percent; Fiji National Provident Fund has 39 percent; the overseas port management company, Aitken Spence has bought over 20 percent of the shares and the other subsidiary, Fiji Ships and Heavy Industries Limited, is 100 percent owned by FPCL.

In terms of the challenges, from changes in the global shipping industry to changes in the regional competition in terms of its ageing workforce, ageing infrastructure and, of course, this includes the change of ownership, privatisation, asset transfers and environmental issues that are present now. Unlike the past, the changes in domestic and regulatory requirements and also the tariff structures are all related challenges faced by the Fiji Ports. It was, therefore, suggested that a master plan for the new terminal, like the Rokobili Terminal, be executed to resolve some of the challenges highlighted.

The Committee commended the work done by the management and staff of FPCL which was positively executed through the provisions of sound strategies, policies and the streamlining processes.

The Committee applauds the management of FPCL in considering Sustainable Development Goals (SDGs) issues in their performance, in terms of gender equality and the eradication of marine and environmental pollution. The Committee also observed that FPCL effectively managed to prevent environmental pollution while carrying out due diligence in all aspects of their work, thus achieving positive increase in their revenue.

The Standing Committee on Social Affairs has conducted a review of the Fiji Ports Corporation Limited 2015 Annual Report, and recommends that the House takes note of its Report.

I thank the Honourable Members' efforts and contribution towards the scrutinisation and formulation of this bipartisan Report.

HON. SPEAKER.- Thank you. Please hand the report to the Secretary-General.

*(Report handed to the Secretary-General)*

HON. V. PILLAY.- Madam Speaker, pursuant to Standing Order 121(5), I hereby move a motion, without notice, that a debate on the contents of the Report is initiated at a future sitting.

HON. V.K. BHATNAGAR.- Madam Speaker, I beg to second the motion.

HON. SPEAKER.- The Parliament will now vote.

The question is that a debate on the contents of the Report is initiated at a future sitting.

Does any Member oppose?

(Chorus of “Noes”)

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

I now call on the Chairperson of the Standing Committee on Natural Resources.

Standing Committee on Natural Resources – Review Report on the Kava Bill

HON. CDR. J. CAWAKI.- Madam Speaker, I stand to present the Standing Committee on Natural Resources Review Report on the Bill for an Act to establish the Fiji Kava Council to regulate and to manage the Kava Industry and for related matters, Bill No. 24 of 2016.

The Committee on Natural Resources is a Committee established under Section 109(2)(c) of the Parliament Standing Orders. The Committee is mandated to examine matters related to forestry, agriculture, mining, environment, fisheries, water and marine services.

Madam Speaker, the main goal of the Kava Bill is to establish a Fiji Kava Council for the purpose of regulating and managing the Kava Industry and its related matters. The functions and powers of the Fiji Kava Council are clearly defined in the Bill. The Council will be responsible for administering the Act and will function as a corporate body with perpetual succession.

The Kava Industry in Fiji is one of the major contributors to the national economy and the demand for kava has increased in both, the local and overseas markets. Since kava is generating millions of dollars into the Fiji economy, there is a need for a proper legal framework to establish an authority that will manage, administer and assist the growth of the Kava Industry in Fiji.

With the re-opening of markets for kava in Europe and the existing markets in other countries, there remains the need to protect kava cultivated and processed in Fiji. This requires proper adherence to both, domestic and international best practices, thus increasing the value for Fiji Kava.

The Committee conducted wider consultations around the country, commencing from Sigatoka, Lautoka, Rakiraki, Labasa, Savusavu and in Suva, both at the Suva Market and here in Parliament. The Committee also received written and oral submissions from both, government and other stakeholders.

The Committee was informed through submissions that the current shortage of kava supply had happened well before *TC Winston*. This aggravated the shortage of supply, thus rapidly increasing the price of kava throughout the country. It is anticipated that the increase of kava price will be in place for a few more years before the production stabilises to meet the growing demand.

I extend my appreciation to the Honourable Members and the Secretariat who were involved in the production of this bipartisan Report.

Madam Speaker, on behalf of the Standing Committee on Natural Resources, I commend this Report to Parliament.

Madam Speaker, at this juncture, pursuant to Standing Order 121(1), I hereby table the Committee's Report on the Kava Bill (Bill No. 24 of 2016), and pursuant to Standing Order 86, I move that it be set down for consideration by the Committee of the Whole on a future sitting day.



HON. SPEAKER.-Thank you, please hand the Report to the Secretary-General.

*(Report handed to the Secretary-General)*

Pursuant to Standing Order 121(1) and Standing Order 86, the Standing Committee has now reported back and the Kava Bill (Bill No. 24 of 2016) will be set down for consideration by the Committee of the Whole, on a future sitting day.

## QUESTIONS

### Oral Questions

TELS – Rate of Repayment  
(Question No. 69/2018)

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

Would the Honourable Attorney-General and Minister for Economy, Public Enterprises, Civil Service and Communications inform Parliament whether or not Government will reduce the rate of repayment of TELS (Tertiary Education Loan Scheme) for students from 20 percent of gross salary once they find employment and start repayments?

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

Madam Speaker, I think we need to contextualise the TELS Programme. By 2020, the projected amount of money spent through TELS would be about \$750 million. That is the cost of tariff by 2020, which is we know that more and more of our young people, apart from the fact that we have a skewed population base, we have more young people and 50 percent of the population is below 27½ years, so obviously 27 years and six months. More young people are looking for opportunities for education, and this is why we, of course, started with the TELS programme. The projected cost of TELS will be about \$750 million given out on loans.

The New Zealand Government introduced it. There are two types of funding that we provide; one is for the Toppers, those people who get full scholarship. In other words, if they become a Topper, they do not have to actually pay back anything. The second one is under the TELS programme where they actually have to take out a loan. Should they wish to take out a loan, they need to pay it back.

Madam Speaker, as announced also in the Budget, the loan collected now will be through the Fiji Revenue and Customs Services (FRCS) which makes it a lot easier to do so, as opposed to when we initially started off and it was done by the Tertiary Scholarship and Loans Board (TSLB). In this way, there is proper accounting, there is proper transparency and, of course, it makes it a lot easier because TELS is only payable once a person graduates and actually starts working. We have been through TELS for the past three to four years, Madam Speaker, and that has given us the opportunity to review.

Let me just talk about some reviews that actually have taken place as announced last year in the 2017-2018 Budget, we did make a number of changes. For example, a person who receives TELS, there will be an annual allowance of \$6,600. That is what they get now. Previously, they used to get \$4,334.

In a trimester based, students will receive an allowance of \$7,125 instead of \$5,736. These are some of the changes we have made and, of course, the reason I have done these changes, apart from the fact that it has given us a little bit of time to look at the allowances and how they were spent and indeed by the various submissions made by the students as we carry out the university consultations.

We also give students, under the TELS Programme, an allowance of \$1,000 a year for incidentals. We have also increased the funding for those students who are studying overseas.

Madam Speaker, previously, if a student stayed at university campus and they needed money of course for accommodation, et cetera, the entire sum of their accommodation component was paid to the university. We do not do that anymore, the students can actually opt for the meal allowance actually coming directly to them because not every day do they want to eat from the university cafeteria or from the boarding school dining hall, so now they are given the option. So those are the changes we have done, Madam Speaker.

Also, Madam Speaker, we are currently reviewing the methodology of payment. We accept the fact, Madam Speaker, as we found out that there may be some students who, when they actually graduate and they find employment, some of them may be working at a salary where they are getting paid an annual salary of \$15,000 and some of them actually start earning at \$30,000. So we want to be able to have a graduated approach in respect of the percentage of deduction that should come out from their gross salary. So we are currently reviewing that, Madam Speaker, to have a staggered approach to that and, of course, that will be announced in the Budget because we need to factor that into the Budget.

This is obviously not set in stone but we are currently looking at, for example, having a bracket of \$15,000. So anyone who has finished their studies, they have got employment and they are earning less than \$15,000 annually, they do not do any repayments until they start earning \$15,000 a year. That is the benchmark we are currently assessing. So \$15,000 - \$20,000, they will pay a rate of say, 10 percent. And then from \$20,000 to \$30,000, they will pay a rate of 15 percent, and above \$30,000, then they pay the full 20 percent.

Also, let me remind Honourable Members of Parliament that under the Employment Relations Act, there is a specific law that says, "You cannot in any shape or form, allow for deductions that are more than 50 percent of the salary." For example, if I graduate and then I get a loan from the bank. I have my Fiji National Provident Fund (FNPF) deduction, I may take out a personal loan, I may take out a house loan and I also have my TELS loan to pay, we cannot deduct more than 50 percent, so deductions have to be skewed to ensure that a person takes back, at least, 50 percent of their salary. It has been there for a long period of time, and will also apply to the TELS Programme.

So, Honourable Member, to answer your question, we are actually relooking at the payment and having a staggered approach to it. We have had about three or four years to look at the system and how it is working and, of course, we need to be responsive to those things because we do realise that there are some people who will actually get paid a lot more than others, depending on the qualifications they obtained and depending also on the job market that they have. Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. I open the floor to supplementary questions. Honourable Aseri Radrodro?

HON. A.M. RADRODRO.- Thank you, Madam Speaker. It seems like the whole explanation given by the Honourable Minister is not giving the full picture in answering the question that has been asked. He has mentioned about the total contribution to TELS up-to 2020 of \$750 million. But he failed to mention at the same time, the planned repayment on that \$750 million by 2020. So that would

give us an indication of whether the current repayment of 20 percent is being set up to 2020 or as he said, reviewed. If it is reviewed, then to what percent? Can I ask the Honourable Minister, what is in his plan for 2020, the \$750 million commitment, what is the repayment that is also being set up to 2020?

HON. A. SAYED-KHAIYUM.- This is one of those rare occasions, I have to say this. I think the Honourable Member has missed the mark altogether. I talked about the projected cost of TELS will be cumulative \$750 million by 2020. So you have students at the moment, who have debts. There are more students coming through, there are students who are currently in first year in TELS this year, they will be there for the next three years. So if you look at the Government books in respect of how much money, we would have paid out to the universities. Remember, we do not pay the money to the students. We pay the money to the universities for the fees and we give the students the allowances. All I was doing was contextualising and saying, this would be the amount of money paid out under the TELS Programme.

The repayment is not about \$750 million. The repayment asked by the Honourable Professor Biman Prasad was about the individual people. When they get their deductions done through the Fiji Revenue and Customs Authority (FRCS), what he was asking, would we be deducting 20 per cent of their gross salary?

What I have said is that, we are currently reviewing that, where those people in a particular income bracket may need to pay unless they earn more than that. Only when they get into a particular income bracket, then the deductions and the loans start taking place to the FRCS, it has nothing to do with the fact that it will be \$750 million. I am just trying to contextualise to show that this is the amount of money that is costing Government to pay for people's university fees and for their allowances.

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

HON. V.R. GAVOKA.- Madam Speaker, we need to have further clarification on that. As we know that it is a major issue in most countries, for instance, in America today, about \$1 trillion of student loans are outstanding and creating a lot of tension within the youth community. We want to know about the totality of this in years to come, say 2020 because the impression we got is \$750 million, in 2030, how much is it? Because we are worried, Madam Speaker, that in years to come, this will be too much. We could ask the question, can you discount some of this to help our people after graduating and not charge them the absolute total cost that they have incurred? I mean, that is why we are concerned, Madam Speaker.

HON. SPEAKER.- Acting Prime Minister, you have the floor.

HON. A. SAYED-KHAIYUM.- Madam Speaker, the Honourable Member always puts things out of context. Seriously!

(Laughter)

HON. A. SAYED-KHAIYUM.- The American system cannot be compared to the Fijian system. In the American system, the loans are given by banks. It is not the American Government that funds university fees.

(Honourable Members interject)

HON. A. SAYED-KHAIYUM.- Number one.

Number two, Madam Speaker, the interest rates that are charged by the banks or the financial institutions in America are phenomenally high – phenomenally high. In Fiji, the maximum interest rate is two percent, if your family earns more than \$100,000, if your family earns less than \$25,000, there is no interest. If your family earns between \$25,000 to \$50,000, the interest rate is 0.5 percent. If your family earns between \$50,000 and \$100,000, the interest rate is one percent. On average, Madam Speaker, if you look at the interest rate, you are looking at about 1.25 percent, so you cannot compare with the US.

Madam Speaker, again, let me reiterate to Parliament, there are literally thousands and thousands of Fijians who, through the decades, have missed out on going and completing high school, completing university because there was no such facility available. Every single member....

HON. S.V. RADRODRO.- Point of order, Madam Speaker.

HON. SPEAKER.- Point of order!

HON. S.V. RADRODRO.- Madam Speaker, you had mentioned the Honourable Minister had mentioned that there had been nothing like this before. There was this Student Loan Scheme which is just the same as the TELS, so he misleading this House and misleading the public because the Student Loan Scheme had been in existence since the other governments were in place; the SDL Government. Thank you, Honourable Speaker.

(Chorus of interjections)

HON. SPEAKER.- Acting Prime Minister, would you like to comment?

HON. A. SAYED-KHAIYUM.- Madam Speaker, if the Honourable Member let me finish, there was no such scheme as the TELS scheme prior to this. There were scholarships, there were those multi-ethnic scholarships, all based on ethnicity but it was also limited number.

(Inaudible interjections)

HON. A. SAYED-KHAIYUM.- It was a limited number! It was a limited number! Ask Honourable Professor Prasad, he was in University, he can confirm that. It was a limited number! It is a fact.

HON. OPPOSITION MEMBER.- Prove it!

HON. A. SAYED-KHAIYUM.- I do not have to prove it, you are the one making the allegation.

Madam Speaker, the fact of the matter is, today in Fiji, any Fijian student who wants to go to university, who want to go and do a Diploma in the university, who wants to go to the Technical College has access to TELS. That was not applicable before.

HON. J.N. KUMAR.- Yes,

HON. A.T. VADEI.- It was there before!

HON. A. SAYED-KHAIYUM.- Honourable Vadei, you know nothing! You know nothing about this particular issue.

(Laughter)

HON. SPEAKER.- Honourable Bulitavu, you have the floor.

HON. M.D. BULITAVU.- Madam Speaker, again, TELS is a problem now, and the burden shouldered by students on debt, they carry that burden. They are all listening and they want the Honourable Minister....

(Chorus of interjections)

HON. A. SAYED-KHAIYUM.- Madam Speaker, point of order. I have not finished my statement when she interrupted, Honourable Radrodro. We have not made a ruling on that. I need to finish my statement.

HON. SPEAKER.- Honourable Acting Prime Minister, would you like to finish your statement?

HON. A. SAYED-KHAIYUM.- Yes, thank you, Madam Speaker.

As I was saying, Madam Speaker, there are literally thousands of people in Fiji who, prior to the implementation of TELS, did not get to finish university or even go to university because they did not have access to TELS. That is a fact, Madam Speaker.

The reality is, today, we have about 14,000 to 15,000 students who are currently being assisted in universities. What they are claiming is actually false. The reality is that, if they had such a scheme in the past, every single person who wanted to go to university would have gone to university.

(Chorus of interjections)

HON. A. SAYED-KHAIYUM.- The fact is, they did not. We have met people throughout. On a daily basis, people tell us; “We wish we had it in our day, I would have gone” or “We wish we had it when my son or daughter was about to go to university, I would have actually send them.” That is a fact.

Madam Speaker, the point of the matter is this, as I was answering to the question from Honourable Gavoka, the issue is this; the interest rate is only 2 percent. It does not behove the country. The fact of the matter is, Madam Speaker, we have people now who have access to university or to technical college, and they need to pay something for it.

Madam Speaker, they are now been gainfully employed. Unemployment rate is the lowest as has been in 20 years. Employment rate will increase. We need people to have a little bit of ‘skin in the game’. We have reviewed TELS. When we started TELS, we needed people to sign guarantees; we needed them to get guarantors. We got rid of that now after it was in place for one or two years. Again, Madam Speaker, it is an improvement in the system.

We will continuously seek to improve the system. If you speak to most of the university students, Madam Speaker, and I know it is Elections year; they want to make a bit of big deal about it. They are going around and offering; “We will make it all free.” It costs \$750 million, Madam Speaker, it is a lot of money.

(Laughter)

Madam Speaker, it is all about being prudent with the finances. It is about ensuring that we for example have some controls. For example, when we started off TELS, Madam Speaker, if you fail the subject, TELS did not pay for it. We obviously relooked at what has been happening in the system, we now allow a person, should they fail, but we allow them to access TELS again to repeat the subject, but once.

We have also, Madam Speaker, initially when TELS started, if for example someone goes off to do Economics and IT at USP and within one year or six months later, they may decide or six months later, "Look, Economics is not my game, I still want to do Accounting and IT", before TELS did not allow you to make the switch, you have to pay for that. Now we allow you do that because you are recognised that young people when they go to university initially, they may not necessarily know exactly what they want to do, so we allow them to make that switch.

This is how we are doing the improvements. And when they talk about making everything for free, does that mean if a person keeps on repeating, they will keep on paying for it? What are the safeguards?

Madam Speaker, the reality is this, that the people who are actually accessing those loans are actually appreciative of the fact. Many of them come from low-income families. Many of the children whose parents earn more than \$100,000 or \$200,000, they do not take actually take TELS in any case, because their parents pay for it upfront.

Madam Speaker, it is not a huge encumbrance on our population. It actually empowers our people by giving them access to a particular scheme that is, in fact, very extremely attractive. And it is not something only peculiar in Fiji, you can go to Australia, you have the HEC System that they have, where they allow people to do that and the Australian Taxation Office deducts funds from them. We need to be able to ensure that we have sustainability within these types of facilities. Thank you Madam Speaker.

HON. SPEAKER.- Thank you. Honourable Ratu Kiliraki, the last question?

HON. RATU K. KILIRAKI.- Madam Speaker, for the interest of those who will graduate this year and will be getting a job next year; whether their repayment will be on this 20 percent, or they wait for the review?

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

HON. A. SAYED-KHAIYUM.- Madam Speaker, I have clarified that. I said it will be announced in the Budget.

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

Outcome of the 4<sup>th</sup> Asian-Pacific Broadcasting Union Media Summit in Nadi  
(Question No. 70/2018)

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

Fiji hosted the 4<sup>th</sup> Asia-Pacific Broadcasting Union Media Summit on Climate Change and Disaster Risk Reduction last month in Nadi. Can the Honourable Attorney-General and Minister for Economy, Public Enterprises, Civil Service and

Communications update the House on the significance of this Summit and outcomes of this high powered Asia-Pacific Broadcasters' gathering in Nadi?

HON. A. SAYED-KHAIYUM (Attorney-General and Minister for Economy, Public Enterprises, Civil Service and Communications).- Madam Speaker, I would like to thank the Honourable Member, who is obviously from the media background for this question.

Madam Speaker, Fiji had the honour of hosting the 4<sup>th</sup> Asia-Pacific Broadcasting Union Media Summit on Climate Change and Disaster Risk Reduction last month in Nadi.

Madam Speaker, we had 160 delegates to the Media Summit, including broadcasters from:

1. Australia;
2. Bangladesh;
3. China;
4. France;
5. Indonesia;
6. Japan;
7. Kiribati;
8. Malaysia;
9. Nepal;
10. New Caledonia;
11. New Zealand;
12. Papua New Guinea;
13. Philippines;
14. Samoa;
15. Singapore;
16. Solomon Islands;
17. Thailand;
18. United Kingdom;
19. Vanuatu;
20. Vietnam; and
21. Fiji.

We had various speakers, including our Climate Champion, who was also present at the Summit, Madam Speaker. There were three days of rich dialogue by the delegates as far as the Media Summit was concerned, and we adopted what we call, the Fiji Action Plan, which outlined their commitment, amongst other things, to ensure that the individual broadcasting organisations produced compelling educational information on radio and television programmes, and develop a proactive online presence that continually highlight best practices and address new and emerging issues in the areas of climate change and disaster risk reduction.

The Fiji Action Plan, Madam Speaker, also calls upon broadcasters in the Asia-Pacific Region to reinforce their commitment to disseminating news and information relevant to the Agenda - United Nation Framework Convention on Climate Change (UNFCCC). The Fiji Action Plan also urges broadcasters to highlight the need to achieve the 2015 UNFCCC Paris Agreement's most ambitious target, limiting the rise in global temperatures to 1.5 degree Celsius above preindustrial levels which also highlights the need to track the urgency of achieving net zero green gas emissions within the next few decades.

Madam Speaker, the Media Summit itself was an excellent opportunity for us to be able to showcase Fiji on some of the work that has been done. They met people like our Climate Champion. I think the Honourable Minister for Health also spoke at the Summit in respect of the climate change impact on health issues and, Madam Speaker, we of course now position to host a major event in 2020 regarding the ABU and we like to thank everyone, including mainly the students who actually came from the various tertiary institutions who participated in the Summit itself. Thank you, Madam Speaker.

HON. SPEAKER.- Thank you, I invite supplementary questions, if any?

There being none, I invite the Honourable Jiosefa Dulakiverata to ask his question.

Notice of Approval of Lease – Settlers in Navua Town and Naitata Settlement  
(Question No. 71/2018)

HON. J. DULAKIVERATA asked the Government, upon notice:

Can the Honourable Minister for Industry, Trade, Tourism, Lands and Mineral Resources inform the House whether Government has issued a registered lease or Notice of Approval of Lease to settlers in Navua Town and Naitata in Navua and the cost of the same?

HON. F.S. KOYA (Minister for Industry, Trade, Tourism, Lands and Mineral Resources).- Madam Speaker, I thank the Honourable Dulakiverata for his question.

Madam Speaker, I had alluded to this earlier. Just for the Honourable Member's information, the Ministry had issued a total of 318 Approval Notices of Leases in three Divisions of which Navua falls under the Central/Eastern Division.

Madam Speaker, on 2nd February, 2017, the Honourable Prime Minister issued 68 Approval Notices in Navua to the following settlements:

- |    |             |   |        |
|----|-------------|---|--------|
| 1. | Naitata     | - | 35;    |
| 2. | Vakacegu    | - | 25;    |
| 3. | Tokotoko    | - | 4; and |
| 4. | Wainiveidio | - | 4      |

This, Madam Speaker, benefitted about 68 families and the total cost to Government for the settlements which included the survey and other administrative costs, was \$33,329.68.

Madam Speaker, the issuance of these leases, eventually their lease is proper, gives these people security of tenure and also access to infrastructure and improve their living standard, obviously. Furthermore, it gives them access to lending institutions.

The subdivision has, at the moment, basic utilities and the Ministry is currently working on Phase II of the development of these particular settlements, which will mean that there will be proper water reticulation work, earthworks, levelling and filling, construction of public roads and drainage, and communal set of access, et cetera, and also installation of electricity proper.

We will continue, Madam Speaker, on the same *modus operandi* with respect to all informal settlements around the country being regularised.

HON. SPEAKER.- Honourable Alvick Maharaj?



HON. A.A. MAHARAJ.- Madam Speaker, I thank the Honourable Minister for the answer and I commend the Government for the incentive to formalise squatter settlements. I wonder how many Notice of Approvals or Registered Lease was issued prior to the Bainimarama-led Government. Anyway, not just focussing on Navua but in general, can the Honourable Minister explain what procedures does the Ministry follow in the allocation of lots in squatters?

HON. SPEAKER.- Honourable Minister?

HON. F.S. KOYA.- Madam Speaker, I thank the Honourable Member for his supplementary question. It is actually quite simple. Two of the critical components or the major things that we take account of is the fact that their status is a squatter status, and obviously in town. There are two things that make them pass, which make them qualify.

HON. SPEAKER.- Thank you. Honourable Dr. Brij Lal?

HON. DR. B. LAL.- Supplementary question, Madam Speaker; can the Honourable Minister explain is premium and rental payable for the Approved Notices that have been issued?

HON. SPEAKER.- Honourable Minister?

HON. F.S. KOYA.- Thank you, Honourable Dr. Brij Lal. Madam Speaker, rental and administration costs obviously are payable. However, premium is only applicable when the proper lease is issued.

HON. SPEAKER.- Supplementary question, Honourable Dulakiverata?

HON. J. DULAKIVERATA.- Madam Speaker, I thank the Honourable Minister for his reply. My question is; these are sitting tenants and they have been on the land for a number of years. Why do they have to be issued Approval Notices and then later on registered leases? Why can land not be surveyed and they are issued registered leases right away? This makes the exercise very costly to the Government.

HON. SPEAKER.- Honourable Minister?

HON. F.S. KOYA.- Madam Speaker, I am quite astounded at that question, having known the fact that the Honourable Dulakiverata worked at the Department of Lands. You cannot go straight to a lease, there are processes that need to be followed, but because they are squatters, Honourable Dulakiverata, the status is a squatter. At the end of the day, yes, we are going to give them a lease, but we wanted to formalise and regularise their occupation now, and the only way to do that, Sir, and to allow them immediate access to funding, et cetera, is through an approval notice. Like anything, I think, you know this better than anyone else in this House, Sir, is that the process is, the first step is you get an approval notice. Once your occupancy is formalised and legalised, you get an approval notice and then you get a lease proper. It has to be surveyed, the infrastructure has to be put in and all of those things have to be put in. I think you know better than that, Sir.

HON. SPEAKER.- Honourable Ratu Suliano Matanitobua?

HON. RATU S. MATANITOBUA.- The settlement in Navua, Madam Speaker, they are from nearby provinces, like Serua, Naitasiri, Tailevu and Namosi. Has the Government any plans to resettle them back to the provinces rather than giving them leases? They have land in their provinces. They came to town for education of their children, their children are well-educated now, can we resettle them back to their provinces?

HON. SPEAKER.- Honourable Minister?

HON. F.S. KOYA.- Madam Speaker, I did not quite get the last point. He is asking me if they can be resettled back to ....

HON. RATU S. MATANITOBUA.- ... their provinces and villages.

HON. F.S. KOYA.- Sir, you are asking them to go back to their village?

Madam Speaker, he is the highest chief there, maybe he should go and speak to them.

Madam Speaker, at this point also, I must say that I appreciate his assistance. He is always been very helpful to us with respect to his comment. Good question, Sir, I thank you for your assistance. That is something that we can actually look at, but we only look at them as squatters, we do not look at them as part of being from a particular province, whether they are from Lau, Naitasiri or wherever.

(Honourable Members interject)

HON. F.S. KOYA.- I do not dwell in that kind of stuff, but thank you, Sir. Your point is noted.

HON. SPEAKER.- Last question, Honourable Aseri Radrodro?

HON. A.M. RADRODRO.- Madam Speaker, I am just taking queue from the Honourable Member regarding the wide ranging of the questions; the residents of Sasawira and Veiraisi settlements have also requested that similar exercise be undertaken to them after promises by Government. Can we get an update on whether a similar exercise will also be provided to those residents whom I have mentioned?

HON. SPEAKER.- Honourable Minister?

HON. F.S. KOYA.- Madam Speaker, as I had said earlier and I think I did mention in my ministerial speech about how many people in Fiji there are, who are living on informal settlements and in a similar situation. Yes, we are pretty much trying to see that everyone in Fiji who lives in informal settlements gets housed, so currently we are in the process of trying to ascertain when and where we have to go first. But the areas have been mentioned, I will be grateful if you let us know, and I can check for you definitely to find out.

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

Combating Bogus Employment Agencies  
(Question No. 72/2018)

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

Can the Honourable Minister for Employment, Productivity and Industrial Relations explain to the House the steps the Ministry is taking in combating bogus employment agencies advertising for employment overseas?

HON. J. USAMATE (Minister for Employment, Productivity and Industrials Relations).- Madam Speaker, I thank him for his question.

This is a major concern of my Ministry, basically to make sure that if people do go offshore for employment that they are protected, they are not exploited, and that everything they do is legal.

Under the Employment Agency Regulations of 2008, the Ministry provides authorisation to companies who intend to operate an employment agency. For any company to do this, there are certain requirements they have to follow. They must meet the tax requirements of the Fiji Revenue and Customs Services (FRCS) which means the agency has to have a Tax Identification Number (TIN), the person running that agency also has to have a TIN, and the Agency has to pay a bond of \$20,000 to the Ministry, together with \$1000 registration fee. This bond will be utilised if something goes wrong with workers offshore and we have to bring them back. The Ministry does a due diligence check for all applicants and we issue authorisation for employment agencies which can be for a period between one to five years, because within that period those agencies can operate.

Any company that operates without this authorisation commits an offence and is liable to a fine and conviction or imprisonment or both. We urge all those who are doing this under the radar to make sure that they comply with these legal requirements. Since the law came into force in 2008, the Ministry has registered nine employment agencies and the licences are held for one year only. We wish to advise members of the public that they must check and if someone comes around and say that he is organising work offshore, it is very important that members of the public check first with the Ministry of Employment to make sure that those organisations are registered with us.

We also urge all members of the public to come through the National Employment Centre for any overseas-related employment issues so that we can advise them accordingly. Members of the public are also urged not to waste their hard-earned cash by paying bogus employment agencies who claim to arrange employment overseas, some of whom actually get tourist visas and organise people to go and work under those conditions. That is also something that should not be happening.

Madam Speaker, during the course of registering employment agencies these past few years, since 2008, we have noticed a number of issues. One, initially, we had employment agencies taking a surety bond with us. They take Fijian workers overseas and sometimes these workers are abandoned there and Government has had to go out there to rescue the workers and to bring them back to Fiji when sometimes they pass away and Government is there to organise to bring the body back to Fiji, and that should not be happening.

With the introduction in 2012, the \$20,000 cash bond, we have seen a major improvement in the operation of these authorised employment agencies. The Ministry enters into a form of contract with the authorised employment agencies and the bond will only be used if the company fails to repatriate Fijian workers who have gone abroad under the agencies' arrangements.

The Ministry is working with the Fiji Police Force to curb the illegal recruitment of workers by unauthorised employment agencies and we are also tackling these bogus employment agencies through prosecution. The Ministry is currently conducting investigations with the Fiji Police Force and other relevant agencies to ensure that these bogus employment agencies are brought before the Employment Relations Tribunal for illegal acts and operations.

In 2012, the Ministry investigated the case of illegal recruitment by Timoci Lolohea. He was sentenced by the Employment Court on 7<sup>th</sup> January 2015 for operating an employment agency without authorisation from the Permanent Secretary for Employment and was ordered to pay a fine of \$6,000. The Ministry also charged Varinava Tiko of Access United Fiji Limited in 2012 for operating ....

HON. SPEAKER.- Honourable Minister, please do not mention names in Parliament.

HON. J. USAMATE.- I am sorry, Madam Speaker, I withdraw, I withdraw those. Maybe I just say that there have been people who have been charged for operating illegal agencies. Another individual is now being charged and brought before the Employment Tribunal to answer criminal charges of failing to seek authorisation to operate an employment agency. That is currently before the Employment Tribunal.

We have also advised the print media organisation to check the authorisation from our Ministry before advertising for any recruitment companies undertaking overseas employment. There has been an advertisement lately in the papers for which we have talked to the media about that particular issue.

In terms of awareness, the Ministry has advertised five times in the newspapers since 2014, advising members of the public about these bogus employment agencies, and we have also undertaken Roadshows around Fiji to ensure that workers and members of the public are advised on the procedures of recruitments through legal employment agencies and through the National Employment Centre (NEC).

There is one particular major concern and problem that we have globally, Madam Speaker, now is the trafficking of human beings, modern day slavery, et cetera. It has been happening in Fiji, people come across here on student visas and they end up doing other things, so it is very important for the Ministry to try to protect our workers when they go offshore, hence, we need to have a rigorous process of checking their contracts to make sure that they are protected, even though they are working offshore. That is a major concern of the Ministry and something that we will continue to emphasise strongly into the future.

HON. SPEAKER.- I open the floor to supplementary question. Honourable Mikaele Leawere?

HON. M.R. LEAWERE.- Madam Speaker, I thank the Honourable Minister for enlightening the House regarding the questions that have been asked, but the issue for clarification, Madam Speaker, is there any concession available especially in terms of surety bonds for those some travel agencies who are seeking assistance from the Ministry, like day-to-day travel? They are also knocking on the door of the Ministry in terms of having the company recognised, thank you, Madam Speaker.

HON. SPEAKER.- Thank you, Honourable Minister?

HON. J. USAMATE.- Madam Speaker, if the Honourable Member might just repeat his question, I did not fully understand it.

HON. SPEAKER.- Repeat the question.

HON. M.R. LEAWERE.- Madam Speaker, in terms of surety bond for those who are seeking assistance from the Ministry in terms of recognition, the day-to-day travel has been asking for some sort of assistance in terms of recognition as a travel agency. I just want to find out whether there are any plans for any percentage concession for surety bond?

HON. SPEAKER.- Honourable Minister?

HON. J. USAMATE.- At the moment, Madam Speaker, we do not have any concessions for any organisation but we basically make it a requirement that if you wish to operate as an employment agency you need to come up with the surety bonds. So, there is no concession, everyone is treated equally, whoever wants to be an employment agency will have to meet those basic conditions.

HON. SPEAKER.- Honourable Ratu Kiliraki?

HON. RATU K. KILIRAKI.- Madam Speaker, in terms of fruit picking, yes, we did have some issues on fruit pickers, whether the Government has the monopoly as an agent for fruit-picking or is there an opportunity for others to be agents for fruit-picking in Australia and New Zealand?

HON. SPEAKER.- Honourable Minister?

HON. J. USAMATE.- Madam Speaker, I will have a Ministerial Statement later on today on this particular issue, but at the moment, yes, for Australia and New Zealand, the National Employment Centre looks after that but there will be opportunities perhaps in the future when it will open up to other employment agencies.

HON. SPEAKER.- Honourable Nawaikula?

HON. N. NAWAIKULA.- Madam Speaker, some agencies recruit individuals direct from overseas through the internet or newspapers. Does the Ministry have any form of conducting background searches on these people?

HON. SPEAKER.- Honourable Minister?

HON. J. USAMATE.- Our focus, Sir, at the moment, if people are recruiting from offshore into Fiji, we want to be able to regulate that process. Like this past week, we have had one agency that has been advertised in Fiji, so, our staff are talking with them, getting them to try to comply to our requirements.

Our requirements are basically, we want our people to work but at the same time, we want to make sure that there is adequate protection for them while they are offshore, so we will try as much as possible even if they are recruiting from offshore to try to ensure that they meet some basic criteria that we have.

HON. SPEAKER.- Thank you, Honourable Members. Parliament will adjourn for refreshments and resume at 11.00 o'clock.

The Parliament adjourned at 10.29 a.m.

The Parliament resumed at 10.59 a.m.

HON. SPEAKER.- I now call on the Honourable Viliame Gavoka to ask his question.

Prisoners serving as Correctional Service Officers  
(Question No. 73/2018)

HON. V.R. GAVOKA asked the Government, upon notice:

Can the Honourable Attorney-General, Minister for Economy, Public Enterprises, Civil Service and Communications explain the reason why those serving custodial sentences at the Nasinu Correctional Centre are being recruited as full-time Correctional Service Officers?

HON. A. SAYED-KHAIYUM (Attorney-General, Minister for Economy, Public Enterprises, Civil Service and Communications).- Thank you, Madam Speaker, I would like to thank the Honourable Member for the question. Madam Speaker, no persons who are serving custodial sentences in Nasinu Correction Service who are being recruited as full-time Correctional Service Officers.

HON. SPEAKER.- Honourable Gavoka?

HON. V.R. GAVOKA.- Madam Speaker, this was disclosed by the Commissioner of Prisons to the Committee on Foreign Affairs. And I do have the names of those people but I cannot disclose them as per the Parliamentary rules.

HON. SPEAKER.- Honourable Minister?

HON. A. SAYED-KHAIYUM.- Madam Speaker, we have had discussions with the Commissioner, there are two persons who were serving sentences who apparently have gone through the training of the Correctional Services for discipline purposes. The way this system works is that, should they wish to express a desire to be trained in how the Correctional Service Officers are trained, they bring them in, they interview them, there is a psychologist who assesses their psychological makeup, the parents' consent is also given and then they are trained, but they are not recruited by the Corrections Services. Apparently another person is currently going through the training but none of them whilst they may go through the recruitment training course but they are not actually recruited. They actually simply go through the course.

Madam Speaker, the other issue, if I can also highlight, this is part of the Corrections Services initiative together with Government's initiative, as we know that we started the Yellow Ribbon Programme. And as it has been highlighted in Parliament a number of times, the rate of recidivism in Fiji was extremely high, it used to be 50 percent. Now the reality is that, out of the people that went to prison and then who came out, 50 percent actually went back in and we know that is not a good situation to be in. The whole point is that when we send people to prison, we need them to be rehabilitated, we need them to be able to learn from their mistakes and then come out and do not actually go back into prison, so this is part of that.

One of the issues that we are also dealing with in Nasiniu now, Madam Speaker, and we understand that the cut-off date or the turnaround time will be this Friday, where Nasinu will be completely dedicated to inmates who are below the age of 24 and inmates over the age of 60. They will be kept in separate premises or in separate parts of the Correction Services. The whole idea is that those who are 24 years and younger, a lot of them are first time offenders do not get what we call

“contaminated” by being kept with the other prisoners who may be seasoned criminals, for example, Korovou and Naboro.

Madam Speaker, the whole idea is to bring all these young offenders into Nasinu from all over Fiji, and currently we are getting the Nasinu Correction Services facility to get accreditation through the Ministry of Education to set up a Vocational Training Centre. The whole idea is that these young people will come there and get trained in Carpentry, Joinery and whatever courses that are being offered so that when they actually go out of prison, they have a particular trade skills set.

Madam Speaker, also of course there are various other trading and manufacturing accounts that we do have in respect of the various activities carried out by the Prison Services, for example, we have the farming units, piggery units, the bakery and tailoring unit. All of these facilities already exist but the whole idea is to turn Nasinu into a more focussed facility, where we have offenders below the age of 24 and those over the age of 60 who needs some specific care.

Madam Speaker, in fact I spoke to the Commissioner of Correction Services this morning about it again and he has given me the assurance that these three people whilst they may have gone through the training they are not recruited, they are not trained to be recruited but are trained more specifically to discipline their own lives.

HON. N. NAWAIKULA.- Madam Speaker, it is on record from the former Deputy Commissioner that these people are now Correctional Service Officers, and it is noted that it will also demoralise serving officers most importantly because they were also serving custodial sentences. Could the Honourable Minister tell us who is correct; is he correct or is the information coming from the Deputy Commissioner correct because we have two stories here?

HON. A. SAYED-KHAIYUM.- Madam Speaker, I do not have what the Honourable Member has but I do know that I have had a conversation with the Commissioner of Correction Services and he has assured me that there is no serving prisoner who is being recruited as a Correctional Service Officer. In fact, we have also been provided with written answers from the Department of Correction Services about that and in fact again when I spoke to him this morning he has assured me that no one is actually recruited for those purposes. I am not aware of the document that Honourable Nawaikula has before him so I cannot comment on that, but I can comment on the information that has been provided to me by the Commissioner of Correction Services, and I am sure he knows what is happening within his own department.

HON. SPEAKER.- Honourable Ratu Kiliraki?

HON. RATU K. KILIRAKI .- Madam Speaker, under the Yellow Ribbon Programme whether a convict qualifies to be employed or in the Prisons Services similar to the questions being asked because we have officers there who have been convicted, and I would not mention the names which is well known. What is the difference between the yellow ribbon and apparently the question at hand?

HON. SPEAKER.- There have been three questions asked and are similar in nature and the answer had been provided. I now give the floor to Honourable Howard Politini to ask his question.

Trade Commission in Auckland  
(Question No. 74/2018)

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

We heard from the Ministerial Statement last week that the Ministry has opened a Trade Commission in Auckland. Can the Honourable Minister for Industry, Trade, Tourism, Lands and Mineral Resources outline why the Government had opened a Trade Commission in Auckland, New Zealand?

HON. F.S. KOYA (Minister for Industry, Trade, Tourism, Lands and Mineral Resources).-  
Madam Speaker, I thank the Honourable Member for his question.

Madam Speaker, as I had highlighted in my earlier Ministerial Statement, the Fijian Government is actually very proud of its accomplishments in the area of strengthening economic relations with our major trading partners.

Madam Speaker, over the past three years, we have either established or increased the scope of our diplomatic presence in China, Australia and Papua New Guinea through our Trade Commissions. The newly formed Trade Commission in Auckland commenced operation on 1<sup>st</sup> March, 2018, is the fourth Trade Commission initiated by the Fijian Government in the past three years, and taking into account the Trade Commission that is based in Los Angeles that is responsible for the North American market, and this brings the network for Fijian Trade Commissions around the world to five.

Madam Speaker, with regards to identifying the New Zealand market as a location for our newest Trade Commission, this was achieved mainly as a result of the vision and the foresight of the Honourable Prime Minister, based on the strong trade investment relationship that is already shared between the two countries.

Madam Speaker, New Zealand has been one of Fiji's top 10 export destinations over the past five years and worth about \$106.6 million on average. In 2016, Fiji's highest imports were from New Zealand, valued at about \$842.9 million, and there was a total of \$978.9 million in two-way trade between New Zealand and Fiji in the year 2016.

Fiji's major exports to New Zealand are sweet potatoes, taro, bread, biscuits, men's and boy's suit. Despite our strong performance, Fiji has had a negative balance of trade with New Zealand from 2010 through to 2016, averaging about \$559 million per annum. Madam Speaker, despite the successes we have achieved so far, the New Zealand market is still relatively uncharted by Fijian exporters given its size, favourable trading rules and conditions.

And up-to about 30 Fijian Agro-Commodities have clear quarantine exports pathways established obviously which we want to better utilise, and there is always a significant potential for more diverse Fijian products to be supplied to our Pacific Island Diaspora and other market segments in New Zealand.

In terms of investment, Madam Speaker, for the period of 2010 to 2015, a total of about 16 New Zealand Projects worth FJ\$81.6 million were implemented. This implementation, Madam Speaker, created about 509 jobs. A newly formed Trade Commission, Madam Speaker, is expected to play a key role to increase FDIs from New Zealand into Fiji. It will also provide assistance to Investment Fiji in the area of investment facilitation by providing support services to New Zealand investors.

Madam Speaker, Fiji's strategic location and close proximity to New Zealand and existing trade investment flows and the close people to people links were key elements which were factored into the Fijian Government's decision to open its newest Trade Commission in Auckland. This is the business hub of New Zealand and in addition, Madam Speaker, New Zealand, as I said earlier, remains an untapped market while having a significant trade deficit with Fiji and there is an urgent need for a



higher number of investment projects from New Zealand to be registered and implemented in Fiji. I thank you, Madam Speaker.

HON. SPEAKER.- Honourable Viliame Gavoka.

HON. V.R. GAVOKA.- Madam Speaker, this comes as a surprise to most of us because we always had a Trade Commissioner in Auckland during the *Soqosoqo Duavata ni Lewenivanua* (SDL) days. So, why did you close it and now you see the reason in re-opening it? It is rich when you say now he has foresight to open up his office again; it was always there. Can you tell us why you closed it in the first place?

HON. SPEAKER.- Honourable Minister?

HON. F.S. KOYA.- I think the Honourable Member might want to check the difference between a “Trade Commission” and a “Consul-General”.

HON. V.R. GAVOKA.- (Inaudible)

HON. SPEAKER.- Thank you, Honourable Alvick Maharaj?

HON. A.A. MAHARAJ.- Thank you, Madam Speaker. Madam Speaker, can the Honourable Minister explain how has the Trade Commission in general contributed to strengthening trade and investment performance?

HON. SPEAKER.- Honourable Minister?

HON. F.S. KOYA.- Madam Speaker, I thank the Honourable Member for his question. Within a short period of time over the last few years, Madam Speaker, the combined performance of our Fijian Trade Commission has supported hundreds of millions dollars’ worth of foreign direct investment into Fiji and have in turn obviously created hundreds of employment opportunities for locals.

These includes the projects at a value of about \$500 million that would soon be hotels projects, et cetera. Madam Speaker, we also have a number of other projects in the pipeline, working with companies in ICT, in tourism, agriculture, forestry and in the manufacturing sector.

In terms of exports, Madam Speaker, Fijian product such as baby ginger have been exported to Australia, beverages like bottled water and beer are now being distributed in Hong Kong and mainly in China, and the Melanesian countries has also become one of our biggest export markets for our manufactured products, such as canned meats and biscuits, Madam Speaker.

HON. SPEAKER.- Thank you, Honourable Netani Rika?

HON. LT. COL. N. RIKA.- Supplementary question. Honourable Minister, how do the Trade Commission’s work with Fiji’s Diplomatic Missions to achieve Fiji’s Trade and Investment?

HON. SPEAKER.- Honourable Minister?

HON. F.S. KOYA.- I thank the Honourable Member for his question. Madam Speaker, trade commission actually play a critical role basically in promoting trade and investment interest of Fiji in our key markets. They are located strategically, Madam Speaker, in cities that are commercial capitals, the term is “business hubs”. Our Trade Commissioner, Madam Speaker, complements the efforts of

our Ambassadors and High Commissioners in the diplomatic capital in attracting foreign direct investments to Fiji and identifying market access opportunities for our budding exporters.

The Fijian Government, Madam Speaker, is a firm believer in meritocracy and we have identified high calibre professionals as Fiji's Consul Generals and Trade Commissioners to lead our Trade Commissioners in our key markets. They have a wealth of experience in areas such as trade investment promotion, negotiating trade agreements with developed countries, partners, project management and policy formulation and implementation at the international and the regional levels, and have done a great job so far in effectively articulating Fiji's economic interest, Madam Speaker, and then the key markets they are actually based in.

Apart from ensuring our Trade Commissioners are lead and driven by highly capable teams, the Fijian Government has also, Madam Speaker, ensured appropriate resourcing is provided to these key offices. We have increased the Operational Budgets of our Trade Commissioners in the past three years, thereby ensuring more targeted trade and investment related activities are undertaken in these markets, Madam Speaker, and this is with immediate results. I thank you, Madam Speaker.

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

Construction works of the Valelevu Sports Stadium  
(Question No. 75/2018)

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

Can the Honourable Acting Minister for Local Government, Housing, Environment, Infrastructure and Transport update the House of the progress of the initial construction works of the Valelevu Sports Stadium with the budget allocation of \$850,000 in the 2017- 2018 Budget?

HON. A. SAYED-KHAIYUM (Acting Minister for Local Government, Housing, Environment, Infrastructure and Transport).- Thank you, Madam Speaker. Madam Speaker, I thank the Honourable Member for the question.

Madam Speaker, a budget allocation of \$850,000 was made in 2017-2018 Budget. The Valelevu ground, Madam Speaker, lies in probably the largest populated municipality in Fiji, and is also one of the fastest growing apart from Nadi. Madam Speaker, it is obviously a mixture of squatter settlements and residential areas, it also includes an industrial area close by to the Valelevu grounds.

In 2004, Madam Speaker, the grounds were actually transferred to the Nasinu municipality and since then the park has not seen any form of development until Government stepped in and allocated 3.2982 hectares of land that comprises of the Valelevu sports ground. There is obviously a large population as I mentioned around it and there is a phase in development to the Valelevu sports ground, Madam Speaker.

Initially, in 2015, the construction of the multipurpose courts facilities funded by Government, the Government spent close to \$700,000 in respect of the construction of that facility. The second phase involved the development of a playground for rugby and soccer together with the sport stadium at the Carnival Park.

In 2016-2017, the Government allocated \$200,000 to commence the preliminary works, including surveying and ground levelling. The Government also provided an initial \$350,000 in 2016-2017 fiscal year towards preliminary technical works. The Nasinu Town Council engaged a consultant

during 2016-2017 and the Valelevu ground masterplan initial design of the development was completed, Madam Speaker.

Now this leads to the allocation that the Honourable Member is asking about in the 2017-2018 Budget of \$850,000. Madam Speaker, the Nasinu municipality has what they call “sister city relationships”.

One of the cities from the Guangdong Province in China had shown a keen interest to partner with Nasinu to develop the sports facility and currently, nothing has been finalised but they are actually going through the discussions in respect of that, to see whether it fits in with the scope of what the Nasinu municipality wants to do and what they are offering. Once this is completed, then we will be able to proceed onto the next step in respect of how the ground will be developed and how much of the \$850,000 will actually be utilised. That is the current status of that, Madam Speaker.

But of course as the Honourable Member has brought to the floor we have always highlighted in the previous Budgets no doubt there is a need to build a modern day facility in the Nasinu area, and the Valelevu ground obviously provides a very good opportunity for us to be able to provide the facility, to cater for new residents in the Nasinu area.

The idea, of course, is not only the ground itself, the seating capacity in the grandstand. We need to be able to have flood lights to host night games also and we would like to have some form of revenue generation too. The idea is to have some conference facilities that people do use.

As we have seen, for example, with the ANZ Stadium, people do hire it for church services where the grandstand is used for that, and even if you have conference facilities, people can use it for other types of gatherings they want to have, including weddings. The whole idea is to provide an all-inclusive facility and the idea is to develop that, and there is this a proposal for an offer that is currently being explored by the Ministry of Local Government in conjunction with the Nasinu Municipality. We should have some decision on that very soon. Thank you.

HON. SPEAKER.- Supplementary question, Honourable Salote Radrodro.

HON. S.V. RADRODRO.- Thank you, Honourable Speaker and I thank the Honourable Minister for his explanation, and I agree that Nasinu is a very heavily, densely populated area with a good mix of load to meet level income-earners. This is a great need in that area, and from 2015 until today, we are still hearing about the planning stage of this stadiums.

What I would like to ask the Honourable Minister is that, and I have raised that inside this House, the need for just playing grounds and I have raised it for Nairevurevunicagi for Nawanawa and for Tacirua. For the time being, would it be possible to divert some of those funds to develop or establish those play grounds, while we are waiting for this big one to happen, Honourable Speaker? Thank you.

HON. SPEAKER.- Honourable Acting Prime Minister.

HON. A. SAYED-KHAIYUM.- Sorry about that, Madam Speaker, I think the municipality is looking at various options and I am sure that the points made by the Honourable Member has already been taken into consideration by the municipality. Thank you.

HON. SPEAKER.- There being no other question, I now give the floor to the Honourable Samuela Vunivalu to ask his question.

Financial Status of FNPF  
(Question No. 76/2018)

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

Can the Honourable Minister advise on the current financial status of FNPF and members funds?

HON. A. SAYED-KHAIYUM (Attorney-General and Minister for Economy, Public Enterprises, Civil Service and Communications).- I would like to thank the Honourable Member for this question. Madam Speaker, we had elucidated earlier on, I think it was last week about the financial position of FNPF. If I could reiterate, Madam Speaker, the current position.

According to the IMF's recent report on the review they have informed progress of the Fiji National Provident Fund. It was said that the FNPF is in a sound true position, based on the acceptable methodology and exemption that are fully justified reasonable if not to read a bit conservative, Madam Speaker.

Madam Speaker, let me highlight some of the key financial achievements for 2017 to emphasis my statement. The net profit increases to \$259 million from \$331million in 2016, attributable to better investment returns by comparison, net profit was \$251 million in 2013 which is about 5 years ago.

Madam Speaker, the other point I also would like to make is of course is that the profits are not overstated as we found earlier on, for example, in 2001, 2004 and in other earlier periods, where it was in pairs as part of reforms and also included contribution because of the reforms, Madam Speaker.

The \$270 million was credited to members accounts in 2017, equivalent to 6.35 percent in interest rate. This compares with the \$161 million or 5.5 percent in 2013, which was about 5 years ago. The fund is credited over \$1 billion to each members in the last 5 years. Record contribution of \$546 million from \$480 million in 2016 is a result of better compliance through automation. In 2013, 5 years ago contribution were \$343 million, Madam Speaker. When we see this, Madam Speaker, it is very critical for us to understand there are still many employers who used to, and in fact we have seen a decrease in that, who still did not pay FNPF contributions. As this Parliament has also proved, we have also made amendments to various laws, the penalties we have now are actually quite high.

So, if companies are not compliant in not paying the FNPF contribution to the members, we have seen not only some companies but they used to do, was not only contribute their sums which is 10 percent. They used to deduct the 8 percent from the employees but they did not actually pass it on to FNPF. So now the Directors can also be held personally liable for that, Madam Speaker, and as a result of that, we have seen greater compliance, which means there are more funds in the pool of money that can actually be invested and therefore greater return on investments.

The total assets of the fund, Madam Speaker, now stands at \$5.7 billion, which is more than sufficient to cover its liabilities of \$4.8 billion. What it means, Madam Speaker, if tomorrow everyone who needs to be paid out who is a member, if they suddenly had to pay that out, we still have enough funds left within the Superannuation Scheme that we have. The net assets is now \$836 million after applying the solvency requirement of 10 percent, there is still a surplus of \$276 million, Madam Speaker. There is a major improvement from the negative \$337 million in 2010 prior to the reforms. The funds ability to respond to members requirements, Madam Speaker, are in fact significant, for example, during *TC Winston* when the members were allowed to withdraw up to \$1,000 and some, of course, who had damages to withdraw up to \$5,000.

A total of \$275 million was withdrawn from FNPF after *TC Winston*. If FNPF was not in a good financial position, they would not have been able to allow these people to withdraw \$275 million. We of course know that some people did withdraw their funds and went off to watch the Hong Kong Sevens but the fact of the matter is, Madam Speaker, rather than making it all very bureaucratic, it was allowed and there was an element of trust that was given to the members and say you can withdraw up to \$1,000.

Madam Speaker, again there is being a lot of talk about, I understand some members on the other side have gone to social media about this. The fact of the matter is that the total government bonds as a percentage of FNPF's total assets has come down, Madam Speaker, from 56 percent in 2010 to 41 percent in 2017. Therefore, the exposure of FNPF to government is far greatly reduced because of the fact that FNPF now has essentially in nominal terms, it may be the same amount, but as far as the actual overall percentage of the FNPF Portfolio is concerned, the bond exposure has been reduced from 56 percent to 41 percent because FNPF's Portfolio has actually grown.

The pie of FNPF has grown and therefore as a percentage of the bond exposure has also decreased commensurately, Madam Speaker. The financial position, of course, has been achieved because of the numerous reforms that have taken place underlying government's issues and also long term sustainability of the fund, Madam Speaker. There has been a number of changes that have taken place and this includes the strengthening of government's mechanisms based on the modern framework standards and best practises. The establishment of the sustainable Pension Scheme which was thoroughly tested and certified solvent.

The separation of the pension business from the current member fund to eliminate cost subsidisation, better preservation which is actually 70 percent in reduction in withdrawal grounds. There used to be at one stage in FNPF, about 24 to 25 grounds for withdrawal. FNPF is not the same as the bank, where you can go and deposit some money today and withdraw it tomorrow.

FNPF is a security, when you retire and a pension scheme and that is how it must be treated, so therefore, the withdrawal mechanism need to be limited. The competency based appointed Directors with qualification prescribed in legislation with fit and proper test by the RBF. Some issues were raised previously that the system was or you need to have two representatives from employers, two representatives from employees and two representatives from government. But what were the competency skill sets, Madam Speaker? Now with the Act requires that they need to have a particular level of competency to actually sit on the Board. They need to have financial acumen. They need to have an understanding of the investment market. They need to have the right legal qualifications.

So we used to have this largest funds, the largest pool of funds in Fiji, Madam Speaker, that is actually governed by a board of people who may have absolutely no idea of finance or commercial transactions. This is why we saw some of the shenanigans that actually took place in Natadola and indeed in Momi.

So, Madam Speaker, now legally speaking, they have to have a particular competency to be able to sit on the Board itself and therefore we can have much better and sound decisions being made. We now of course have people who are within the organisation, the right level skill set. We now have a CEO for FNPF, Jaaji Koroi, and he has obviously been in the investment market for a period of time, he has come from Fijian Holdings Limited, he has been within the system for a while. They have also got competent investment officers who have specialised skill sets in looking at various proposals that do come to FNPF as opposed to fly by the night people who used to come and actually invest, who are now actually locked up in prisons in New Zealand for basically commercial fraud.

So these are the kind of things in the past that we need to get rid of and this is the reason why, Madam Speaker, the international organisations have actually recognised the FNPF's position and indeed has given various awards that it has received in the recent past.

HON. SPEAKER.- Honourable Viliame Gavoka?

HON. V.R. GAVOKA.- Madam Speaker, we know that FNPF is a very healthy organisation but we also know that it has failed miserably in its charter to provide meaningful pension to people. We learnt on Friday that some people were only getting \$7 a month and they boosted it up to a \$100. More than 3,000 people signed a petition saying that the reduction to the pension was too severe, so they have failed in what they were set out to do. Given that, Madam Speaker, and I know we will not win the argument, but there is I believe a Bill to be presented to Parliament about setting up another Provident Fund like FNPF. Can I ask where the Bill is today? Can it be presented to Parliament quickly please?

HON. SPEAKER.- Honourable Acting Prime Minister?

HON. A. SAYED-KHAIYUM.- Madam Speaker, again the Honourable Member is misrepresenting issues. If he had listened properly, what we said is that prior to the reforms, "prior" means before the reforms, people were getting \$7, prior to the reforms and this is what the Opposition has been going on about saying that we should not have done the reforms. Prior to the reforms, people were getting as low as \$7 as I explained, Madam Speaker.

Prior to the reforms, Madam Speaker, because the way the system worked was that there were some people who were getting 25 percent rate of return. There were some people who were getting 20 percent rate of return, some were getting 19 percent rate of return. Obviously those people who were at the lower end of the socio-economic scale, for example, in the 1980's, 1990's and early 2000 workers who were working as a cook hand, worked as a helper in some ship, the rate of salary was low and in those days, Madam Speaker, of course the employer paid the same amount as the employee. So the contribution from the salary for a person getting \$80 a week, the FNPF contribution would be very little. So based on their contribution that they made to FNPF after they are retired, what they got as a monthly pension was very low.

Only after the reforms, we are now having people who are not paid anything less than a \$100. It is only because of the reform, which they seem to oppose, that people are now getting a minimum of \$100 irrespective of how much they contributed, irrespective of their contributions being lower than the \$100. Isn't that a good thing that we are protecting these low income people. They are at least getting a \$100 notwithstanding the fact that they did not make that level of contribution.

So Madam Speaker, again you see it would be nice, once in a while, if the opposition actually listens to what we are saying and actually acknowledge the positive achievements of FNPF.

Madam Speaker, as I have also highlighted, that when the reforms took place, the pensioners had the option of cashing the entire contribution or continuing with the pension in the revised schemes, in the revised payments. Some people went and withdrew the entire amount and they could go and invest it anywhere else if they wanted. Others opted, Madam Speaker, so we had people and I have got some figures here, who were paid \$10,000 a month because they had a very high rate of return so they were getting paid 25, 19 percent. So whatever they contributed within four years they got it back, after that it was jackpot. At the expense of the people at the lower socio-economic scale, at the expense of the young people today who are contributing and when they retire in 2050, there would have been *no paisa, khalas, finished, sa oti*. It is the first time I am using vernacular because I have to use it to emphasise the point which appears that they do not understand. It is quite extra ordinary that because

of their political expediency, they want to debunk this reforms when everyone else is accepting it. The international community is accepting it.

When the sustainability of the funds is being actually upheld when the ordinary Fijians, and I hope they were listening, the young Fijians would know now that their FNPF funds are secured because of these reforms. The person who use to get \$10,000 a month is now getting \$6700 a month. Madam Speaker, that is a fact and they come to this House with the audacity to say when are we going to bring another super annulation fund into Fiji.

Madam Speaker, we are not even a million people. Membership of FNPF currently is about 417,000.

HON. V.R. GAVOKA.- Point of Order. It is seen in the Reserve Bank of Fiji Report that they are looking at a Bill to setup another Provident Fund. Point of clarification, madam Speaker. I want an answer to that because it is in the RBF Report.

HON. SPEAKER.- Honourable Acting Prime Minister?

HON. A. SAYED-KHAIYUM.- Madam Speaker, the audacity of the Opposition to come and say when are we going to setup another superannuation because what it seems to imply to them is that they are not happy with the current FNPF and therefore let us open up another one. We have only 417,000 members, Madam Speaker.

HON. OPP. MEMBER.- He is quoting it in the report.

HON. A. SAYED-KHAIYUM.- He did not quote a report when he actually mentioned it, now he is quoting the report. Madam Speaker, a report can be a report but it is the Government of the day that makes the decision. There are many reports that have been written.

Madam Speaker, but the context within which it was said was that because when are we going to have the next Bill. The context within which it was said, let us contextualise it. That is the context in which it was said because they are saying they are not happy with the FNPF. Madam Speaker, I find it extra ordinary again, that here is a fund that is completely Fijian owned. Here it is a fund that is owned by the members of the formal employment sector of Fiji. Ordinary Fijians are on this fund.

Today, we have the correct valuation of the assets of FNPF. It holds nearly 38 percent of our cash reserves. It is one of the largest investment organisations in Fiji. It will provide good rates of return as I mentioned a few days ago only. This is the organisation that can actually help us get into the PPP's.

Many countries, if you look at countries like Singapore, their superannuation fund, Madam Speaker, was the driving force behind the entire modernisation process. They invested in airports, they invested in Singapore Airlines, and they invested in various other enterprises. They got their rate of return, they got out of it but then those organisations were able to stand on their own feet. They invested in their Housing Projects. We are talking to FNPF to try to get them to actually put a foot into the Housing project area. We have a very low rate of home ownership in Fiji, we all agree with that and we have identified Matavolivoli as we highlighted in the 2017-2018 Budget.

FNPF needs to step into that area, they can make money but at the same time be able to provide a particular level of opportunity to ordinary Fijians. So, it should be in all of our interest to ensure that we make sure that the FNPF is strengthened. That FNPF balance sheet is strengthened now, Madam Speaker, and that we are in support, we need to support FNPF, Madam Speaker, not try and debunk it.

Because you see, as a political expediency, you have got a few hundred people coming to you and saying, "I have lost that \$2,000, \$3,000 even though they are getting paid \$10,000, now they are getting \$6,400. We are concerned about the poor people of this country. We are concerned about the ordinary workers of this country, Madam Speaker, and we are also concerned about the youth of this country who are currently working and contributing. We need to have sustainability, Madam Speaker, of those funds. Thank you Madam Speaker.

HON. V.R. GAVOKA.- Madam Speaker, I did not get an answer to my second question.

HON. SPEAKER.- You can only have one question and you had an answer to that.

HON. V.R. GAVOKA.- My second question here Madam Speaker.

HON. SPEAKER.- No. Honourable Ratu K. Kiliraki

HON. RATU K. KILIRAKI.- Thank you Madam Speaker, in terms of Housing Assistance for those members who live in rural areas, whether there is any provision in the Housing Allocation provided by FNPF to access and be able to repay 1/3 from the Rural Housing Scheme. This is for two bedroom houses which costs about \$16,000, the 1/3 of that is about \$6,000. Whether there is any provisions in the entitlement of members in terms of Housing Assistance? Thank you, Madam Speaker.

HON. SPEAKER.- Honourable Acting Prime Minister

HON. A. SAYED-KHAIYUM.- Madam Speaker, previously, the law did not allow FNPF for members to withdraw funds if they did not have title over the land because FNPF want a security over the title of land. We amended the law, Madam Speaker, just only a few years ago, if you are a member of a land owning unit and you are a registered member of the land owning unit and you are going to build a house, whether the 2/3 or 1/3, or you want to build your own house. The law allows for you to withdraw your FNPF funds because as a member of a landowning unit, you have full title over the land, your full right over the land.

So, this was never allowed in the FNPF previously. FNPF would never give you any funds. So, if I, for example, came from a village, for example, in Yavulo, and I am a member of the land owning unit, I could not actually go and withdraw my FNPF funds to build my home. FNPF would not give any money, they would say "where is your lease?" Where is the formal registered lease? Or you go somewhere else and get a lease, only then we will give it to you. FNPF now allows you, as long as you can show that you are a member of the land owning unit and you have the right the build there. They will allow you to withdraw up to the amount that is allowable to build your own home. So, whether it is under the Village Scheme of 2/3 and 1/3, or whether you actually go and get a loan, or whether you have got your own funds and you can get your contribution from the FNPF. There is a major change that has taken place. Thank you.

HON. SPEAKER.- Honourable Dulakiverata

HON. J. DULAKIVERATA.- Thank you Madam Speaker, I thank the Honourable Minister for his reply. Madam Speaker, some people have their money in the FNPF and they just want some of their money to be used to repair their homes. But the requirements from the FNPF is for them to get a quantity surveyor to quantify the materials and the cost for them to use the money in repairing their homes. Is not the submission by the member enough for them to withdraw their funds.

HON. SPEAKER.- Honourable Acting Prime Minister.



HON. A. SAYED-KHAIYUM.- Madam Speaker, I am not aware of the specifics about what the Honourable Member is saying, if he can give me some examples of it or if he has got a specific member who has faced a problem, we can write to FNPF and see what can be done.

HON. SPEAKER.- Thank you. Honourable Nawaikula.

HON. N. NAWAIKULA.- According to the Standing Committee on Economics Affairs which says that, 'the Committee notes that the Government is looking at the Pensions Savings Bill which may provide options for pensions'. This is to be drafted and given that the Honourable Minister is saying that everyone is happy with FNPF, what would be the purpose of this Pensions Savings Bill?

HON. SPEAKER.- Honourable Acting Prime Minister

HON. A. SAYED-KHAIYUM.- Honourable Nawaikula, can I ask, Madam Speaker, through you, who mentioned that?

HON. N. NAWAIKULA.- The report of the Standing Committee on Economic Affairs

HON. A. SAYED-KHAIYUM.- No, my question is that who said that we are considering a Bill?

HON. N. NAWAIKULA.- Reserve Bank of Fiji

HON. A. SAYED-KHAIYUM.- Madam Speaker, I can tell you that we do not have any Bill being drafted at the moment.

HON. SPEAKER.- Last supplementary question

HON. RO T.V. KEPA.- Thank you Madam Speaker, to the Honourable Acting Prime Minister. This is for a member of the Fund who is also a member of a landowning unit in the village. In terms of having access to the funding for repairs and maintenance of the home, we have to go through the *turaga ni koro*, the Provincial Council office's stamp, quantity surveyor, a carpenter and yet it is still very difficult months later to be able to access that fund, Madam Speaker. Can the Honourable Attorney-General state here how it can be accessed much easier? Because this is for people who are wanting their own money, who might not have access to all these people to be able to stamp their letter, Madam Speaker. So, how can that be made easier months later?

HON. SPEAKER.- Honourable Acting Prime Minister

HON. A. SAYED-KHAIYUM.- Thank you Madam Speaker, I think the fact is that we have amended the law to allow for this to happen in the first place. I think that in itself is a big step. It also must be taken into account that, Madam Speaker, there are some people who try and rip the system. So, it is FNPF's fiduciary duty to ensure that the funds that are being requested for, in particular, by the applicant will in fact be used for that purpose. Whereas we know that the reason why we also need to seek the ownership or the member being the member of the landowning unit because as we know that many people who are what we call '*vasu*' also live in the villages.

So, they technically, may not necessarily have or be the rightful owner of the landowning unit. Firstly, that needs to be established whether they are actually a rightful member of that particular landowning unit or not. Then of course, Madam Speaker, we need to ensure that just because you are a member of LOU then we simply do not give the money without actually FNPF having some form of accountability. As we have seen, Madam Speaker, the classic example is the *TC Winston* case. When

FNPF said you could withdraw funds if you are affected by *TC Winston*, yet people who are living here in Suva in the Suva Peninsula going and withdrawing \$1,000 and they are having a nice drinkin the afternoon.

So, Madam Speaker, there are people who do that and the reality is that FNPF has a fiduciary duty to ensure that the Pension fund is actually used for the purpose it is supposed to be used for. So, the Honourable Leader of Opposition talks about the checks and balances that is required. Perhaps FNPF can expedite the process, maybe they would streamline the process; that could be done, but the reality is that FNPF does need to go through the checks and balances to ensure that these funds are actually protected. As we have said, the very nature of a superannuation scheme is that we all have a shared risk in it. It is just because my contribution has come in there, it does not mean I can utilise everything willy-nilly. Because the rate of return that I am getting on my contribution is actually helped by the fact that everyone else has put that money there so that I could also get the rate of return. So, it is very critical and imperative that the funds are actually protected from that perspective. Thank you.

HON. SPEAKER.- You had your once supplementary question. No more you can only ask one supplementary question. Thank you. I did mentioned last supplementary question. Honourable Mikaele Leawere.

HON. M.R. LEAWERE.- Thank you Madam Speaker, I am happy that the Honourable Minister has said about those landowning units that can withdraw their funds from FNPF especially for rural housing. What about those settlements that are not landowning units but they have funds and they would like to withdraw in terms of building their houses, like in Lapanoni? Thank you Madam Speaker.

HON. SPEAKER.- Honourable Acting Prime Minister.

HON. A. SAYED-KHAIYUM.- Madam Speaker, excuse me Madam Speaker, Honourable Member my apology I was distracted by the Honourable Leader of Opposition. Can you please repeat your question?

HON. M.R. LEAWERE.- In terms of the landowning units, if they have funds at the FNPF, can they withdraw if they want to build their houses? What about those who are in settlements, like Lapanoni. Are they eligible also to withdraw funds to build their houses?

HON. A. SAYED-KHAIYUM.- No, Madam Speaker. The only reason why it applies only to members of *iTaukei* landowning units is because they are actually by law have security over their possessory rights over the land. If you are in a settlement, if you are in a *vakavanua* arrangement, you cannot access your funds to build because you do not have security over title. If you are a member of a land owning unit, you have security over title, no one can boot you out. That home that you build on your own land is yours. No one legally can remove you.

If I am living as a squatter, if I am living in a *vakavanua* arrangement, I can be moved out tomorrow. We have seen that happen. In fact, this is the reason why under the Help for Homes Initiative also, people who do not have security or have security over title of land were only entitled to \$1,500. Can you imagine if we gave them all \$7,000, what would have happened? They would build nice homes, next, a month later someone will say, "sorry, I now want to end my arrangement with you. You no longer pay me \$30 a month, you can now leave" and they will keep the home. Their funds would have then not gone for that purpose and nor for them.

This is why the only exception is that if you are a member of a landowning unit, you have therefore possessory rights over the land, you are legally entitled to the land. This is why you can

actually withdraw your FNPF funds, whatever amount is allowed under the housing scheme and you can then build your home.

That is why we see a lot of people now actually building proper homes in their landowning unit areas. Thank you.

#### Written Questions

##### MIOT Hospital (Question 77/2018)

HON. A.T. VADEI asked the Government, upon notice:

Can the Minister inform the House how many cases were attended to by the Colonial War Memorial Hospital for remedial purposes for patients who had their surgery at the Suva Private Hospital since the change of ownership of the Suva Private Hospital now known as MIOT and what could have been the possible cause for this?

HON. R.S. AKBAR (Minister for Health and Medical Services).- Thank you, Madam Speaker. I will table my answer at a later sitting date as permitted under Standing Order 45 (3).

##### Fiji's productivity levels (Question 78/2018)

HON. DR. M.T.SAMISONI asked the Government, upon notice:

Can the Honourable Minister advise the House what has been Fiji's productivity level for the modern 21st century economy and the trend from the last decade?

HON. J. USAMATE (Minister for Employment, Productivity and Industrial Relations).- Thank you, Madam Speaker. I am pleased to table my response to this question and also with your indulgence to table the response to Question 67/ 2018 that was posed yesterday.

HON. SPEAKER.- Thank you very much. Please hand it to the Secretary-General.

*(Written responses handed to the Secretary-General)*

### **MINISTERIAL STATEMENTS**

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

1. Hon. Acting Prime Minister, Attorney-General, Minister for Economy, Public Enterprises, Civil Service and Communications has two ministerial statements.
2. Hon. Minister for Agriculture, Rural & Maritime Development, National Disaster Management & Meteorological Services.
3. Hon. Minister for Industry, Trade, Tourism, Lands and Mineral Resources.
4. Hon. Minister for Employment, Productivity and Industrial Relations.

Each Minister may speak up to 20 minutes. After each Minister, I will then invite the Honourable Leader of the Opposition or her designate to speak on the statement for no more than five

minutes. There will also be a response from the Leader of the National Federation Party or his designate.

I now call on the Acting Prime Minister, the Honourable Attorney-General, Minister for Economy, Public Enterprises, Civil Service and Communications to deliver his first statement.

### Financial Sector Stability Review of Fiji

HON. A. SAYED-KHAIYUM.- Thank you, Madam Speaker. I would like to inform the Parliament on the key findings of the Financial Sector Stability Review or the FSSR for Fiji was recently undertaken by the International Monetary Fund (IMF). The review provided a number of critical insights and recommendations that could be implemented in a coherent and systematic manner.

Madam Speaker, the IMF Mission was here from 14 to 27 February, 2018, comprising of seven experts headed by a Mr. Peter Lohmus and various other members who were there as his team. The Mission team had consultations with the Reserve Bank of Fiji, Ministry of Economy, Auditor-General's Office, Fiji National Provident Fund, Fiji Development Bank, Housing Authority, commercial banks, credit institutions, unions and insurance companies.

Madam Speaker, for the information of Parliament, the financial sector includes commercial banks, insurance companies and brokers, credit institutions, FNPF, South Pacific Stock Exchange, Unit Trust, Stock Brokers and Foreign Exchange Dealers. These are the members of the financial sector.

As highlighted in the Ministerial Statement last week, the Fijian economy has achieved eight years of uninterrupted growth and is on a sustainable path for steady growth, thanks to the well-designed programmes and policies of Government.

Naturally this has led to the expansion of Fiji's financial system. On average for the last 10 years, the annualised rate of growth has been around 9.3 percent in terms of assets, comprising of almost 170 percent of our Gross Domestic Product (GDP).

In fact, the financial sector has expanded at a similar rate as that of nominal economic growth. Our financial sector has leapfrogged. A country with the size of Fiji has six commercial banks, five of these six banks are foreign-owned by reputable financial institutions outside of Fiji. Of course, it is only under this Government, we now have a Fijian-owned bank. This clearly demonstrates the level of confidence and optimism the private sector has in the Fijian economy. The policies espoused by the Bainimarama-Government and now the FijiFirst Government has contributed to the solid foundation for growth.

Policy certainty, stronger public institutions and good corporate governance are essential for the private sector to thrive and continue with quality investments as our country has experienced. Moreover, Madam Speaker, the growth prospects look very strong, the marked improvement in productivity has been noted in the key sectors of the economy.

With the upbeat performance and modernisation of the Fijian economy, we have seen an increase in the depth and sophistication of our financial system. This includes offering of Digital Financial Services, an online-based banking platforms and expansion of the financial inclusion footprint to a wider area especially to rural, deep rural and maritime communities.

Every Fijian is benefitting from the improvement in the financial sector. Prior to 2006, it would have been a dream to imagine that our ordinary Fijians as those based in provinces like Bua would

have access to EFPTOS machines. All these has become possible under the leadership of our Prime Minister, of course.

We will further boost the services and this is reflected in targeted investments we are doing such as the cable project in Vanua Levu which I will speak on later on. Infrastructure investments such as this will allow financial institutions to further expand their reach, Madam Speaker. We are in a digital era and need to be up on par with the cutting edge technologies. Assessing the comments made by the opposite side in relation to e-ticketing, one could imagine where Fiji would be in the digital space, if they were on this side of the House. I live it to the people of this beloved country to judge and see the tangible positive benefits the current Government has brought in.

As a responsible Government, we need to ensure that the necessary safeguards are in place to ensure there is financial stability in lieu of the increasing sophistication, buoyant performance of the economy and deepening of our financial system. This is precisely the reason for requesting the IMF to undertake a review of the stability of Fiji's financial sector. It is always good to get a third party assessment. The first similar review was conducted in 2006 under the IMF's Financial Sector Assessment Program (FSAP). The key recommendation of the 2006 FSAP led to some significant reforms in the last five to eight years which included the reform of the Fiji National Provident Fund, the strengthening of the supervisory capacity of the which included reform of the Fiji National Provident Fund, the strengthening of the supervisory capacity of the Reserve Bank of Fiji (RBF) to a more risk-based approach and the review of the Companies Act, of course, which this Parliament approved. The implementation of these recommendations are strengthened, so the key institutions in our financial system and the legislative regulatory frameworks in which they operate.

Madam Speaker, periodic reviews of the financial sector is critical. Financial sector stability reviews help identify financial sector vulnerabilities with the key objective of formulating and implementing Financial Sector Reform Programmes which are supported by intensive follow up technical assistance.

The programme seeks to review a country's specific risks and vulnerabilities, the adequacy of institutional frameworks and capacity in financial regulation supervision as well as crisis prevention and management. In fact, Madam Speaker, Fiji is only the fifth country in the world, and the first in the Pacific region to undergo a Financial Sector Stability Review.

Madam Speaker, the International Monetary Fund (IMF) has concluded that the 2018 FSSR for Fiji with the stress test assessment indicating that the banking system in Fiji as a whole appears to be resilient to shocks similar to those experienced in the last fifteen years.

However, we need to be mindful of certain institutions that are vulnerable to downturns in specific sectors due to their concentrated load books and significant large commercial exposures. To revamp our financial system, the 2018 FSSR mission has made some key recommendations for the continuous strengthening of the RBF Regulatory Role which are as follows:

- i) Given the dependence of the banking sector on foreign banking groups, supervision will need to ensure a strong link for the micro supervision analysis to macro credential policy. The supervisory approach will need to continue to evolve to become more forward looking to proactively identify and tackle risks in the banking system.
- ii) There is a need to strengthen the RBF's capacity for the early detection of emergency stress in banks and corrective action. The RBF should introduce recovery planning requirements for commercial banks.
- iii) Amendments to the Banking Act 1995 will be required to address deficiency in the regulatory framework. The current legislation is silent on key matters of consolidated

supervision and major acquisitions and this of course will bring forward to Parliament in time to come soon.

Madam Speaker, it is therefore fundamental to have a sound, stable and healthy financial system to ensure trust in the system, efficient allocation of resources and distribution of risks across the economy. More importantly, Madam Speaker, this would prevent any run-on banks as we experienced in 1995. Of course, Madam Speaker, speaking on banks I would like to highlight the collapse of the National Bank of Fiji (NBF) in the SVT Government days in 1995 which our country is still reeling from, Madam Speaker. We are still paying for the largest financial scandal in Fiji's history. The then Government issued \$209 million in bonds to bail out the NBF. The funds borrowed were used to pay NBF depositors.

Madam Speaker, the overall cost including the interest payment has exceeded \$0.5 billion. The initial bonds have matured but both the SDL Government and later on the FijiFirst Government has had to roll-over this debt. This means that we are still paying for this debt. It is likely that the future generation will continue to pay for this.

This in fact has created inter-generational inequity. The current and future generation has to bear the cost burden or the mismanagement of a State-owned bank under the SVT Government; the Prime Minister then, of course is now the current leader of SODELPA.

The situation was of course exacerbated by the then senior Government Ministers who encouraged bad governance, nepotism and interference in the affairs of NBF. People were actually given hand written notes to the bank manager to give loans. Everyone knows about this.

(Inaudible interjection)

Madam Speaker, the interest cost on the debt that was rolled-over during the Bainimarama Government since 2007 is approximately \$200 million. This means that the debt servicing cost of NBF has increased because of the financial decay created by the then SVT Government and the FijiFirst Government. Till to date, we have over \$6 million in our books in the form of contingent liabilities for NBF related cases.

Madam Speaker, imagine the missed opportunities that \$0.5 billion could have funded. We could have built more roads, schools, hospitals, improved services and the list of course goes on. The FijiFirst Government, Madam Speaker, will ensure that history does not repeat in fact, under the stewardship of the current Government, we have our first locally owned commercial bank, the HFC Bank.

The 2018 FSSR mission has made some specific recommendations to enhance Fiji's capacity to manage a financial crisis through the following methodology:-

- i) Strengthen the domestic coordination arrangements in the financial sector stability issues by establishing the Financial Systems Stability Committee or FSSC between the Ministry of Economy and the Reserve Bank of Fiji. Will be discussing this further with the RBF and we hope to make some announcement on this issue in the next budget.
- ii) Fiji should pursue initiative for deposit insurance framework. There is a major gap in the Financial Safety Net; increase the significant risks of depositor runs and inter-bank contagion. It also increases the pressure on the Government to bail out banks as we have seen throughout Europe and the USA for the Government actually stepped in and bailed out banks. Accordingly, the 2018 FSSR mission suggests that the RBF in close liaison

with the Ministry of Economy should undertake an assessment of the cost and benefits of deposit insurance including possible design options.

- iii) Cross border coordination for bank recovery and resolution is essential for Fiji given the dominance of foreign owned banks. Necessary arrangements are to be formalised with relevant home supervisors of foreign banks operating in Fiji in this regard. Madam Speaker, as we know that out of all the six banks, we now only have one Fijian commercially owned bank which has come to fruition in the last few years and of course the others come from predominantly, Australia, Papua New Guinea and of course when we got ANZ also which is headquartered in Australia including Westpac, we have Bank of Baroda which of course headquartered in India.

Madam Speaker, the 2018 FSSR mission has also looked at the Government's framework for statutory non-bank financial institutions namely the Fiji Development Bank, the Housing Authority and the Fiji National Provident Fund.

Key recommendations in these institutions note that Government to strengthen its boards through expansion of boards and phasing out the heavy use of advisors on Board Committees, staggering board terms to improve Government's continuity and regular evaluation of board performance by third parties.

The institution must focus its strategies on core competencies and missions, as boards are strengthened they should review with Government the focus and the strategies on delivering superior core services to members and customers. As you have seen in the past, a lot of statutory bodies started going into different areas without having the right level of competency and indeed the right level of management skill sets.

Madam Speaker, the key area highlighted by the 2018 FSSR is to reform the Credit Union Sector. Government is at the moment seriously looking into this area.

Madam Speaker, in addition to ensuring the financial sector remains strong, resilient and is able to withstand any shocks, it is vital to further develop our capital markets. In this regard, Government is undertaking a number of initiatives, this of course include the reopening of the Government bonds that we have talked about. With the assistance of the Commonwealth Secretariat, the Fijian Government has commenced the reopening of Government bonds. This is mainly due to the fragmentation of Government Domestic Securities through distribution of outstanding amount evenly into a larger number of small sized bonds. Each mature at different points of time.

Fragmentation affects market liquidity adversely which is as unfavourable for the issuer as it is for the other market participants. In the re-opening, we issue additional amounts of previously issued bond. Re-opened bonds have the same maturity date and interest rate as the original bonds, but at different issue date and usually at different price. Re-opening assistance in the secondary market development as more volume is built which creates liquidity.

Madam Speaker, as you have seen in most Government bonds in Fiji, there is no secondary market trading. People simply buy the bond, keep it in the drawer and use it at maturity date. We need to create that level of secondary market trading which the Commonwealth is actually helping us with, and also to be able to lump the bonds together.

Madam Speaker, the de-materialisation is the move from physical certificates to electronic bookkeeping. Government securities are currently held in the script form. Absence of de-materialisation makes it cumbersome to trade in Government securities. Once the electronic

securitisation, Madam Speaker, it makes it now easier to trade. Government is undertaking the necessary groundwork in relation to transiting to de-materialisation. This initiative will also encourage secondary market trade or Government securities as highlighted, Madam Speaker. And indeed, we can also see that we will have other Pacific Islands countries that will be interested in also trading in the secondary market in Fiji. We can open up then, our bonds will be in a much better and attractive position and of course in this context, Madam Speaker, we have the green bonds that we have already highlighted and I am issuing a statement on that as to how it is going to be listed in the London Stock Exchange.

The idea is whilst the amount compared to other countries is relatively small, the fact of the matter is in putting a foot forward into the London Stock Exchange and with the right rules and regulations in place, it makes Fiji attractive for bond trading in the secondary markets.

In conclusion, Madam Speaker, we wish to reiterate the importance of having a stable financial system for Fiji as a developing and growing economy. When we have financial stability through robust, financial infrastructure and sound financial institutions in the market, it fosters the process for work accumulation by individuals, businesses and the Government.

As highlighted again, Madam Speaker, we are looking at giving shares to ordinary Fijians through FEA so they can participate in the capital markets. They get to appreciate the capital markets. These buying and trading of stock and shares. In this way we actually create a new revenue mechanism, new revenue processes for ordinary Fijians but also grow with the capital markets and indeed, we must take advantage of the fact that we are situated in the hub of the Pacific and further our position as a financial hub in the Pacific.

As highlighted, it is important because wealth accumulation enables our country to flourish and assures our ability to manage unanticipated, unavoidable adverse events.

So the trick is, Madam Speaker, we need to be able to identify the risks now. The trick is to be able to invite people who can tell us through their experience, through their expertise and say, "look, this is what can happen. Out of the six banks, five of them are foreign banks." Now, what can happen if they, for example, something happens to the parent company. What are the steps that we should take? So, it is important for us to be able to be very open about it. We need to be able to discuss it in a very impartial manner as to what are the risks, what are the steps we take, what are the contingencies we need to have in place to ensure that we have that, not only that level of security for us, but it also in fact, Madam Speaker, makes us more attractive to investors because they know that your financial system is not only stable in the good times but it also be stable in times when it is not necessarily good because of the events that may be affected because of globalisation.

So, Madam Speaker, with that in mind, I present this short report on the Financial Sector Stability Review for Fiji. Thank you, Madam Speaker.

HON. SPEAKER.- I now call on the Honourable Leader of the Opposition or her designate to speak in response.

HON. DR. M.T. SAMISONI.- Madam Speaker, I rise to respond to the Honourable Minister for Economy, Public Enterprise, Civil Service and Communications. Thank you for your response. I know I only have five minutes to summarise all that, so I will respond in just contextualising his responsibility so that you can understand and voters can also understand.



We now live in the information economy which means that we now have to update, upgrade and reform. I have seen the FijiFirst Party doing that, moving into the 21<sup>st</sup> Century and the new economy through information.

In the information, economy we had not only finance to look after us, it is not just one focus. It has to be social, cultural, moral, spiritual, technical and political also. It has to be information.

From an information point of view, Madam Speaker, we need to have knowledge, skills, attitude and through process. I am glad what is happening now in the last few days since I have been here, there is a lot of process coming in. For the FijiFirst Party to also listen to what we have to say about it. As I said the other day, we also have voters out there so please just respect us when we stand up and talk.

Madam Speaker, on that I must congratulate the Honourable Minister on his talk on the framework which is very good. But I think, and he has brought the assessments, IMF and all the experts; that is good. We are working towards regularising and bringing regulation. I think the Honourable Minister for Waterways brought in a very good point the other day on waterways and drainage, but that is a pilot process in the system whereby we also have to account. I also brought up a point on accounting and budgeting. With all these changes, we need to actually come in with a paper so that we can also have our input into what is being spent. There is so much change, it worries me very much. I know we also have to have in that system checks and balances, I accept that, we all accept that, but some of the concerns that has come up, now recently, the small business, people giving out \$1,000 to people. We know a lot of people who are complaining about that. It is not enough.

Madam Speaker, this is just feedback, this is *talanoa*. Your Honourable Prime Minister is promoting *talanoa* so respect that .

Madam Speaker, for me it is that process, that is what this Parliamentary stage is all about and I am here and I am being paid by the taxpayers to speak, so please respect that.

Madam Speaker, the other one was the TELS that was brought up today . I have just employed in the last four months four people from TELS, they could not afford it. I am just giving you feedback so please respect that. I have five minutes, I do not have much time.

Also, the Auditors Report, Madam Speaker, this side of the House is not very happy about the Auditor's Report since 2008.

Madam Speaker, productivity, I am also looking at that. I am not happy with that.

(Chorus of interjections)

HON. DR. M.T. SAMISONI.- And the ATS, Madam Speaker. I am speaking to, Madam Speaker, so please respect that. I was on the ATS Board and we worked very well between the employer and the workers and we prevented a lot of the problems. Why were they locked out for so many weeks? I believe because you are not listening to the other side.

Madam Speaker, for efficiency and productivity of all the capital.

HON. J. USAMATE.- Point of Order! The topic is the Financial Sectors Stability. We are not talking about ATS.

(Chorus of interjections)

HON. DR. M.T. SAMISONI.- It is about stability.

HON. SPEAKER.- Thank you. I was actually giving you your freedom of speech. Point of Order taken though.

I now give the floor to the Honourable Leader of NFP or his designate.

HON. PROF. B.C. PRASAD.- Thank you, Madam Speaker. I thank the Honourable Acting Prime Minister for his statement. In fact the statement allows us to respond to some of the issues that I probably would not have had the opportunity to do so. I absolutely agree that the Financial Sector Stability and efficiency is very important for any economy.

I just wanted to say, Madam Speaker, at the outset as I said before, there are some things that happened despite who is in Government, the other side should show some modesty in claiming all the credit for things that might happen as a result of digitisation of the economy, the important roles that foreign banks play here in terms of creating new products and assuring that there is financial inclusion.

The idea of financial inclusion for ordinary people has been an old idea. It has caught up, it is more important now, more people are aware of it. So, these are some of the things that would happen anyway. I think the Honourable Minister was right in talking about good corporate governance which is very important.

Here, I want to highlight the Government's own contradiction because if you remember and right now there are many board appointments and board chairs.

Madam Speaker if I can say quite clearly that a lot of them have huge conflict of interest. In fact, Madam Speaker, I have been given some evidence which I hope to pass it to the Honourable Minister for Economy at some point in time later where a board chairman of a very important statutory organisation borders on abuse of office and direct conflict of interest. And I would urge the Government to relook at their commitment in ensuring that we have got good corporate governance.

The other issue, Madam Speaker, which directly impinges on the stability of the financial sector is how Government Statutory Organisations, Government Ministries work. A lot of these things, Madam Speaker, determine financial stability at the end of the day, and that is dependent on how businesses function because I can tell you, there is a lot of anxiety amongst the business community present in this country due to a lot of factors. For example, the huge increase in the transaction cost of doing business and if I can refer this to the recent World Bank Report on the Ease of Doing Business. In fact, we have gone down further, Madam Speaker, to 101, out of a total of 190 countries.

In fact, on the Ease of Starting a Business, we are 160 ranking which is not very good, Madam Speaker. I think, these things are very, very important. I think I agree with the Honourable Attorney-General when he referred to the NBF saga, the way in which the Reserve Bank of Fiji (RBF) actually engaged its supervisory powers, but let me also put out this caution right now.

I see that the Reserve Bank Act provides the independence of the RBF and I see the Governor of the Reserve Bank sitting in other Boards. I am not sure whether that is going to create a conflict of interest and the inability of the RBF to remain truly independent and ensure that its supervisory role which is very, very important is undertaken in a more efficient way, and the perception is very important, Madam Speaker.

I think when we talk about the independence of institutions, the lack of conflict of interest of Board Chairpersons and those who sit in Boards and how they deal with the issue of conflict of interest.

Even, Madam Speaker, if they do not do anything which is in conflict to their Board processes and policies, the perception of Board members sitting in different statutory organisations can create that kind of anxiety and cause people to question the independence, efficiency and the effectiveness of those organisations.

Madam Speaker, these are very, very important things and I think the Government ought to take heed of these concerns and they are real risks, Madam Speaker. The Honourable Attorney-General talked about the risk, I think there are real risks if we neglect these perceptions and possible conflict of interest in corporate organisations. Thank you, Madam Speaker.

HON. SPEAKER.- Honourable Members, we do not have time to move on to the next Item in the Agenda, given the time that should be given. I, therefore, at this point would like to adjourn the proceedings for lunch.

Please note that lunch is provided for Honourable Members in the Big Committee Room. Parliament will resume proceedings at 2.30 p.m.

The Parliament adjourned at 12.24 p.m.

The Parliament resumed at 2.30 p.m.

HON. SPEAKER.- Honourable Members, I now call on the Honourable Minister for Employment, Productivity and Industrial Relations to deliver his Statement.

Update on the Australian and New Zealand Seasonal Workers Schemes

HON. J. USAMATE.- Madam Speaker, I rise to provide an update on my recent Ministerial visit to Australia for the Seasonal Workers Programme and to New Zealand for the Recognised Seasonal Employer Scheme, that took place from 4th February to 8th February this year.

Madam Speaker, Fiji has been participating in both, the Australian and New Zealand Seasonal Work Schemes from 2015 after we signed agreements with our New Zealand and Australian counterparts, the relevant Government agencies in Australia and New Zealand.

Since joining these Schemes, we have sent a total of 1,060 workers to Australia and New Zealand from 2015 to February 2018. Madam Speaker, 600 workers were deployed to New Zealand and 460 workers were deployed to Australia, 116 have been female workers while 944 have been male workers.

Our revised recruitment and selection criteria focusses on recruitment of isolated rural communities for seasonal work. The criteria was revised to address the issues of workers running away from their workplaces when they reached the time to return home. Some of the other reasons that have prompted this change of focusing on the population in general and, sort of, limiting it more to those in rural maritime areas is because we want to help arrest urban drift. And if people are living in rural and maritime areas, participating in the Seasonal Work Programme allows them to access income, that they can take back and develop their own lives and start small businesses, et cetera, in the rural areas in which they live in. We also know that many in rural areas do not have much access to work opportunities and this is a great advantage for them.

Secondly, by recruiting in the rural areas, we are recruiting people who are more familiar with the type of hard physical work that is required in the farms in Australia and New Zealand, and it has allowed us to hone-in and improve the screening of the recruits into the Seasonal Work Programme by members of their own community who know them best.

We currently have around 33 employers employing Fijians under both, the Australian and New Zealand Scheme. From this number, 12 employers are from Australia and 20 are from New Zealand. Our recruitment in this Scheme in both countries is growing, and we will continue to work on increasing the number of workers recruited from Fiji. In fact, last week, we sent the largest single number of workers to be recruited at one time - 82 workers left for New Zealand last week. We will pursue collaborative work with our counterparts to ensure increased awareness for our workers and increasing work opportunities for them to be able to return to Fiji and build up their families, communities and the nation.

Some of the objectives of my visit to Australia and New Zealand, Madam Speaker, first for the seasonal workers, my purpose was to see how our seasonal workers are doing in terms of their work and welfare, and to hear from them the issues that they want addressed. I also took the opportunity to remind them about their roles and responsibilities, to focus on their work, their goals and the milestone that they want to achieve whilst they are in Australia and New Zealand and also when they return back with the money that they do bring back with them.

With my Australian counterparts, as well as with my New Zealand counterparts, we focussed on the mutual benefit for Fiji, Australia and New Zealand that we have from this particular scheme, and we also discussed how we can optimise the benefits for seasonal workers by reducing the different costs that they have to pay while they are in Australia and New Zealand. Some of these costs include:

- accommodation costs;
- the cost of remitting money back to Fiji;
- looking at ways of optimising their earnings; and also encouraging ways in which they can get benefits beyond just financial earnings - new mindsets, training, new skills, new competencies, et cetera.

Those are some of the additional benefits they get by working in Australia and New Zealand.

We have had good discussions on terms and conditions of work, new market access for our workers, also some discussions on the work holiday visa opportunities and we have also proposed the idea of having a liaison officer in Australia to work with our seasonal workers there.

With employers, our focus was on learning about their perception of the Fijian worker, understanding their needs and also seeking to increase the recruitment of our workers from Fiji in working in these countries.

Madam Speaker, under the Australian Programme, a Fijian worker works for a minimum of three months and a maximum of six months, and returns home before the end of the six month programme. The minimum hours a week per work that an employer provides is 30 hours and the minimum wage is AUS\$22.82 per hour. It is possible in Australia that people could be paid less than this amount if they are being paid on a piece rate basis. People, however, could be paid at more than double their minimum wage rate if they are very productive as we found at the Aches *kumala* farm in North Queensland where people are getting doubled the hourly rate.

Most of these work is paid on industrial piece rate systems, depending on the product of fruits, such as strawberries and blueberries, sweet potatoes, grapes, apples, kiwi fruit and oranges. In a piece rate situation, the more you achieve the more you get.

One major challenge that has been faced by our workers is the influence from our Fijian diaspora, who have become Australian citizens. Advice given by our diaspora to seasonal workers has been incorrect, resulting in our workers being misled to break their employment contracts and get into unnecessary trouble which then affects the reputation of Fiji and Fiji's workers that go across for the Seasonal Work Programme. To address that challenge I am looking at the appointment of liaison officers to work in Australia, focus on the areas where our workers are concentrated. Most of our workers are in Queensland, South Australia and also in Victoria. These liaison officers will be undertaking pastoral work and also marketing the Fijian worker to other potential employers.

Australia senior Government Officials had also informed us of their assistance available for internal travel in Australia for liaison officers that they would be assisted by the Australian Government, so that is something that we will be pursuing.

Madam Speaker, during my Australian visit I also met with the Honourable Concetta Fierravanti-Wells, the Minister for International Development and the Pacific. We were informed that the reform in the Seasonal Workers Programme is being piloted in the Northern territory with Tuvalu, Kiribati and Nauru workers, who are on the three year work visa in the hospitality and caregiving industries. I understand, however, that that programme is associated with the Pacer Plus that Fiji is still in the thrills of negotiating.

We are also informed that discussions about the Memorandum of Understanding (MOU) on the work holiday visa with Fiji is at the final stages with the relevant Ministry here in Fiji. This work opportunity will target young people between the ages of 18 years to 30 years, to work in Australia for one year. We advise about the reforms undertaken within the Australian Ministry of Internal Affairs in collaboration with the Department of Jobs and the Ministry of Foreign Affairs and Trade to fast-track and facilitate the quick processing of the approval to recruit for employers, as well as the visa application process, such as the introduction of online visa applications. This is to fast-track all these processes.

Currently, the Labour Mobility Assistance Programme under the Ministry of Foreign Affairs and Trade is undertaking a study on the impact of the Seasonal Work Programme which will be shared widely upon its completion.

In Australia, Madam Speaker, I also met four current employers who are recruiting Fijians and one potential employer, who intends to recruit workers for the first time from Fiji from next month. The feedback from employers has been very encouraging. They have established good work relationship and the productivity of our workers have improved a lot. The employers have shown that they want to increase their recruitment numbers from next season, and that is a welcome news for those who are awaiting an opportunity to participate in this programme.

I have also had meetings with the National Farmers Federation, the peak body for the Australian farmers, the Chief Executive Officer of the National Farmers Federation has expressed support for the Seasonal Work Programme. The uptake has not been as fast as anticipated, however, they are supportive of assisting in marketing our Fijian workers.

Madam Speaker, I also met Growcom and the Queensland Farmers Federation, they had also expressed their willingness to support us and help in the marketing of our workers, and looking for opportunities for technical assistance and work conditions and contracts.

Madam Speaker, in the city of Bundaberg in North Queensland, I paid a courtesy visit to the Mayor and his Councillors. The Mayor expressed his sincere gratitude and acknowledged the hard work of the early Pacific workers in their town. I think these are the descendants from the blackbirded Pacific Islanders who initially worked in the cane fields there. He also welcomed the contribution of Fijian workers under the Seasonal Work Programme in their city.

Madam Speaker, we visited our workers in two States; the Australian Capital Territory and Queensland. Most of our workers are based in Queensland. Our workers are doing different types of work on these farms and some of those that we saw was zucchini, banana, apples and *kumala* or sweet potatoes. The workers in the banana, apple and the *kumala* farms are working very well and have a good relationship with the employer that they have.

The issue of the Fijian diaspora wrongly advising our workers was a challenge. We talked to one person, who was giving such misguided advice and we explained to him the conditions of the contract under the Seasonal Worker Programme, and also informed him about the consequences that the workers will face if and when they breach their visa and work conditions. We need to ensure that the reputation of our Fijian workers is maintained, as this will open opportunities for more of our people.

Madam Speaker, we started joining the Australian Seasonal Work Programme in 2015 with 137 workers and the following year, the number dropped to 85 because a number of them ran away from their workplace but it has increased again to 208 in 2017, and we hope to continue to grow that

number. By February, 2018, we had already sent another 26 workers to Australia and at the end of February 2018, we had sent 460 Fijian workers under the Australian Seasonal Work Programme.

Madam Speaker, 85 percent of these seasonal workers, as I had mentioned are males and 15 percent are females. We aim to make sure that the Fijian workers who go for the Seasonal Work Programme, do a good job so we prepare the workers for the workforce so we conduct the training, medical assessments and fitness tests. Selection of workers in Australia is the choice of the employer.

The feedback from the majority of the workers, particularly the returning workers has been very encouraging as the savings they have accumulated from their six months of work has assisted them to complete their new homes, buy fishing boats, expand their farms and even start small business. Some exceptional workers are bringing home more than FJ\$15,000, as a result of their work stints in Australia.

One of the areas that we are exploring is whether the superannuation plans made in Australia by our workers can be transferred to their own FNPF accounts here in Fiji and there is further discussions being undertaken on that.

Madam Speaker, we had also visited New Zealand where we visited our workers based in Hastings, Napier and Marlborough, around the Blenheim area and Central Otago, and also North of Auckland up in Kerikeri.

Our workers are doing different types of work on the farms. The main products that we saw were apples, berries, kiwifruits and grapes. We found the workers to be happy, however, similar to our experience in Australia, the issue of the Fijian diaspora in New Zealand, giving wrong advice to our workers remains a challenge.

We met one employer who employs people just from Wayalilai in Yasawa. He referred to them as the best RSE workers in New Zealand, so that was something really good to see that the reputation of that particular group of workers has been able to grow.

The feedback from majority of the workers, particularly the returning workers has been encouraging. The savings from their work have helped in building their communities and families, by completing their new homes, buying fishing boats, expanding their farms, starting small business and some of them have even been able to enhance their qualifications while they are in New Zealand, where they do Certificate III in Horticulture and other programmes like that, that is included within the confines of the RSE Programme.

Madam Speaker, under the New Zealand scheme, a Fijian worker can work in New Zealand for a minimum of three months and a maximum of seven months, and must return home before the end of the seven months. The minimum hours of work per week that the employer must provide to the worker is 30 hours at a minimum wage of NZ\$15.25 per hour. Similar to Australia, majority of the workers are paid on an industrial piece rates, depending on the product or the fruit that is harvested.

Some concerns raised by our workers that have been discussed with employers and the Government in New Zealand have included, the:

- cost of remittances which we are in discussion with Government and also with banks and other agencies that facilitate remittances to see how this can be reduced;
- cost of accommodation; and
- minimum hours of work that should be guaranteed for the workers.

Those are some of the major issues that had been raised by our workers and which we continue to discuss with our counterparts in New Zealand.

As in Australia as I had mentioned before, the challenge faced by our workers in New Zealand is the influence from our Fijian diaspora who have become New Zealand citizens. When they meet and mix with our workers, some of them come with good intentions to assist by providing advice to our workers. However, in many situations the advice given is incorrect and misleads our workers to break their employment contracts and negatively affects our reputation. We had one example last year when one of our former citizens advised a group of Fijian workers that they should leave their workplace, travel to Auckland and pay for a lawyer to extend their stay in New Zealand. These workers did just that, they travelled to Auckland and each paid NZ\$800 to a lawyer to extend their work visa but this was not successful as our workers hold limited visas. These workers returned to Fiji one day after their visa expired, and in line with our internal policy a four-year ban was placed on their village so they cannot participate in the programme again because there is a huge number of people who are waiting to go.

Madam Speaker, the appointment of a liaison officer is important at this point, given that we are beginning to increase our numbers in New Zealand, as well as in Australia. The liaison officer will be the first point of contact for the workers and employers, as well as our officials here at the National Employment Centre (NEC).

We examining the placement of the liaison officer and this will help to resolve the issues when they arise. Some of these issues are very minor, so if we have someone on the ground, we should be able to quickly address it.

Madam Speaker, in New Zealand, I also met with the Honourable Iain Lees-Galloway, the new Minister for Workplace, Relations and Safety, Immigration and Accident Compensation Corporation. The Honourable Galloway express his strong support for the seasonal workers, as well as for better work conditions for these workers.

I also met with eight current employers recruiting Fijians. The feedback from them has been encouraging. They have established good work relationships and the productivity of our workers has improved. The employers have also shown their willingness to increase our numbers from next season and that is welcome news for us.

We have held four separate community meetings in New Zealand and also explained to the Fijian diaspora in New Zealand the Seasonal Work Scheme and the conditions under which the workers come to New Zealand.

Madam Speaker, the work opportunities continue to grow under both, the Australian and New Zealand Work Schemes. In Australia, there is no cap on the number that we can send. In New Zealand, however, there is cap of 11,500, that all countries in the Pacific compete for. So that cap in New Zealand will grow slowly but in Australia, there is no limit, there is also a greater scope in which our people can work. In new Zealand it is limited to horticulture and viticulture, however, in Australia the range of types of jobs in which people can go and work on is much broader. We have a number of people who are waiting in the hospitality industry in Australia at the moment.

There are win-win opportunities for the horticulture, viticulture and agricultural sectors in Australia and New Zealand because in these sectors in these countries, they do not have access to a ready labour supply, so other people in these countries do not want to work on farms. So having this Seasonal Worker Programme where people from the Pacific come and work in those countries means that they have a ready labour supply, then the farms are willing to invest more into their farms/



As you go around in Australia and New Zealand, you can see the massive investments and new land that has is being bought under cultivation, the new packing houses, et cetera. And they can only make that kind of investment when they have the assurance of an assured labour supply. So it is certainly a win-win situation for Australia and New Zealand, and a win situation for the people that we have in the Pacific. The Australian and New Zealand industries win by having that assured labour force and our people win by having the opportunity to earn money to improve their lives.

Our systems for selecting and screening people to enter our work-ready pools is proving to be a success and this has been the feedback that has been given to us back in Australia and New Zealand.

Madam Speaker, currently most workers going for seasonal work (I just had a look at the statistics this morning), we are having the highest number coming from:

1. Cakaudrove;
2. Macuata;
3. Ba;
4. Tailevu and Ra (equal numbers);
5. Lomaiviti; and
6. Nadroga/Navosa.

Lau, unfortunately, is towards the end but we will try to get as many as people as possible to make use of these opportunities.

HON. J.N. KUMAR.- Nadroga?

HON. J. USAMATE.- Nadroga, No. 6.

Madam Speaker, labour mobility opportunities will continue to rise as demographic structures change. A lot of the countries that we are targeting have a very old structure in terms of their population and there will be more opportunities created in areas, like caregiving, et cetera. In the NEC, we will see how we can maximise those opportunities so that more of our people can be developed and trained to take up those opportunities. Thank you very, Madam Speaker.

HON. SPEAKER.- Thank you. I now call on the Honourable Leader of the Opposition or her designate to speak in response.

HON. M.R. LEAWARE.- Thank you, Madam Speaker. Allow me to thank the Honourable Minister for the Statement he has made.

Madam Speaker, it is good to see that our relationship with Australia and New Zealand are being rebuilt and we express every hope and lend our unwavering support in this pursuit, given our long history of partnership and exchange that we have as trading partners. We are the key States in the Pacific, Madam Speaker, and the presence of the Fijian diaspora in these two countries are a well acknowledged fact. The potential of capacity building and empowerment they offer to our people is giving the Fijian economy the much needed revenue.

From subsistence to national economy in the yester years, Fiji has joined the global race of exchange of labour for some time which is important and most welcome. It will not only provide employment to our people, but to share the varied forms of capital that are transferred by human resources across the globe.

This is the mission and vision of taking humanity to the apex of innovation and prosperity. This leads to me to the question of how many of these seasonal workers, Madam Speaker, are hired by the Government or bigger farms in Fiji to share the knowledge and expertise that they have attained overseas in order to help the Fiji economy grow? Many of these people lay idle at home and they could be employed by us to develop our economy.

Madam Speaker, it has become a norm to register people with the Fiji National Provident Fund (FNPF). My question on this subject, Madam Speaker, and in relation to the issue of seasonal workers is whether our seasonal workers fall within the ambit of the FNPF? If not, then why and when will they be included in the Scheme?

Madam Speaker, most of the seasonal workers from Fiji in Australia and New Zealand are engaged in the primary industries which is a good thing. However, it is also important, given the large presence of the Fijian diaspora in these two countries to explore means and ways to get our seasonal workers engaged in other types of employment in these two countries. There are many good examples of this from Vanuatu and Solomon Islands where civil servants and professionals have resigned to take up seasonal employment in Australia and New Zealand which earns them more than they were earning at their respective homes.

Madam Speaker, the effects of seasonal labour in Australia and New Zealand can be felt upon men and women who are married and who leave behind their spouses in Fiji. It is only natural that they get connected to our people overseas or the spouse gets connected to someone in Fiji while the breadwinner is away. Cases in this respect have come up and such cases have always come up and will come up. The point is, how well the Ministry of Labour coordinates these matters with the Ministry of Social Welfare and other stakeholders to resolve domestic disputes to keep families of these seasonal workers intact and united.

Madam Speaker, it is an irony that we send our workers to work overseas and yet, we get workers from places like Bangladesh to work here in Fiji. The arrival of the Bangladeshis in Fiji is, in fact, more than cutting canes. I say it because of a number of reasons:

1. Cane cutting is seasonal;
2. cane cutters get \$20 a day and the most any harvest season would last is 100 days to 150 days per year which means these workers will earn about \$2,000 to \$3,000 per each harvest season; and
3. the gross amount they earn, even if we say \$3,000 at the maximum, that will not be enough to pay their fares back to where they come from so what will they do for the rest of the year?

I leave this question, Madam Speaker, to the Honourable Minister; does he visit workers who pay their own way to Australia and New Zealand to find work?

On additional note, Madam Speaker, can the Government ensure that our seasonal workers are insured in order to cater for them if something happens whilst they are carrying out their work abroad.

Thank you, Madam Speaker.

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

HON. P. SINGH.- Madam Speaker, I thank the Honourable Minister for his Ministerial Statement. I note his primer this morning during question time and we need a little more detail in this House, Madam Speaker, while we send our people on seasonal work.

The Government is ultimately responsible for the working conditions of our people. While on seasonal work employment the Government guarantees these contracts as the middle-man bringing together the offshore employers with our people.

Madam Speaker, we still have strong reservations on a statement by the Honourable Minister where whole villages and settlements are being imposed with penalties of four year ban from the Seasonal Workers Scheme from some 25 villages because this is discriminatory, inhumane and goes against the principles of international labour practices. Further, Madam Speaker, the current selection criteria of passing physical fitness test, passing RULA (Rapid Upper Limb Assessment) and acceptable BMI (Body Mass Index less than 29) automatically rules out the vast majority of our other ethnic groups. The numbers who have gone on this initiative validate this gross discrimination based on stereotyping, Madam Speaker. Granted that this particular line of work is labour intensive, there should be a similar initiative that allows for less rigid demands that are not neo-colonial in approach.

Madam Speaker, employment creation in the country is critical and abdicating our national employment obligations to New Zealand, Australia and the Pacific Island countries under seasonal workers schemes, a similar initiative for teachers is commendable, but it is a short-term Band-Aid solution to the national unemployment and low wage issue.

Madam Speaker, on the issue of appointing a Liaison Officer, I think this is long overdue and we support that initiative provided we get the returns from the people that we are supposed to look after and who are in this case the seasonal workers. The seasonal workers, Madam Speaker, they leave their families behind and go on a tour of duty to earn money, and there should be some social programs for them when they come back so that they can engage with their own resources and land and continue with their farming, Madam Speaker. Thank you.

HON. SPEAKER.- I now call on the Acting Prime Minister and Attorney-General, Minister for Economy, Public Enterprise, Civil Service and Communication to deliver his statements.

### Fiji's Green Bond

HON. A. SAYED-KHAIYUM.- Madam Speaker, I wish to inform Parliament about Fiji's Green Bond an innovative financial mechanism for raising funds, specifically targeted to address the combined challenge of climate adaption and mitigation in Fiji. Madam Speaker, the adverse impacts of climate change limits the socio-economic developments of our nation and indeed all other nations continues to be an obstacle for Fiji's development aspirations as articulated in the 5 year and 20 year National Development Plan.

Madam Speaker, we know too well from our experience with recent disasters such as *TC Winston* that the financial burden of fortifying our nation against climate change is disproportionately put on the public sector. For example, to date the Fijian Government has spent the sum of FJ\$127.1 million to assist 37,000 Fijian families to rebuild and complete their homes. This is only the assistance under the Help for Home Initiative, Madam Speaker, the damages to sustaining *TC Winston* was almost the third of the value of the Fijian GDP. Imagine the impact to Government finance and how this limits spending on other competing national priorities which is education, health and social security.

Madam Speaker, while we are grateful for the flows of climate finance the Global Environment Facility the Green Climate Fund and other sources, these are not enough to bridge the gap between

existing climate finance flows into the country and what is actually needed to make Fiji climate resilient.

Madam Speaker, we informed the House last Monday of what our climate finance needs are at least to climate proof our public buildings and infrastructure over the next years through the recently launched Climate Vulnerability Assessment for Fiji.

Madam Speaker, interventions in five main areas include:

- 1) Building inclusive and resilient towns and cities;
- 2) Improving infrastructure services;
- 3) Climate smart agriculture and fisheries;
- 4) Conserving ecosystems; and
- 5) Building socio-economic resilience requires financing estimated at FJ\$9.3 billion over 10 years. Plus additional maintenance and operational cost and social expenditures.

But, Madam Speaker, the FijiFirst Government believes in overcoming difficulties through ingenuity and innovation. We are not resting on our laurels, we believe in market mechanisms and the strength of the Fijian financial market underpinned by unprecedented growth rates. It is with this resolve we resorted to issue a Green Bond to bridge the climate finance gap and strongly believe that by issuing a Green Bond will be able to minimise climate induced fiscal shocks and crowd in sufficient climate finance particularly from the private sector.

Madam Speaker, before I present on the specifics of Fiji's Green Bond let me provide an overview of the role of Green Bonds to give a bit of context. Green Bonds are fixed income, liquid financial instruments used to raise funds committed to environment friendly projects. As in Fiji's case, this includes specific investments in climate mitigation and adaption. They are traditionally issued by Private Banks and institutions like the RFC, but more recently we have seen a number of governments issue or have the willingness to issue their own Green Bonds or sovereign Green Bonds.

Madam Speaker, the attractiveness of such Green Bonds is that they provide investors with an attractive investment opportunity which at the same times supports climate smart and socially sound initiatives. Sovereign Green Bond, Madam Speaker, are similar to the Convention of Infrastructure Bonds that Fiji has utilised for many years. However, the difference is in the concept that Green Bonds have a specific purpose of investing the funds raised in bringing about positive climate and environmental benefits. Madam Speaker, the global Green Bond market is experiencing rapid growth with over 1500 issuances in 2017m valued at over US\$150 billion, almost twice the amount issued in 2016.

Madam Speaker, needless to say the world is fast realising the credible benefits of using bond instruments to finance climate initiatives and we of course ourselves must capitalise on this opportunity. Fiji's own Green Bond does precisely that. Madam Speaker, given that the Opposition has failed to perhaps understand and appreciate the innovative and practical actions being taken by the Fijian Government to address climate change in a domestic, reasonable and international front, I would now like to inform Parliament the details of Fiji's Green Bond.

Madam Speaker, Fiji is the first emerging economy in the world, the first country in the Southern Hemisphere and just a third globally after Poland and France to issue a Green Bond whereby the proceeds will go towards climate mitigation, adaption and environmental protection projects. It is no minor fete, Madam Speaker. Madam Speaker, Fiji is proud of its COP 23 Presidency and the vision to source adequate climate adaption finance for vulnerable countries and with this Green Bond is at the forefront of the global community.

Madam Speaker, following the decision to issue a modest FJ\$100 million Green Bond during the announcement of the 2017-2018 National Budget, a Green Bond Steering Committee was formed to spearhead the development of Fiji's Green Bond framework to undertake necessary preparatory work and administer the Green Bonds. Madam Speaker, the Steering Committee is chaired by the Governor of the Reserve Bank of Fiji, Mr. Ariff Ali and includes the Deputy Solicitor General, Ms. Tracey Wong, the Head of Climate Change Mr. Nilesh Prakash, and the Head of Treasury Mr. Pankaj Singh from the Ministry of Economy, and representatives from the International Finance Corporation in the World Bank.

Since its formation, Madam Speaker, the Steering Committee has successfully developed Fiji's Green Bond framework which is the basis of Fiji's Green Bond, will make investments and details of which are contained in the Green Bond Prospectus. For those who may not know, Madam Speaker, the Fiji Green Bond Prospectus is a legal document that informs potential investors about the type of investments, modalities and reporting procedures associated with Fiji's Green Bond. The Green Bond Prospectus, Madam Speaker, the Green Bond framework and other relevant documents can be accessed through the Reserve Bank of Fiji's website.

Madam Speaker, following the successful completion of all preparatory works by the Steering Committee, Fiji launched its first Green Bond 1st November 2017. This was in record time since the decision to issue the Green Bond was only announced in June of that same year.

Madam Speaker, I am pleased to inform that this shows that Fiji's Green Bond attracted overwhelming interest from both local and foreign investors. The participation rate recorded was three times that normally associated with the Fijian Government Infrastructure Bonds. It is also the first time we had foreign investor participation for Fijian Dollar Denominated Bonds. Tenders for the first tranche of the issue were oversubscribed with the record Fijian \$87 million received. Importantly we witnessed a greater diversification of the investor base which is very critical. Notwithstanding the oversubscription, Madam Speaker, in consultation with the Governor of the Reserve Bank of Fiji only F\$40 million was accepted as part of the first tranche.

Following feedback from the commercial banks for the first issue, two different maturities for the Green Bond were issued. First five years with a 4 percent coupon rate, and secondly, 13 years with 6.3 percent coupon rate. For Fiji, the interest from the commercial banks demonstrates significant private sector support for Green initiatives.

Commercial banks in Fiji, Madam Speaker, do not typically participate in Government securities, tenders due to their portfolio and maturity requirements. However for this issue they have put in a combined tender amounting to FJ\$14 million. Given that the tender was oversubscribed, a total of FJ\$13.27 million was allotted to the banks. The commercial banks interest in Fiji's Green Bond shows there is an institutional appetite for such Green Bonds and indicates the private sectors willingness to partner with Government and invest in such financial products.

Madam Speaker, additionally the tender subscription included an overseas investor. The first time for locally issued Government securities and indeed in Fijian denomination. With the banks participating in the issue, Fiji's Green Bond has definitely achieved its promise of coordinating public and private sector activity to combat climate change. Furthermore, Madam Speaker, the second tranche containing the 13 year Green Bond worth FJ\$20 million was issued on 28<sup>th</sup> December, 2017 and was oversubscribed again with a total of FJ\$31.5 million.

Madam Speaker, the oversubscription indicates great confidence in Fiji as a nation. Confidence in its economic and financial stability and credit worthiness and indicates tremendous support for our efforts to address climate change. The Green Bond, Madam Speaker, also gives Fiji access to a much

broader field of private climate finance building on the public climate finance we have received already from the Green Climate Fund (GCF) and the Asian Development Bank (ADB) amongst others. As we move forward this will create many more opportunities for Fiji to attract investor interest in our country. It also further evidences the desire for investors to diversify the investment portfolios towards sustainable development investments especially in vulnerable countries. In this regard, we hope that Fiji's Green Bond can be a template that other vulnerable nations can learn from and indeed replicate.

Madam Speaker, I would like to also note that I have seen World Bank will be launching a Green Bond Guide in London next week that will feature the successful Green Bond issued by Fiji, which will serve as a lesson for other countries. Madam Speaker, we plan to issue the remaining FJ\$40 million of the Green Bond into further FJ \$20 million lots. The next FJ\$20 million will be issued in April and the last FJ\$20 million will be issued in the middle of this year.

Madam Speaker, let me now highlight some key effects about how the Fijian Government has utilised the Green Bond proceeds. Madam Speaker, proceeds from the Green Bond are put into a special fenced account which can only be used for climate mitigation and adaptation projects identified in the 2017/2018 National Budget. Madam Speaker, with the Green Bond framework aiming to promote environmentally sustainable actions now and in the future eligible projects should fall into seven eligible sectors which are as follows:

1. Renewable energy and energy efficiency;
2. Resilience to climate change for highly vulnerable areas and sectors;
3. Clean and resilient transport;
4. Reducing pollution and greenhouse gas emissions;
5. Water efficiency and wastewater management;
6. Sustainable management of natural resources; and
7. Echo efficiency.

Through extensive analysis and data mining, Madam Speaker, the Climate Change and International Corporation Division together with the Treasury Division of the Ministry of Economy and members of the Steering Committee compiled a list of projects from the 2017/2018 National Budget eligible for Green Bond financing.

Madam Speaker, a total of 86 projects with a value of FJ\$434.9 million met the broad categorisations set out in the Green Bond framework. Of these 71 projects the total value of FJ\$417.6 million were climate change resilience or adaptation related. Madam Speaker, rehabilitation and construction of schools damaged by *TC Winston*, rehabilitation upgrade of roads, bridges, jetties including works related to waterways constitutes a major part of the climate change resilience for adaptation budget of FJ\$417.6 million.

The remaining 15 projects, Madam Speaker, were climate change mitigation projects valued at FJ\$17.4 million. Renewable energy development, reducing emissions from deforestation and forest degradation including the construction of landfill are some of the major climate change mitigation projects identified. This reminds us that despite contributing insignificantly to global emissions Fiji is committed to mitigation of its carbon emissions. Indeed as we gave an undertaking to reduce our carbon footprint by 30 percent by 2030.

It is interesting to note, Madam Speaker that the categorisation of eligible projects as adaptation mitigation is secured largely towards adaptation projects as expected. It is a stark reminder of how critical it is for Fiji to adapt to climate change. This is a unique feature of Fiji's Green Bond as compared to other Green Bonds. It is focused on adaptation and climate resilient projects. Indeed,

Madam Speaker, if you look at countries like Poland and France their entire predominantly focus is on mitigation.

Madam Speaker, the Government is unwavering in its principles of accountability and transparency. Fiji's Green Bond framework is guided by the internationally developed Green Bond principles which sets our guidelines for best practise that include:

1. First the use of the proceeds;
2. Process with projects evaluation and selection;
3. Management of proceeds; and
4. Reporting.

Madam Speaker, we have engaged a world class external independent verifier called Sustainalytics to provide a second opinion on our Green Bond Framework and environmental credentials which confirms that the framework is credible, transparent and aligns with the core aspects with the international recognised Green Bond principles. Madam Speaker, it is very critical because if you have an independent third party validation then people who want to invest knows exactly where the money is gone to and this is verified by a third party. The second opinion, Madam Speaker, provides added confidence to investors that Fiji's Green Bond as I highlighted are reliable and directed solely towards eligible green projects, which have been established and independently verified to have clear environmental benefits. These projects, Madam Speaker, promote the transition to low carbon and climate resilient growth.

Madam Speaker, the Fijian Government will also provide an annual progress newsletter, an impact report on projects funded using the Green Bond proceeds. These documents will be made available to investors and posted on the Reserve Bank of Fiji's website for public access. Compared to larger developed countries the scale of Fiji's Green Bond and its projects in terms of capital is much smaller. FJ\$100 million in total which is approximately US\$50 million, but Fiji's Green Bond, Madam Speaker, is an example of the ability of smaller economies issue Green Bond to address climate change which is affecting the world over especially Small Island States including of course in the Pacific, while larger developed economies issue Green Bonds at larger scales such as Poland as mentioned Euro \$750 million, France Euro \$7 billion and Belgium Euro \$4.5 billion. It is possible for emerging and developing economy such as Fiji and as recently announced Nigeria US\$30 million issue Green Bonds on a smaller scale.

Madam Speaker, the truth about Green Bonds is this the Green Bonds is an efficient, affordable, credible and secure way of financing the immediate climate needs of our country. Madam Speaker, if we are to protect our country from climate adversities, reverse decades of developments in a matter of hours then we must invest now. If we are to prevent fellow Fijians from falling into poverty due to climate adversities then we must of course invest now. If we are to ensure that our future generations have access to natural resources and live healthy prosperous lives then we also must invest now, Madam Speaker.

Madam Speaker, put simply Green Bond is a crucial investment to secure Fiji's future against the adversities of climate change. Madam Speaker, let us not only think about ourselves as being the most vulnerable but also let us think about ourselves as pioneers who decide our own fate in the battle against climate change.

We must let the world see Fiji as the boldest innovative leader in adapting to climate change indeed notwithstanding outsiders. As a country that is vulnerable to the impacts of climate change, Madam Speaker, Fiji has set an example to other climate vulnerable nations in finding new creative ways to raise climate finance.

Madam Speaker, Fiji has demonstrated that the Green Capital Markets can be created in emerging economies such as ours and that all countries have an important role to play in facilitating climate solutions. By issuing the first emerging country Green Bond, Fiji is not only leading climate advocacy but it is also setting the precedence for other nations to pursue innovative market instruments to address climate change, and by no means are we stopping here Madam Speaker, we are working on getting our Fijian Green Bond listed on the London Stock Exchange. This will happen as soon as next month. In fact Madam Speaker, the Honourable Prime Minister will actually be opening the London Stock Exchange next month where Fiji's Green Bond will be listed on the London Stock Exchange when he attends London for CHOGM (Commonwealth Heads of Government Meeting).

Madam Speaker, London Stock Exchange is the world's premier listing choice and by listing our Green Bonds in the London Stock Exchange we will inevitably be raising Fiji's international profile amongst investors especially those looking for green investments. The London Stock Exchange will also be working hard to promote Fiji's Green Bond and secure more international investments.

As mentioned last week Madam Speaker, there is a drastic need for increased private sector participation in climate finance and invest in Fiji's Green Bond in one way that the private sector can show its support for climate finance. It is also a mechanism for developed countries to support developing countries in the search for adequate climate and development finance.

Finally, Madam Speaker, our Fiji's Green Bond has been considered for the Green Bond Pioneer Awards 2018, and we will know next week if we have won. This is a further endorsement of our leadership even if we do not win the Award but we hope, fingers crossed, we will actually win.

Madam Speaker, I take this opportunity to thank the local and foreign investors who continue to show overwhelming support to Fiji's Green Bonds, and I urge more investors to invest in future Fiji Green Bond offerings. Additionally, we would like to thank the Green Bond Steering Committee and in particular the Governor of Reserve Bank of Fiji for putting Fiji at the forefront of innovative climate finance and the IFC (International Finance Corporation), the World Bank for the technical assistance. We would also like to thank the Australian Government for funding the technical assistance for this important national undertaking, Madam Speaker.

With those words Madam Speaker, this is my update on the Fiji's Green Bond issue. Thank you.

(Applause)

HON. SPEAKER.- Thank you and I now call on the Honourable Leader of Opposition or her designate to speak in response.

HON. A.M. RADRODRO.- Thank you Madam Speaker. I rise to respond to the Ministerial Statement made by the Honourable Minister for Economy. It would be interesting Madam Speaker, to allow Government to enlighten this House on the sudden replacement of the Lead Climate Change Negotiator from Madam Shameem to Mr Luke Daunivalu, that caught everyone by surprise and there needs to be a proper explanation on it.

Madam Speaker, I note the successful issuance of the first \$40 million obtained as part of the Green Growth Framework of which the Green Bond Fund is established. Government earlier announced that the Green Fund is aimed at ensuring amongst other goals the overall acceleration of inclusive sustainable development directed as strengthening environmental resilience, driving social improvement and reducing poverty, enhancing economic growth whilst also building capacity to withstand and manage the anticipated effects of climate change.



Whilst Government says the response on the raising of the Green Bonds is phenomenal, let me just say that obtaining the funds is not the issue here. It is the use and the adherence to the framework for the disbursement of the funds is rather the Opposition's concern.

At the forefront of our concern is a contradiction of our national policies to the principle intent of the funds which is to address, mitigate and prepare long term development infrastructure to be climate change resilient not to mention mitigate against climate challenges already being faced due to climate change, Madam Speaker. Policies of Government Madam Speaker, needed to be instrumental in a big way not just lip-service or feel good or advertisement meant to hoodwink whilst the reality stings.

Madam Speaker, Government has said through the Reserve Bank of Fiji that the Green Bond Funds will be separately accounted for and the Ministry of Economy will ensure no double funding on projects already budgeted for by Government. In speaking on behalf of the people of this nation, the Opposition implores that all measures to ensure the prioritisation of areas of needs is standard when utilising these funds. Any abuse of funds or laxity in the monitoring cannot be entertained.

The Auditor-General's Report Madam Speaker, has shown blatant disregard for financial policies as it is.

HON. OPPOSITION MEMBERS.- Hear, hear!

HON. A.M. RADRODRO.- Some crucial projects, files given to specific ministries and offices including that of the Prime Minister Office from the Taiwanese Fund for example in the recent past was unable to be accounted for.

Madam Speaker, according to the Green Fund Framework, Government has structured that any excess cash balances in sub-account Fiji may apply its usual liquidity management practices, such as investing in short term money markets for any unspent portions of proceeds. This part of the regulation of this Green Fund raises dollars immediately. With all the flooding and high susceptibility to climate change already being experienced by many around the country, for example people in the highlands that are being prioritised but continuously face river bank erosions like those along the Sigatoka, Ba, Rewa, Wainimala, Waidina and Wainibuka River and also those who in need of urgent dredging we must spend those Green Funds for their rehabilitation and protections, not save it for short term investments.

It is preposterous to see a Government like we have that seems to be promoting the saving of money for re-investments to stop the habit of showing unspent funds as savings. It is being said that the Fijian Government will provide a list of investors for its Green Bond but confidentiality considerations may restrict the detail that can be disclosed whereby the Fijian Government may choose to report instead on the portfolio level where such considerations apply. In prudence and transparency we cannot afford to have any further secrecy, we must be able to discuss and disclose all investments in this august House. Madam Speaker, also on the Green Fund Framework the National Climate Change Policy have been developed in the areas of agriculture, land use, forestry, fisheries and water amongst others.

Lastly, before I take my seat when we are talking about accounting of funds and tenders as per requirements of the Framework of Green Fund, let me just say that tomorrow a contract for a cleaning service at the CWM Hospital earlier awarded and currently carried out by the former workers of the CWM Unestablished staff will end. These workers from the Health Housekeeping Services Corporative Limited following the reforms of CWM Hospital, and it seems questionable Madam Speaker. Ethics have been carried out when a company who tendered at a much higher amount has

been awarded the contract. Around 130 workers as a result of this from this Thursday will no longer have a source of income.

(Honourable Members interject)

HON. A.M. RADRODRO.- They will have written to the Honourable Attorney-General on this matter and are still awaiting urgent intervention. Thank you Madam Speaker.

HON. SPEAKER.- Thank you. I now call on the Leader of National Federation Party and his designate to respond.

HON. PROF. B.C. PRASAD.- Thank you Madam Speaker, I thank the Honourable Minister for his statement. Madam Speaker, I do not dispute for a moment the ideals and the aims and objectives of Green Bonds and what Government intends to do with it, but I also heard the Honourable Minister explained very carefully the checks and balances that they have put in place with the help of outside consultants that will ensure that the specific purpose of the Green Bond is met. However, I do share the concerns raised by my colleague from this side, and I do hope that the Government will take heed of those cautionary interventions and ensure that at the end of the day, the objectives of the Green Bond are met.

Madam Speaker, Green Bonds can be very fashionable, investors all around the world do like to be part of Green Initiatives. They do like to be part of this global agenda and so it does create a lot of interest. I, Madam Speaker, have no doubt that the Committee that the Honourable Minister talked about is capable, has the credentials to ensure that the implementation of the Green Bond and the proceeds from the Green Bond are used effectively.

I see that the COP23 Consultant Baker & McKenzie also advising the Reserve Bank of Fiji on this matter, but fundamentally Madam Speaker, it is important to understand that bonds are also debt, it may be short term, medium term, but it is also adding to our debt. So, it is absolutely vital therefore that we ensure that the objective of it. I would be very unhappy to hear later on Madam Speaker. But there is always a temptation because at the end of the day, it will be you, it will be you. The Government will decide at the end of the day because the bond is issued by you, you get the proceeds, you can decide because the investors may be attracted to the bond because they like to support green initiative.

(Honourable Member interjects)

HON. PROF. B.C. PRASAD.- Alright, even after that you can change it.

(Laughter)

There is not a problem with that.

Madam Speaker, some of the green initiatives that the Honourable Minister talked about, are all becoming mainstreamed activities for any Government, especially for a country like ours and those in the Pacific which need to build climate-resilient infrastructure to promote socio-economic resilience of our communities.

I think the idea is not necessarily a new one. I know it is attractive to investors. Investors would like to engage with these green bonds but at the end of the day, Madam Speaker, it is the Government which is managing the budget. As I said, it is a debt that we are piling on ourselves which ultimately

has to be paid at an interest, cost. So all the questions and the points that we want to raise from the Opposition side is very, very important.

Government must ensure that it does not camouflage this with all these high fly acceptance and praise internationally about our green bonds because at the end of the day, it is debt, it has to be paid by us, it has to be paid by the taxpayers and they need to be ensured, Madam Speaker, that every dollar that we get is going to be used for the purpose that we are telling the people in this country.

Thank you, Madam Speaker.

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

Micro and Small Business Grant (MSBG) and Micro, Small and Medium Enterprises (MSMEs)

HON. F.S. KOYA.- I thank you, Madam Speaker, for allowing me the opportunity to make a Ministerial Statement with respect to Micro and Small Business Grant (MSBG) and Micro, Small and Medium Enterprises (MSMEs).

Madam Speaker, I wish to highlight a number of initiatives of the Fijian Government that support the development of MSMEs to help improve the livelihoods of all Fijians. The MSMEs obviously are a foundation of any developing economy and in Fiji, MSMEs constitute approximately 97 percent of established businesses and provide employment to about 37 percent of the total formal labour force, and contribute 12 percent to the GDP. Majority of these MSMEs are concentrated in the primary, retail and services sector. This is an indication, Madam Speaker, of the significance of the MSME sector towards making Fiji a resilient, robust and vibrant economy.

Madam Speaker, the Fijian Government has invested in a number of initiatives that aim at creating jobs, generating income, stimulating entrepreneurship, eradicating poverty and advancing the livelihoods of all Fijians, including the young and the grassroots. The MSBG is one such initiative, so through capital injection, as I mentioned earlier, of up to \$1,000 to MSMEs and through the development of their entrepreneurial skills, we have been able to improve the lives of not only the recipients but also the people in the community.

In the past four years, Madam Speaker, the MSBG has supported a total of 17,970 recipients with a total investment of \$17.4 million. This support has impacted the lives of approximately 89,850 people. To break it down further, we have assisted a total of 10,760 male and 7,210 female entrepreneurs. In terms of geographical distribution, a total of 10,855 entrepreneurs in the rural and 7,115 urban recipients have been assisted.

Furthermore, the monitoring and evaluation exercise has provided positive results to date. As I had stated earlier, the MSBG has recorded a resounding 80.3 percent success rate of those assessed so far. Madam Speaker, as I said earlier, this surpasses most international benchmarks of around 50 percent for nurturing sustainable businesses in the MSME sector. In fact, Madam Speaker, contrary to popular belief, through rigorous monitoring and evaluation exercise, the Ministry has identified a number of successful recipients who are ready to expand their existing businesses, which will allow them the opportunity to increase their income further.

Madam Speaker, I just wish to point out that we often get unfairly criticised about this MSBG initiative. What the Opposition really fails to understand is that, what we are doing is necessary because there is currently little or no targeted support for those who earn less than \$20,000 per annum and would like to venture into business.

Madam Speaker, the initiative ensures that all Fijians have the right to economic participation and empowerment. Even those who may live as far as Oneata in Lau.

(Honourable Member interjects)

HON. F.S. KOYA.- Madam Speaker, there may be someone there who has invented something regarding mosquitos, I do not know, but even those, people living as far as Oneata will get assisted.

Madam Speaker, I am pleased to say that some of the successful recipients are actually present in the gallery today and I urge the Opposition to meet these enterprising and hardworking Fijians. You are more than welcome to hear their firsthand inspirational stories, as well as their satisfaction level with respect to the level of support that has been provided through these initiatives. I wish now to highlight these particular stories.

Madam Speaker, we have Mr. Jeremaia Naivaruluwa of Wainadoi. He was given a grant of \$1,000 to expand his poultry business. This expansion has further increased the production of eggs and he is now able to supply more eggs to Navua Hospital.

We do work in collaboration. His monthly income from the sale of those eggs is \$3,900 and his monthly profit is \$1,200. Mr. Naivaruluwa plans to expand his poultry business and to diversify into other kinds of farming. Great Fijian!

Madam Speaker, we have Mrs. Moreen Yunus. She is the proud owner of a florist business and which she calls, "My Nursery", based in Olosara, Sigatoka. She has been operating for the last five years. She was assisted with merely \$1,000 grant, today she earns a weekly income of \$4,000 from selling orchids, and she also now exports to Samoa.

Madam Speaker, Mr. Mateo Nabaleimoto from Lobau Village in Namosi. This is an exceptional case. This is a great story. He is a person with a disability, but being a great Fijian he is, that does not deter him from aspiring to become a successful entrepreneur. The assistance that was provided to him, helped him establish a canteen. Today, he earns \$200 per week, Madam Speaker.

(Applause)

Ms. Pravina Sujita of Nausori, Madam Speaker, was given a grant to establish her florist business. I hope the Leader of Opposition will buy flowers from her.

(Laughter)

She, Madam Speaker, again, is a wonderful successful story, she earns \$5,000 a month from sales of flowers.

(Applause)

Once again, she has now decided to diversify and go into retail of clothing.

Mr Rakesh Narayan of Vakabalea in Navua, he was given a grant again to establish a poultry business from the sale of ducks. He earns \$2,000 a month. With the success of his business, he plans to invest into a slaughter machine that will enable him to meet the increasing demand from clients.

(Applause)

Madam Speaker, Mr Meli Kenawai who is a fisherman from Naqarani in Rewa. He resides in Muanikoso Village in Nasinu. From the assistance that he got, he was able to purchase his fishing net. From the savings and the help of his wonderful wife, he has now decided to diversify into livestock farming.

(Applause)

Madam Speaker, this is the kind of wonderful story that the whole of Fiji likes hearing.

Mr. Parneet Prasad is a farmer from Buabua in Lautoka and he won the 2015 Young Farmer of the Year Award from the Western Division. With his grant, he had purchased \$1,000 of additional farming materials. Today, he earns a weekly income of \$400 from the sale of his farm produce.

(Applause)

Madam Speaker, these are just some examples and we cannot meet the entire list of 80 percent as I would be here for three days. As I have stated in the House this week, the field monitoring and assessment is an ongoing exercise and the result of this assessments will determine, among other things, the type of business, support and guidance that the recipients may require.

In terms of funding, in addition to the Fijian Government's commitment, the Indian Government has continued its support for the MSBG. I am pleased to inform the House that the Indian Government has committed \$5.9 million for the second phase of funding for MSBG.

(Applause)

Madam Speaker, this brings their total contribution to the MSBG to \$10.6 million.

Madam Speaker, in addition to the MSBG, the Ministry is also responsible for the delivery of the Integrated Human Resource Development Programme, commonly known as IHRDP. In the first two quarters of this financial year, a total of 25 community based projects in bee farming, virgin coconut oil, ginger, integrated farming and eco-tourism were implemented, which benefited 560 Fijians and created 213 jobs for the rural population.

The Ministry has recently completed monitoring of 12 IHRDP projects in the provinces of Cakaudrove, Naitasiri and Tailevu.

Madam Speaker, I wish to highlight some of the success stories also:

- i) The Gusuisavu Bakery in Naitasiri. They were assisted to purchase baking equipment. The Bakery is now supplying bread to the people in Gusuisavu and nearby villages. Monthly sales average around \$6,000. They again have decided to diversify and gone into the canteen business.
- ii) The Silana Eco-tourism project in Dawasamu, Tailevu is another successful project that continues to generate income for the Silana Youth Group. Through the various trainings in business development, financial literacy, customer service, the youth now have the necessary skills to run this project. In addition, the villagers have also benefitted from selling produce directly to the Eco-tourism lodge.
- iii) In the province of Cakaudrove where *yaqona* and taro farming remain the dominant crop cultivated, bee farming has emerged as a viable business for the villages in the *Tikina* Tunuloa and *Tikina* Kubulau. With the support of the IHRDP, these villages are reaping the rewards with higher income earned from the sale of honey.

Madam Speaker, the Northern Development Programme or NDP is another programmed endorsed by the Fijian Government in 2007. The NDP has been designed again to improve the livelihoods and reduce rural-urban migration.

Since 2008, Madam Speaker, a total of 2,122 recipients have been assisted with total Government investment of \$8.5 million. Through the NDP, these MSMEs have been successfully linked to financial institutions and have accessed more than \$9.9 million in loans for the development of their businesses.

The NDP alone has led to the creation of 6,410 jobs which has improved the livelihoods of 31,050 Fijians.

(Applause)

Madam Speaker, the current success rate of NDP is around 84 percent, according to the last assessment of the particular projects. Another initiative for the grass root communities, Madam Speaker, is the formation and registration of co-operative businesses.

Madam Speaker, the business model enables people to pool together resources and start a business. Currently, there are over 489 co-operatives formally registered and cover key sectors such as agriculture, fisheries, finance, retail and forestry.

The Sugar Industry has also benefitted from the establishment of Cane Harvester co-operatives, that have eased a huge burden off the cane farmers in terms of looking for labour. A total of 19 co-operatives have been assisted with grant funds of \$90,000 each, to purchase cane harvesters. The balance of funds for the harvesters were sourced from the Fiji Development Bank.

Furthermore, in order to ensure increased compliance with the Cooperatives Act, the Ministry has launched in January this year the "Target 100". This is an initiative designed to get at least 100 cooperatives to be fully compliant to the Co-operatives Act, as well as other regulations that are applicable to the co-operatives.

Therefore, keeping in mind, Madam Speaker, the long-term sustainability and the direct positive impact of the initiative related to the grassroots communities, the Ministry will continue to enhance awareness and training as part of its outreach programme.

Madam Speaker, we have set strategies, through which we will be able to provide support, training, technical advice, to name a few, in a collaborative manner. We are working with donor agencies to develop a tertiary-level curriculum in the area of co-operatives.

Another initiative, Madam Speaker, targeted to improve the livelihoods of our grassroots communities is the roadside stall projects. As I have mentioned earlier, this would be piloted and with the construction of 30 roadside stalls in rural areas outside the municipal boundaries, the Ministry intends to improve the presentation and hygiene standards of produce that is sold by roadside vendors. This also provides the Ministry an opportunity to mainstream these informal operators into the formal sector of the economy.

To conclude, Madam Speaker, the MSMEs have transformed the economies of many developing countries and this is also what the Fijian Government intends to achieve. This can be realised if the Fijian Government provides the right framework; which we do, the right guidance; which we do, to create an enabling and conducive environment along with the appropriate legislation. We

will ensure that the MSME sector will continue to thrive and become one of the leading contributors to the Fijian economy.

Madam Speaker, I might just add that is an example of us not paying lip service like you have alleged.

Thank you very much Madam Speaker.

(Applause)

HON. SPEAKER.- I now call on the Honourable Leader of Opposition or her designate to speak in response.

HON. S.V. RADRODRO.- Thank you Honourable Speaker. I now thank the Honourable Minister for his explanation or presentation on the MSMEs. But first and foremost, Madam Speaker, I would like to enlighten the house that this is not a new initiative. This initiative was the Qarase-led Government initiative and it was enacted in 2002 and mandated the next NCSMED , and mandated the next NCSMED to take up the MSMEs programme in Fiji.

(Inaudible interjections)

Madam Speaker, even though the Minister had tried very hard to blow their trumpets by bringing in the recipients out here in the gallery

(Laughter)

.... that is being very selective.

(Inaudible interjections)

HON. S.V. RADRODRO.- ...being very selective. Let me ask the Honourable Minister. Do you have a reliable database that captures all the MSMEs around the country?

(Inaudible interjections)

HON. S.V. RADRODRO.- Madam Speaker, just the other day, I had raised in here, a list of recipients that were not given any feedback in regards to their application for the \$1,000 grant. Even after doing that, they got a phone call to contact this particular officer and to go and see them. When they went there, they were told they have to resubmit their applications. They had to provide all the quotations and all those. That, Madam Speaker, demonstrates that there is no database. If you have a reliable database, there will be no need to make a resubmission of applications.

HON. OPP. MEMBERS.- Shame! Shame!

HON. S.V. RADRODRO.- Madam Speaker, the Honourable Minister had quoted because I do not have a copy of your address, and if I heard you correctly you had said something like 17,917 that had received the \$1,000 grants.

If that is the case, Madam Speaker, what he failed to give to us how many of those have moved from micro to small, how many have moved from small to medium, how many have moved from medium to large and how many from national to international. He has not provided that information, Madam Speaker. So, it is a very one sided presentation.

Furthermore, Madam Speaker, for those recipients that had come to me personally requesting for a check or feedback of their applications, some of them they have received them. They said they were not taken through any training.

Honourable Speaker, one day I met a group here, they were looking for a Member from the other side to come and take them for some kind of training. That goes to show that there is no training provided, they are just given the grant. Most of these grant recipients can only converse well in their vernacular and there is no documentation given to the recipients to be able to guide them on some kind of business skills or where to go for financial literacy. There is nothing like that, Madam Speaker. They were just given the \$1,000. So, what can we say to that? It is near election. I will let the Honourable Minister answer that for himself.

Madam Speaker, the Honourable Minister too has failed to inform this House on how they have partnered with statutory organisation like NCSMED who is mandated under the Act to take on this thing and also with non-government organisations like FCOSS. They have training facilities. They even have savings facilities within their organisation. Their system and processes are up and running. Why has not the Government strengthened their partnership with this kind of organisations who are well equipped to take on this SMEs?

Madam Speaker, therefore there is a lot of room for improvement to be able to serve our people well.

Madam Speaker, in conclusion, may I say, yes, there is a framework in place but I will urge the Honourable Minister to review their policy framework. So, that there is surely growth and there is surely sustainability of these SMEs in our country. Thank you, Madam Speaker.

HON. SPEAKER.- I now give the floor to the Leader of NFP or his designate to speak in response.

HON. P. SINGH.- Thank you, Madam Speaker. I thank the Honourable Minister for his Ministerial Statement and I also want to congratulate the successful recipients of the grant.

Madam Speaker, for the benefit of this House and for the people out there, the grants are not only from the tax payers funds but they have also been met by the donor agencies, particularly Government of India.

HON. MEMBER.- (Inaudible interjection)

HON. P. SINGH.- Madam Speaker, just on the success of what the Honourable Minister quoted, one gentleman with a net profit of \$1200 from his \$1000 grant in the poultry farm.

A poultry farm, Madam Speaker, if he buys, you know what the \$1000 worth of poultry will do to him? He will only be able to buy 100 chicks and it takes six months to nurture before they lay eggs. With these eggs, he will be lucky to make a profit of \$300. So, the success story of the man is not only due to the grant. Listen to this, it is not only due to the grant but his hard work, his own savings and his family's investment. The Government cannot take credit for something given in the \$1000. Many examples of this nature.

But anyway, Madam Speaker, let me concentrate on the Ministerial Statement.

HON. MEMBERS.- (Inaudible interjection)



HON. P. SINGH.- We have called for the release of Evaluation Reports for Micro Medium Business Grants as three years has lapsed from rollout and about \$17.4 million as stated by the Honourable Minister, has been paid out.

Madam Speaker, the Honourable Minister has stated in Savusavu six months ago, that an evaluation will be carried out on the impact of support provided to those businesses. As \$17 million has been expanded to some 17,000 recipients, the claim by the Government that the scheme has benefitted 83,425 individuals, Government has an obligation to the tax payers and the donors, particularly the Government of India, to make public, the evaluation reports. We would be supportive of any scheme that assist the poor and vulnerable in the societies. However for transparency and accountability, the Government is obligated to provide to the public the policies criteria for selection of recipients and the evaluation reports to date or the impact it had on the micro medium businesses of the recipients.

Madam Speaker, as far as monitoring and performance of this grant is concerned, the Honourable Minister has not briefed this House of the role of Fiji Development Bank (FDB) in its pilot projects and initial stages.

This kind of scheme, Madam Speaker, rightly observed by Maikeli, it has been there but we do not want this to be a failure in itself. So, this is why monitoring and performance is important because FDB was created for such things; for rural development, for the development of our people, for marginalised, for the people who do not have access to businesses. This is where the role of the bank is very important and the Ministry's Monitoring and Performance Unit of this grant will only be measured after the evaluation report is tabled in this House, thank you.

HON. SPEAKER.- Thank you, I now call on the Honourable Minister for Agriculture, Rural and Maritime Development, Disaster Management and Meteorological Service to deliver his statement.

HON. LT. COL. I.B. SERUIRATU.- Thank you, Madam Speaker. I thank you for the opportunity to present to this Honourable House the work that has been undertaken by the Fiji Agricultural Marketing Authority (FAMA) as of late.

Madam Speaker, the FAMA was established by an Act of Parliament on 9<sup>th</sup> March, 2004 with the objective to, among other things, assist the producers of agro produce, on marketing their products or produce, identify markets for and to facilitate and develop marketing of agro produce and to purchase, sell and export agro produce.

The Opposition is always enthusiastic about mentioning initiatives of previous governments. Again this is an initiative of the SDL government on 9<sup>th</sup> March, 2004 but Madam Speaker, let me say that this is just to cover up the bad management and inefficiencies of previous organisations that existed before AMA.

Madam Speaker, first there was the National Marketing Authority (NMA). What happened to the National Marketing Authority?

HON. OPP. MEMBER.- (Inaudible interjection)

HON. LT. COL. I.B. SERUIRATU.- Closed NMA, Madam Speaker, then they established National Agriculture Trading Company (NATCO).

Same fate, Madam Speaker, another initiative Agro Marketing Authority (AMA). So, the AMA as it is known today, is funded through an annual government grant provided through the normal budgetary process to be able to deliver on this mandate and I, of course, thank the Government for the allocation of about \$6 million as grant to assist AMA, particularly in providing its services to the rural population.

HON. DR. M.T. SAMISONI.- (Inaudible interjection)

HON. LT. COL. I.B. SERUIRATU.- Definitely. Madam Speaker, \$1.8 million is on Operational expenses and about \$5.6 million is on Capital expenses. Why \$5.6 million, you would know that AMA does not have fixed assets and this is something that I will talk about in here. Of course, Madam Speaker, the need for us to provide the necessary facilities as well. In most of my previous interventions, I have always been talking about the value chain because Fiji, for such a long time in agriculture, we were production-driven. We were just focusing on production and hoping that someone is going to come and buy our products but, particularly in fisheries and agriculture, Madam Speaker, products are perishable. When it loses its quality, it loses its value, therefore we need to provide the necessary facilities so that the products in our rural areas can access the markets and most importantly maintain its quality so that we can get the dollars. The Honourable Samisoni knows this very well as a businesswoman.

Madam Speaker, the AMA is unique in that it is more a social enterprise but we have indicated very very clearly to the management and, of course, to the Board that they have to come away from this social responsibility because this is one of the major contributing factors on the failures of AMA, formerly NATCO and, of course, National Marketing Authority too in the early years (I will not go into detail on that but I wish to focus on the positives).

It is quite unfortunate as I have stated, Madam Speaker, that since its inception again from 2004, the AMA was flooded with bad management practices resulting in it being on the verge of collapse. This led Government to make a decision, to appoint public officers to the Board simply because AMA could not afford to pay for the Board members because public officers would not be paid. They have to be appointed to the Board and, of course, the Chief Executive Officer as well and the Executive Chairman were appointed with the hope of salvaging it from the doldrums.

These arrangements remain in place, Madam Speaker, and of course, given the improvement in the operations, finances and services of AMA, the Permanent Secretary for Agriculture responsible to the Minister is looking at the configuration of the Board and, of course, this is part of the strategic plan that we have for AMA as well. So at that date, the AMA was hugely in debt with the new Board started servicing and was finally cleared in 2014, Madam Speaker.

From then on, the AMA has made good progress in terms of infrastructural and business developments but more so in serving the needs of our rural communities and I would like to focus on this. Madam Speaker, as we speak, the AMA is in the process of acquiring the old Rewa Rice property at Nausori from Fiji Rice Limited. I have been informed by management that hopefully this will be settled this week and the AMA currently operates out of that facility in Nausori, Madam Speaker.

In March and April 2017 respectively, the AMA also opened its office facility in Nausori and its Savusavu Office serving the whole of the Northern Division and it has branch offices in Taveuni and has been provided space at the Agriculture Station in Dama, Bua and that will soon be opened as a collection centre to service Bua and parts of Macuata.

Madam Speaker, as we speak, most of the activities of AMA I would say is confined within Viti Levu but however we are reaching out to Vanua Levu and, of course, to the outer islands as well.

AMA has recently purchased a boat as well so that they can collect fish from the islands of Lomaiviti and, of course, Lau as well.

Madam Speaker, I have mentioned about Vanua Levu because we are intending to set up in Dama, Bua so that we can collect produce from Macuata and, of course, Bua as well and, of course, part of Bua will also be serviced from the Office in Savusavu. Again, Madam Speaker, this is an indication of Government's unwavering commitment to the Look North Policy.

Madam Speaker, these are significant developments complementing Government's efforts to bringing services closer to the people, particularly our rural population.

Madam Speaker, for the six months from August 2017 to January 2018, the AMA purchased a total of \$1.9 million worth of produce from rural communities around Fiji. This is funds that was handed directly to the doorsteps of farmers and fishermen upon receipt of the good meaning therefore that the money received by farmers and fishermen represents that income that were immediately available to meet the needs of households within these communities.

Madam Speaker, the agro-produce and eco-produce that AMA purchases from communities include *dalo*, *tavioka*, *yaqona*, yams, coconut, fish and honey. There are also secondary products which AMA buys and supplies to local and overseas markets as well and these include breadfruit, chestnut or *ivi*, watermelon, pumpkin, *kumala*, jackfruit, *voivoi* and even *sasa*, Madam Speaker, or broom.

On distribution by provinces, Madam Speaker, a total of \$151,432 was paid to about 559 farmers and fishermen in Cakaudrove, with the following detailed distribution during this period:

Province	No. of Farmers and Fishermen	Amount Paid (\$)
Macuata	372	84,480
Bua	15	16,778
Naitasiri	1,088	1,260,020.30
Tailevu	86	64,858
Rewa	11	8,738
Serua	8	12,683
Ra	137	64,360
Lomaiviti	1	612.90

Madam Speaker, indeed, there is an uneven distribution of purchases from the various provinces, but the AMA is doing its best to ensure that there is equity in the services it provides to all provinces.

Madam Speaker, let me clarify to this Honourable House that AMA will only go to areas where the buyers, particularly those in the private sector, are not having access to and that is why you would see the targeted areas in the provinces that I have mentioned previously. Particularly for Naitasiri we paid more than a million dollars to the farmers, this is particularly up in the highlands rather than the farmers nearby. Madam Speaker, there is continuing negotiations with Lomaiviti for the supply of fish and the purchase of fish and coconuts from Lau has already begun, *yaqona* is also now being sourced from Bukuya in Ba while *tavioka* is now being purchased from Nadroga.

In essence, AMA as at today has enlarged its footprint and is now covering the whole of Fiji. I must also say that market access remains a priority for the Agro Marketing Authority and with new markets come new opportunities for the AMA, hence, increased demand for supply from the farmers and fishermen. The AMA will be looking at recruiting marketing experts to assist in this regard.

Madam Speaker, the export market currently supplied by the AMA includes markets in New Zealand, Australia, USA and Canada, and AMA also supplies local markets and provides agro produce and fish to local institutions on contractual basis. Additionally the AMA has also opened a restaurant operating out of its Nausori facility as an added outlet for its agro produce to support rural farmers and fishermen. This is proving to be an exciting venture and of course I invite the Honourable Members of this House to stop by at the AMA's *Sautu* Restaurant when you drive through Nausori Town in support of our rural farmers and fishermen. For those of you who that eat fish you can have ....

There are emerging opportunities for the supplier of vegetables, fish and marine products to export markets. These are high value produces which could bring in good income to our farmers and fishermen and AMA is working hard to ensure to secure some of these markets. Madam Speaker, by enlarge I would like to see AMA diversify into value addition and this, I think is the path to sustainability for the AMA especially to ensure that it is able to sustain the service that it currently provides to the farmers and fishermen across Fiji. And this is one of the reasons why we are looking forward to the settlement of the facility in Nausori if it could be done immediately so that we can diversify and most importantly look at value addition as one of our key areas.

Madam Speaker, I have talked about the expansion and AMA currently employs about 106 people and of course the majority of these are females because females are very good at the preparation of the products in the major facilities. In terms of the future plans, I have talked about having our footprints in other areas in Fiji as well. We intend to move into Nacocolevu where there is already an existing facility and the cold storage system which we have as a temporary arrangement given to the farmers in Sigatoka Valley for their temporary use. But we look forward to moving into that area as well because we have started buying cassava from Nadroga and the Valley.

There are plans to move into Lautoka as well. We need to preposition because logistics is very costly and because of the local contracts that we have with some of the Government institutes, we need to move and preposition some of our products in strategic areas and of course we are looking at the yard in Lautoka as well so that we can have rivers and coolers for cold storage purposes. And I have talked about Savusavu, they are buying fresh products but of course we also need to look at the frozen products and this probably will be one of our priorities in the next budget for us to have cold storage facilities in Savusavu, Cakaudrove. Of course the facility in Dama, Bua, that is also very important. A proper packing house and probably a cold storage system as well in Dama, Bua.

Madam Speaker, let me assure this Honourable House that as the Minister responsible I will ensure that all efforts are made and support provided to guarantee the sustainability of the AMA considering that a large number of our families within our rural and peri urban communities already depend on the services provided by the AMA for their livelihood. This too, Madam Speaker, is a means of arresting the rural-urban drift, with the associated social issues which Government is trying to combat.

HON. SPEAKER.- Honourable Leader of the Opposition or her designate to speak in response.

HON. M.D. BULITAVU.- Madam Speaker, I rise to respond to the Honourable Minister for Agriculture in his Ministerial Statement. The AMA evolved in the former Economic Development Board under the Alliance Government and became the Agriculture Commodity Development Committee (ACDC) which then metamorphosed to what recent years has become known as the AMA. The mission of the EDB and ACDC and the AMA is increase and expand exports for agriculture commodities at village and rural level.

Madam Speaker, sadly, as we have recently witnessed the AMA Headquarters in Nausori Town, this normal vision has culminated into setting up one or two restaurants, the internal objective

of which we and the taxpayers and famers hardly know or understand. Can the Honourable Minister inform the House on this new role of the AMA which I have explained earlier, who are supposed to be providing our farmers with opportunities to create wealth from the improvement of our country's agriculture commodities? What is the problem of the AMA has decided to go into restaurant business in competition with local entrepreneurship in Nausori? Does the Government run out of ideas to improve the lives of our rural communities? With all due respect to our concern, after all there is now a huge problem of inter-department co-ordination between the Ministry of Agriculture, Ministry of Waterways and already being experienced between the Ministry of Regional Development and the Ministry of Women, Children and Poverty Alleviation over the Help for Homes initiative.

Given, Madam Speaker, that the Honourable Minister has alluded to the problems of the previous Government, what has the Government done in the last 11 years on this concept? Have they improved it? One of the biggest problems, and last year the Assistant Minister for Agriculture opened the AMA office in Savusavu. And the other issue faced by the people is the pricing offered by AMA. They are only buying at 60 cents per kilogram for cassava and they are only buying *moala dalo*, only one variety of *dalo* at \$1.20. They had promised \$5 per kilogram and in some places they are buying at 80 cents. Those are the price failures and the failures of this concept.

In the *tikina* of Vaturova and Saqani, go down Koroalau, the last time AMA came around was in November last year and they have not come again and they have failed on the concept of farm gate which was one of the core concepts on which AMA was established to create that ease to rural communities.

One of the other things, Madam Speaker, is that Government is providing grant to AMA and the Government has to re-evaluate on how much has AMA profited in the last 11 years. Has it found other market access? Now, the Honourable Minister is going about that they are going to get in market experts, what have they been doing in the last 11 years? Did they have any research facilities around? These are the things that the Honourable Minister cannot come and report to the august House in regards to how the AMA has actually performed under their hands.

Madam Speaker, with regards to the other problem that AMA faces, they hardly even sell three containers a month like private companies. In only two weeks, they can export about three containers and these are the issues that the Government should be concerned about in looking into other markets overseas on how these products can actually reach those markets that buy at higher prices. Even recently in Savusavu, they have ordered about 300 *sasa* from a village, buying at \$6 and it goes on an order base and it is not a fixed market. Most of these villages that want to partner, at least in the \$1,000 grant initiative and if they want to use these AMA markets, everything has to be inter-connected; their business and the markets that they will reach.

These are some of the things that are disconnected, Madam Speaker, and I hope that the Honourable Minister takes that on board and I will remind him of what he said a few months that there is a strategic paralysis and again that strategic paralysis is now coming back to haunt him and his Government. He has not given any solution to the problems that we have faced. The farmers are still waiting for the \$5 per kilogram for *dalo* and also the trivia about milking dead cows, it continues, Madam Speaker, and no proper solution has been done.

HON. SPEAKER.- Thank you. I now call on the Honourable Leader of NFP or his designate.

HON. P. CHAND.- Thank you, Madam Speaker. I thank the Honourable Minister for his Ministerial Statement. I also note that the Honourable Minister has been very busy recently promoting the AMA in the Northern Division in line with Government's Look North Policy and that is commendable. However, we do wonder if it is too little too late.

(Chorus of interjections)

HON. P. CHAND.- The Northern Division, Madam Speaker, is crying out for markets, it is crying out for gainful employment and entrepreneurship for our young people who are moving to urban centres. We hear that the Government is continuing the facilitation or purchasing and sale of agro produce for our rural communities through the Agriculture Marketing Authority in the Northern Division. We seem to always get stuck in this model. If we look at the National Marketing Authority and its history, we have not progressed very far. We hear the concerns about the need for value chain consistency and setting up packaging sheds, proper packaging houses and cold storage systems that are intended to facilitate the purchase and sale of more farm produce and fisheries products from the North. This was done before, it is not an original idea.

The Honourable Minister also talked about necessary facilities. I must say that we should not blame the past people because you have been in Government for almost the last 12 years. What were you doing then? Why are you starting it right now on the eve of the Elections? Madam Speaker, blame game is not good. We know what Adam did to Eve; very important for us to note that. I would like to suggest that the Honourable Minister goes back to the drawing board, the same issues keep reoccurring and if the PS for Agriculture's media statement is saying that we have an export deficit of \$453 million, going to the drawing board should have been done before and not now.

HON. LT. COL. I.B. SERUIRATU.- (Inaudible interjection)

HON. P. CHAND.- It is important to have everything together. You said already that you have produced but no market..

(Chorus of interjections)

HON. P. CHAND.- And it the responsibility of your Government to have markets, facilitate and all these things that I have told you, you cannot be saying two different things at the same time.

(Chorus of interjections)

HON. P. CHAND.- So it is very, very important, Madam Speaker, that when the Honourable Minister stands and gives us lectures for 20 minutes ...

(Chorus of interjections)

HON. P. CHAND.- ... they should be very careful; do not contradict yourself. When you read your speech, see properly that you do not contradict yourself. So, Madam Speaker, it is very, very important for the Government to open its eyes to AMA and do the right thing.

Another major problem in the Northern Division is infrastructure. People will not take their vehicles to very bad roads to pick up all these markets produce.

HON. LT. COL. I.B. SERUIRATU.- Just change your bus.

HON. P. CHAND.- I have spoken to the Honourable Minister about the cross country roads in the Natewa Bay, coming out to Macuata and also in Namuavoivoi . The roads are there but not being completed and there are a lot of people ....

(Chorus of interjections)

HON. P. CHAND.- Yes, where I run a bus service.

HON. GOVT. MEMBER.- Bus fare?

HON. P. CHAND.- Madam Speaker, it is important for us to have good roads so that vehicles that go and pick market produce are able to go safely and come back safely.

(Chorus of interjections)

HON. P. CHAND.- It is so important. Madam Speaker, I just like to remind the Honourable Minister going in big troops and all that is not all that important. The important thing is, do the job, get the job done. Thank you.

(Laughter)

HON. SPEAKER.- Thank you. We will go onto the next item in the Order Paper.

## **CONSIDERATION OF BILLS**

### Crimes (Amendment) Bill 2018

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

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

- (A) The Crimes (Amendment) Bill 2018 be considered by Parliament without delay;
- (B) The the Bill must pass through one stage of a single sitting of Parliament;
- (C) That the Bill must not be referred to a Standing Committee or other Committee of Parliament.
- (D) That the Bill must be debated and voted upon by Parliament on Thursday, 15<sup>th</sup> March, 2018 but that one hour be given to debate the Bill, with the right of reply given to me as the Member moving this motion. Thank you, Madam Speaker.

HON. SPEAKER.- Do we have seconder?

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

HON. SPEAKER.- Can the Honourable Acting Prime Minister, Attorney-General to speak on his motion.

HON. A. SAYED-KHAIYUM.- Thank you, Madam Speaker. Madam Speaker, I will be very brief.

Madam Speaker, essentially this Bill seeks to amend the Crimes Act in respect of offences against Police Officers.

Madam Speaker, the Act fails to provide sufficient deterrents against actions is not only in the enforcement of the law but also endanger the lives of the men and women as they carry out their duties, as we have seen an increase in offences and indeed assaults against police officers in recent times.

Madam Speaker, currently Section 277 of the Act surcharge of offences, serious assaults which includes the assault of police officers to the maximum of five years imprisonment as a penalty. As stated in Paragraph 3.3, Madam Speaker, "This penalty is inadequate." So much so in fact that it is worth knowing in Section 276 of the Act which sets out the offence of assaulting a person, protective of her right carries an even greater penalty than assaulting a police officer that of an imprisonment of seven years.

Furthermore, in benchmarking this offence against similar jurisdictions, it is noted that the penalty provided in the Fiji Crimes Act 2009 is significantly known.

In Australia, the State of Queensland, on the Queensland Penal Code Act 1899, Section 340 sets out penalties of 7 to 14 years.

In the State of New South Wales under Division 8(a) of the Crimes Act 1900, it sets out this offence with a range of penalties between 5 and 14 years depending on the circumstances.

In New Zealand, Madam Speaker, the Crimes Act 1961 under Sections 192 and 198 (a) also sets out similar offences with penalties ranging from 3 to 14 years.

The weight that these jurisdictions give to these offences is evident in the manner in which this comprehensive and significant penalties are provided which is therefore imperative, Madam Speaker, that the jurisdiction also treats the offence with severity and deserves to amend the Act to increase the penalty for the offence of assaulting a police officer particularly in relation to certain actions which is not only the safety but also the dignity of our police force.

The story that I would like to tell us, I remember as a young child, I spent most of my childhood in Sigatoka. I remember during Christmas time once when a lot of people came to have a lot of alcohol, and this one man who was being chased by about 14 or 15 people past down the Sigatoka Club going towards Lawaqa Park. I remember this scene very clearly. This one man was being chased by about 14 people or so saw a police officer, called out to the police officer saying "officer, officer", ran behind and stood behind the police officer peering over this officer's shoulders and the 14 men actually stopped. They did not move an inch, they came close to the police officer, they did not move an inch.

Most of these men were very healthy men up from the valley would come down to spend the weekend, they did not move an inch. The police officer was nowhere in size as far as physicality was concerned, but they all stopped because they respected the uniform. This one police officer was able to send these 14 men away. He explained to them that they had all been having a good time and now it was time to go away or go home and continue with the partying and leave the man alone. In fact, Madam Speaker, that is very difficult to now find. Of course over the years, this is long time ago, this is much before the first two *coups* in 1987 which of course saw the locking up of the then Commissioner of Police in his underpants in what we now call Totogo, Pio R, as many of you would know him in Central Police Station which led to the lack of dignity given to police officers in those days. Many people in this Parliament have spoken about, "you have been there for 10 to 12 years" but, Madam Speaker, whatever it is, the administrative side of things after 1987 got completely demolished. The offices had to be built up, their dignity had to be built up, the systems had to be built up. So, it is very critical for us to be able to understand the huge debacle that was actually caused by the 1987 events.

We need to be able to build strong institutions. All of us one day we will die in this Parliament, that is an inevitability that we all have to face. The legacy we can leave behind is the institutions we built, and the Police Force is one institution that must be safeguarded. The Police Force are at the forefront of preserving law and order. It is not only about arresting people and also people having the



respect for that institution, so sometimes the police officers can diffuse the problem by simply sending people away.

Madam Speaker, what this amendment does do, is actually try and restore that but, of course, we need a deterrence. And the deterrence, Madam Speaker, if you look at the Bill, those Honourable Members have already received it, as has been seen in other jurisdictions in places like Queensland and Australia, in fact, in some of the places they go further than that. There are certain places in Australia after the HIV actually came out, where criminals were going around with needles infected with HIV and try to actually infect police officers. That actually happened.

Madam Speaker, if you look at, for example, the Bill it talks about assaulting police officers which also includes, biting, spitting, throwing at the police officer or otherwise, apply to police officer bodily fluid or human or animal faeces, it does do happen. Of course, things like armed with dangerous offensive weapons or instruments, or causing bodily harm to the police officer.

Madam Speaker, this is what this Act does, it is a simple Act but I look forward to us actually debating this on Thursday.

With those introductory remarks, Madam Speaker, I move that we consider this Bill on Thursday. Thank you, Madam Speaker.

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

(There was no input)

HON. SPEAKER.- Honourable Acting Prime Minister, would you like to make any further statements.

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

HON. SPEAKER.- Parliament will now vote.

The question is:

Pursuant to Standing Order 51, that the:

- (a) Crimes (Amendment) Bill 2018 be considered by Parliament without delay;
- (b) Bill must pass through one stage at a sitting of Parliament;
- (c) Bill must not be referred to a Standing Committee or other Committee of Parliament; and
- (d) Bill must be debated and voted upon by Parliament on Thursday, 15th March, 2018

but that one hour be given to debate the Bill, with the right of reply given to the Acting Prime Minister, the Honourable Attorney-General and Minister for Economy, Public Enterprises, Civil Service and Communications as the Member moving the motion.

Does any Member oppose the motion?

(Chorus of 'Noes')

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

Before I call on the Chairpersons of the Standing Committees, I wish to clarify that the wording of the motion allows Parliament to debate the contents of the Report. At the end of the debate, we will be voting merely to note the Report and once the vote is taken, it ends there and the Report will not be debated again in Parliament.

Now I call upon the Chairperson Standing Committee on Economic Affairs to move her motion.

**DEBATE ON THE REVIEW REPORT OF THE RESERVE BANK OF FIJI  
INSURANCE ANNUAL REPORT 2015**

HON. L. EDEN.- Madam Speaker, I move:

That Parliament debates the Review Report on the Reserve Bank of Fiji Insurance Annual Report 2015, which was tabled on 22nd March, 2017.

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 her motion.

HON. L. EDEN.- Madam Speaker, following our deliberation and scrutiny on the Reserve Bank of Fiji Insurance Annual Report 2015, our Standing Committee on Economic Affairs was pleased with the results, and put forward a few recommendations that we thought could be useful for the industry in the future.

In light of the fact that Fiji will continue to be faced with adverse effects of climate change, Madam Speaker, the Committee felt that every citizen should be made more aware of the importance and benefits of being insured, and also the different types of packages that are available to them.

We agreed, Madam Speaker, with the sentiments of the Governor of the RBF and his team in terms of the introduction of bundled inclusive insurance products to stimulate demand and improve the insurance coverage gap.

Madam Speaker, the idea behind these types of schemes is to provide an enabling environment that ensures every Fijian has access to some form of insurance, and it was pleasing to note that such options are becoming available.

For our recommendation number four, Madam Speaker, we had suggested that further studies be made into the types of facilities for crops in India and other countries, that could be emulated in Fiji and we were pleased to note, Madam Speaker, that this has come to fruition.

As I mentioned last week when I tabled our Report on the RBF Insurance Annual Report of 2016, a Crop Insurance Scheme, Madam Speaker, has been made available to cane farmers at just \$1 per week or \$52 per annum. This is a very positive move, Madam Speaker, and we look forward to similar packages becoming available to other sectors.

Overall, Madam Speaker, the Insurance Industry in Fiji is buoyant, and continuous to grow in a positive direction. I thank you, Madam Speaker.

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

There being no input, would you like to make concluding remarks?

Parliament will now vote to note the content of the Report.

Does any Member oppose the motion?

(Chorus of 'Noes')

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

I now call upon the Chairperson of the Standing Committee on Social Affairs to move his motion.

### **DEBATE ON THE STANDING COMMITTEE ON SOCIAL AFFAIRS CONSOLIDATED REPORT NO. 1**

HON. V. PILLAY.- Madam Speaker, I move:

That Parliament debates the Consolidated Report No. 1 on the review conducted under following list of Annual Reports which was tabled on 21st March, 2017:

1. Fiji Ports Corporation Limited (FPCL) 2013 and 2014 Annual Reports;
2. Public Rental Board (PRB) 2013 and 2014 Annual Reports;
3. Fiji National Provident Fund Annual Report 2015;
4. Ministry of Health and Medical Services Annual Report 2014;
5. Ministry of Infrastructure and Transport Annual Report 2014;
6. Fiji Roads Authority Annual Report 2014;
7. Fiji Public Trustee Corporation Limited Annual Report 2014;
8. Airports Fiji Limited Annual Reports 2014, 2013 and 2012;
9. Fiji National University 2014 Annual Report;
10. Consumer Council of Fiji Annual Report 2014;
11. Ministry of Local Government, Urban Development, Housing and Environment 2009, 2010 and 2011 Annual Reports;
12. Land Transport Authority Annual Report 2013; and
13. Housing Authority Annual Report 2013.

HON. V.K. BHATNAGAR.- Madam Speaker, I second the motion.

HON. SPEAKER.- I invite the Chairperson of the Standing Committee on Social Affairs to speak on the motion.

HON. V. PILLAY.- Madam Speaker, the Honourable Acting Prime Minister, Honourable Ministers and Honourable Leader of Opposition and Honourable Members of Parliament; on behalf of the Honourable Members of the Standing Committee on Social Affairs, I take this opportunity to speak on the motion in regards to the review that was made to the 13 institutions which was captured in the Consolidated Report No. 1 and tabled in Parliament on 21st March, 2017.

Madam Speaker, the Consolidated bi-partisan Report comprises of the review made to the following Annual Reports:

1. Fiji Ports Corporation Limited (FPCL) 2013 and 2014 Annual Reports;
2. Public Rental Board (PRB) 2013 and 2014 Annual Reports;

3. Fiji National Provident Fund Annual Report 2015;
4. Ministry of Health and Medical Services Annual Report 2014;
5. Ministry of Infrastructure and Transport Annual Report 2014;
6. Fiji Roads Authority Annual Report 2014;
7. Fiji Public Trustee Corporation Limited Annual Report 2014;
8. Airports Fiji Limited Annual Reports 2012, 2013 and 2014;
9. Fiji National University 2014 Annual Report;
10. Consumer Council of Fiji Annual Report 2014;
11. Ministry of Local Government, Urban Development, Housing and Environment 2009,2010 and 2011 Annual Reports;
12. Land Transport Authority Annual Report 2013; and
13. Housing Authority Annual Report 2013.

The Committee dealing with the scrutiny process, invited each of these 13 institutions to provide presentations on their performances, as well as respond to questions raised by members of the committee. The assessment date was positive as given the time that has lapsed, majority of these institutions has addressed the issues raised in this Report and the Committee commended on their achievements.

Madam Speaker, for instance, in 2014, FNPF had collected an average of about \$14 million payment for over 200,000 members from over 9,770 employers. In the same year, it has processed an average of 5,000 applications on a monthly basis for withdrawal. It also catered after the welfare of 7,000 pensioners and 400,000 members were yet to retire from the Fund during that year.

On the other hand, Madam Speaker, the Ministry of Health and Medical Services in 2014, achieved major milestones. This included; the opening of a new catheterization laboratory or Cath Lab and liquid-based psychology machine to upgrade its laboratory services, Maternity Unit renovations, Lithotripter machines and the wellness centre for women at the Oxfam Clinic.

Additionally, the Consumer Council of Fiji focusses on providing the best services to its consumers by protecting its rights and interests through monitoring and implementing policies and procedures. Thus, in 2014 the Council made various efforts in providing consumers with the knowledge and skills, dissemination of information, mount campaigns and key consumer issues, and providing consumer awareness.

Madam Speaker, the Committee throughout its deliberations, took note of the issues and challenges faced by these respective 13 institutions and given the time left, the Committee anticipates that these institutions have taken note of the Committees findings.

Madam Speaker, with those few comments, as a member moving the motion, I thank you for this opportunity

HON. SPEAKER. - Thank you. Before I put this motion for , I would like to call on the Leader of Government in Parliament for his motion to table.

### **SUSPENSION OF STANDING ORDERS**

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

That so much of Standing Order 23(1) is suspended so as to allow the House to sit beyond 4.30 p.m. today to complete the Items as listed in today's Order Paper.

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

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

HON. LT. COL. I.B. SERUIRATU.- Madam Speaker, we have commenced with the Report from the Committee on the 12 Reports that are before us and I ask that we continue with it.

HON. SPEAKER.- Anyone would like to speak on the motion.

(Chorus of Noes)

HON. SPEAKER.- There being no Opposition, Parliament will now vote.

The question is:

That under Standing Order 6, that so much of Standing Order 23(1) is suspended so as to allow the House to sit beyond 4.30 p.m. today to complete all Items as listed in today's the Order Paper.

Does any member oppose the motion?

(Chorus of Noes)

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

### **RESUMPTION OF DEBATE ON THE STANDING COMMITTEE ON SOCIAL AFFAIRS CONSOLIDATED REPORT NO. 1**

Now, we will go back to the Report on the Standing Committee on Social Affairs, the motion is now up for debate and I invite input, if any. Honourable Nawaikula?

HON. N. NAWAIKULA.- Madam Speaker, I wish to make a brief comment in relation to the debate.

The motion is that Parliament debates the Consolidated Report No. 1 and it refers to about 13 Ministries and Departments. I will not make any comments on all the 13 but I will just select, for my purpose, number 4 which is Ministry of Health and Medical Services, for the reason that I was able to obtain some literature on the Ministry of Health and I will be speaking on that. Those literature include; the audited reports for that period which is 2014, the Annual Report for the Ministry of Health for 2014, as well as the report by the Committee. So my comments will be limited to and based on those documents that I have looked at.

I am starting with the Audited Reports for 2014. Of course, Madam Speaker, the point I wish to make here is that, Government will come here and make a song and dance of the achievements, as well as that will be reported in the newspaper *Fiji Sun* but I am from the Opposition so my job is to tell this House what the Government failed to do or neglected to do in relation to its responsibilities.

So looking back at 2014 which is the period that the motion is about, the first anomaly that I wish to raise for the information of this House was in relation to the Trust Fund. In this year, the Auditor-General found that the Ministry failed to maintain a retention trust account.

In that year, a total of \$26 million was allocated to this Ministry and out of that \$26 million, \$15 million was utilised for capital works and we heard that this is a year where we had a new operation theatre. And it is always imperative before you do any capital works to have a retention sum, normally 10 percent. The purpose of that is that, after the work is completed and you are able to look at defects, you will take money from that retention amount and you pay that off. So one of the failures of this Ministry in that year was that, for this whole amount of \$26 million there was no retention amount maintained. There was no trust account kept by the Ministry to ensure that, after capital work is conducted there is enough there to cover any defects that that can be funded from. That was the first in that one.

What the Auditor-General said was that, due to the Management's negligence, so this Ministry was negligent. A trust fund account was not maintained by the Ministry for that purpose to record the amount of retention sum held. So failure to maintain a trust account bank account does not ensure availability of funds where defects are found out later. So that is very, very poor management, especially when you are talking about \$26 million. Why the Ministry did not do this? Perhaps, we will hear later from the Honourable Minister. Whether this practice has been ongoing? The Honourable Minister will also enlighten us on that.

The second point that was raised by the Auditor-General was that, the trust fund account was not in the FMIS General Ledger. In this year, the Auditor found that out of three of four trust accounts namely; the CWM Hospital, Cardiac Force, Fiji Children Overseas Treatment Fund and Hospital Staff, there was no trust account maintained. So what did it say? This is what the Auditor-General said; "Due to the laxity on the part of the Ministry's senior officers the trust fund account were not recorded in the FMIS General Ledger."

Another point that the Auditor-General noted was, the anomalies in the account receivables. What happened in this year (2014) was that, the review of the account receivable noted the following anomalies: "There were no credit sales recorded during 2014, however, the TMA which is the Trading and Manufacturing Account Balance recorded a receivable amount of \$98,000." So there was \$98,000 recorded there but they did not keep any account, so nothing to show.

The conclusion by the Auditor-General was that, the finding shows that the accounts receivable balance was incorrectly stated, so bad accounting, we need a lot of training. There is more.

Incorrect Opening Stock Balance. In this year, the Ministry did not show 'correct.' At the beginning of the year, you always need to make a stocktake. So what was the finding here? The findings was that, the opening stock amount was incorrectly stated. Very bad!

Not only that, there were misallocations of the Trading and Manufacturing Account. And what did the Auditor-General said? The finding indicates a laxity of the officers responsible for the Trading and Manufacturing Account and poor supervision by the Principal Accountant. This is all for 2014.

In this year, we were all happy and we celebrated the opening of the theatre complex at CWM. But what happened at the background? This is what the Auditor-General found - \$8.9 million was approved, no retention. Not only that, instead of that, the Government even paid money to the contractor the sum of \$1.5 million as mobilisation fees. If you do any contract work, you always try to avoid the retention but here in this case, for an officer, he received money from the Government of \$1.5 million.

HON. A. SAYED-KHAIYUM.- Its part of the contract.

HON. N. NAWAIKULA.- Well, this is what the Auditor-General said.

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

HON. N. NAWAIKULA.- The Ministry did not allow any extension of time, so there was a delay. So, how did you pay for that? The Government had to lose money because of that.

It recommended the Ministry to recover a total of \$37,500 and the Honourable Minister will be able to tell us whether that money was recovered because of their laxity, because they did not do their work, bad management in the conduct of this very important capital work.

Not only that, there was a delay in the commissioning of the operating theatre. In the end, they were only do two theatres, from a total of four. So, the Government have to lose money again in that area.

Sigatoka Maternity Unit Extension – absence of the commencement and completion dates. It is very basic that before you commence something, you have it written in the contract and the contract says, “This is the date of start and the date in which it ends.” In this case, the findings show poor management and supervision by the Ministry. That was what the Auditor-General said. And in some of the cases, they have already started working and later they signed the contract. You do not do that!

Ba Hospital Project – failure to deduct provisional tax. No tax was deducted, and they have to folk out \$247,000 or something to that amount.

Exterior painting works at Lautoka Hospital; the Ministry did not provide the reason as to why the tender was not awarded to the contractor as recommended by the Tender Evaluation Committee (TEC). There were no reasons given.

Even at the South Wing of the CWM Hospital, this is what they found. During a physical inspection of works completed by the contractor, several instances of poor workmanship were noted. But despite the poor workmanship of the work completed, the contractor and the Director Buildings and Government Architects from the Ministry, certified and approved the contractor’s claims.

So, what did the Auditor-General found? Poor asset management, a need for a Clerk of Works, and in some instances, the Ministry says; “No, we do not need it.” It refused that, and it goes on and on and on.

HON. MEMBER.- Give it to us!

HON. N. NAWAIKULA.- You want to hear it all.

HON. MEMBER.- Yes.

HON. N. NAWAIKULA.- Alright, if you give me time, I will go on.

Maintenance and Refurbishment of Nurses Home at Tamavua. You listen to this one. Contract number 117/2014, so this is a 2014 matter. Madam Speaker, \$182,000, 10 percent of the contingency sum was not collected.

MRI Machine - Machine Room Maintenance work at CWM. The requirement is that, all Government contracts must be prepared by the organisation and should be vetted by the Solicitor-General. For this one, no contract was signed, but they have commenced with this contract. So without the parties signing and agreeing into something, they have already awarded the contract and they have given it out.

Recommendation: The Ministry should take disciplinary action against the officers responsible. So, maybe the Honourable Minister will tell us. Did you take disciplinary action or not?

Most of these matters would have required reference to the Police or FICAC. Did you refer any of these matters to FICAC? Did you even discipline the officers?

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

HON. SPEAKER.- Point of Order.

HON. A. SUDHAKAR.- Madam Speaker, the contents of the Report that the Honourable Member is reading from, that is already before the Public Accounts Committee and we have been dealing with the matter. We have been reading through the reports and what he is reading from is something that we are already working on. We call the public, we call the officers, they come before us, they give us their explanations and then we present it to this honourable House in our report.

What he is reading from is basically a raw version, it is the Auditor-General's Report, and it does not end there. It is something in progress, so he is not being fully honest with this honourable House. It is a matter for the Public Accounts Committee so he should not be referring to the OAG Report or matters that are before the Committee.

HON. SPEAKER.- The Honourable Member has 20 minutes to speak ....

HON. N. NAWAIKULA.- We hope after this, the Honourable Minister will be able to tell us, firstly, whether that amount was recovered? Whether disciplinary actions were taken out against the officers and whether any of these matters were referred to FICAC?

Now, Madam Speaker, if I make a few comments of the Annual Report 2014, again, your achievements, the Government will say here, but let me just say here what the challenges were and what was taken. These were the findings of the Annual Report:

- There is a need of strengthening relations with external stakeholders.
- The Ministry needs to ensure a quarterly review so that it can be updated on what it does.
- On the workforce, it noted staff shortage due to expansion of service through opening of new health facilities. So now we are expanding, expanding and expanding but, are you also looking at staffing all those expansions?

HON. MEMBER.- Yes.

HON. N. NAWAIKULA.- Well, we hope.

- Lack of qualified knowledge and skill support staff and lack of technical training and expertise.
- In adequate operational budget.

Then in relation to nursing, this is their findings:



- Quality of new nursing interns increases the demand for mentoring, so that means the nurses who are coming out are not properly qualified and you need to mentor them again to get a good output.
- Customer service needs a lot of improvement from this Ministry.
- Need for better communication systems and the other point that the Honourable Minister may also want to highlight in the House is that, in relation to Non-Communicable diseases, there is a tendency that it increases and increases, despite all the monies and all the programmes that are being allocated to it.

Finally, Madam Speaker, if I could just refer to the Standing Committee, one of the achievements that they say is that the new operating theatre which is what I had referred to and which needs to be properly investigated in relation to the amount that we lost because failure to keep a trust account, to keep the retention money and all that sum.

There is another point here, opening of the Navua Hospital but we all know that Navua Hospital is not complete. You go down to Lautoka, there is a change. We see them removing all the grass from the embankment. Come back, they are putting the grass back. Go back to Lautoka, they are filling it up with top soil, when you return you will see they are putting the grass back. It does not seem to end and the last time issues were brought here they cannot cook food there.

(Honourable Members interject)

HON. N. NAIWAIKULA.- You have to cook it elsewhere and bring it to Navua. Do you call that a hospital? That is not a hospital.

(Honourable Members interject)

HON. N. NAIWAKULA.- Madam Speaker, I wish to end there and I hope to hear from the other side.

HON. SPEAKER.- Honourable Aseri Radrodro.

HON. A.M. RADRODRO.- Thank you, Madam Speaker. I just wanted to make brief contributions on the Report that has been tabulated in terms of some of the entities that are listed as part of the report. I will start with Fiji Ports Corporation Limited (FPCL). I note the achievements that has been noted by the Committee, but I think one of the areas that FPCL has been lagging behind is the area of shipbuilding and the area of ship repair. This is an area that needs to be concentrated upon with effort and resources to ensure that activities and all the works that used to be carried out needs to be revived, this this work in terms of ship building can be rejuvenated or restarted in terms of sources of employment for our people especially in the technical field. In terms of challenges, the Committee has listed pollution from vessels. I think rightly so since one of the vessels that have been left at the foreshore is becoming an eye-sore that needs to be also attended to immediately to ensure that it does not make more damages than what it is today.

The other issue is the Ministry of Health and Medical Services, we note the recommendations of the Committee but one of the issues that I have alluded to earlier is the contractual services that has been given out to workers for CWM Hospital in terms of the reform. As a result of the reform, the workers have been given priority for the contracted work as being alluded to especially those that come under the Health Housekeeping Services Corporation Limited. Former workers of the CWM Hospital formed this entity to carry out the cleaning services and that is something that I request the Honourable

Attorney-General to at least have an urgent intervention because they have written to the Honourable Minister, and they are still waiting for his responses.

The third entity is the Airports Fiji Limited Annual Reports for 2012, 2013 and 2014. The recommendations of the Committee is noted but that is in terms of the refurbishment that has been undertaken. We have a limitation of office space users, you can only see, I think only one or probably up to three occupying the Departure Lounges providing services and therefore the passengers have limitations in terms of accessing goods and services at the Departure Lounge and also at the Arrival Lounge.

For Fiji National University, I think this is an area that probably the Honourable Minister can also look into. One of the major concerns is the accommodation that is made available to students at Natabua Teachers College. They have complained because first of all the meals that they are supposed to have is not being provided. The provision of services in terms of the meals that they were supplied, the facilities have its limitations and it is not up to standard with normal student meal. Also, the student accommodation services, there are a lot of restrictions and limitations. Those who come from outside of Lautoka City, they come from local areas in terms of outer islands, the interior, they do not have relations around Lautoka area, they have no option but to sneak in to sleep with the fellow students inside the accommodation and sometimes when they are caught they are chased out. Human factor in terms of provision of accommodation for those students is missing in terms of provision of services for Fiji National University.

In terms of Land Transport Authority, we have recently heard about the huge bonuses being paid. Hopefully it will improve their services; the bonuses that has been promised by the Honourable Minister will be given to them in due time. Thank you very much, Madam Speaker.

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

HON. V.R. GAVOKA.- Thank you, Madam Speaker. Very briefly on the Fiji Roads Authority (FRA) Report for 2014. I notice and it is quite illuminating that they patched up about 280,000 potholes in 2014. I know that we have challenges with the road but it is quite illuminating when we quantify it in this manner to bring home the message that a lot of work needs to be done. But on this basis with the kind of money that we are spending on roads, we should see a decline in the number of potholes over the coming years.

Madam Speaker, if I could see a graph starting in 2014, it would be 280,000 here, 2015 and 2016, it should come down. That is one way of monitoring how effective we are in the way we are spending on our roads. We are not spending peanuts on roads, it is millions of dollars now and we must task the people who do this, FRA needs to make sure they have best practices. Quite a number of those things are band-aid. They patch it up today and it is broken again in no time. We must insist on a degree of longevity in the way they patch our roads.

I do not know about everyone here but one road I try to avoid is the one in Toorak going to CWM Hospital, which must have been patched over and over again; it is better to be driving on a gravel road now. That is what we need to do the best practices available, practiced in other parts of the world, we must bring it to Fiji given the kind of money we are spending. Like I said, we are spending huge dollars. Most of us have driven in wet countries like Japan and the United Kingdom (UK), even though they have rain, the roads are still immaculate. That is the quality of roads that we should have in Fiji now. Hopefully, this could be one way of determining how well we are building our roads, if we can see a decrease in the number of potholes that we patch. Thank you, Madam Speaker.

HON. SPEAKER.- I now invite the Honourable Bulitavu.

HON. M.D. BULITAVU.- Thank you, Madam Speaker. Just a short contribution in regards to the various reports in the motion that is before the House. The Ministry of Health and Medical Services 2014 Annual Report, specifically one of the challenges that the Committee had noted in the Report is the issue of accessibility to medicine and availability to meet the population health needs.

Again, Madam Speaker, I talk in terms of the free medicine scheme that the FijiFirst Government had promised in the 2014 General Elections and also had implemented in the years after from the 2015 Budget.

That scheme Madam Speaker, from the list of about 70 medicines that were listed in the scheme, most of them are unavailable in most of the pharmacies, and only a few are being given out in Government Pharmacies. People are questioning as beneficiaries of this particular programme the reality of those promises. Most of the Pharmacies also complained the time that is taken up to deal with the issue given that it takes much of their time when there are customers in the line who carry cash. These are few things Madam Speaker, probably that the Government can take on board to improve the Free Medicine Scheme because it was part of their Manifesto and it was part of the promise that the people are waiting for, it comes out of the 2013 Constitution.

The other thing, Madam Speaker, is the various projects that people are looking forward to especially the Nakasi Hospital, which the Honourable Minister said that it will be opening soon. I think if it is open, Madam Speaker, then the service providers too has to come with the full services that has to be provided by the hospital like the dental department, eye department and the ear department and all the machines and equipment. We do not have a hospital just for opening and launching, Honourable Minister, it has to be fully equipped with the medicines and everything to service the people in the area.

(Honourable Member interjects)

HON. M.D. BULITAVU.- I know with the updated machines, even there are few hospitals and health centres now are sharing some machines and even bigger hospitals are looking for medicines from other health centres; it is out of stock. The Chief Pharmacist was once on record in one of the Committees in Parliament which I will not mention and he has said that they are doing procurement but there has been a procurement issue. The issue of ordering and medicines arriving late, most of them arrive with expiry dates.

(Honourable Members interject).

HON. M.D. BULITAVU.- That was dealt with later, but again thanks to the Government for improving that. There are other issues Madam Speaker, it happened that time.

(Honourable Members interject)

HON. M.D. BULITAVU.- Let me continue Madam Speaker. Those are few things probably the Honourable Minister can take on board, it does not help for the same problems to reoccur with the other new projects that are coming up. Especially the Ba Medical Department and the various latest technologies that Government is trying to move into public-partner partnership. The requirements will be much higher with experts coming from overseas, and they machines and other technologies and that also has to be met by the demand of what will be needed in that partnership.

The other issue Madam Speaker on the Fiji Roads Authority (FRA) 2014 Annual Report. I have been moving around quite a lot in Vanua Levu and this has been the issue raised by villages in the areas. If you go from Naduri Road, from the Seva Road, if you go down Namuka Road, the roads

that used to be two-way before, now Madam Speaker, is only one way. There is no proper drain and even the Contractors that are there, they mostly spend most of their time in tarsealing and resealing. This is one of the problems when we removed the PWD depot, they used to maintain those roads and most of those contracts that were given were given to villagers on the roadsides for the cleaning of roadside projects. That has been removed and taken away and FRA has big Contractors like Fulton Hogan and small contractors like Kashmir, Fairdeal; the small ones Madam Speaker. But again, most of the things that people really need to enjoy in terms of accessibility they are being denied.

Again I would like to remind the Honourable Minister for Waterways, he had promised last week on Friday he mentioned on record in the Hansard that there will be machines at the Siberia Road. I was there in the weekend, Honourable Minister, I passed through the area there are still no work done there, nor any machines parked there Madam Speaker.

(Honourable Members interject)

HON. M.D. BULITAVU.- Honourable Minister, that is something to improve upon.

Madam Speaker, let me move now to the FNU Annual Report of 2014. One of the challenges that was noted by the Committee was the attraction and retention of professional expertise in relevant academic disciplines. I would like the Government to turn to the School of Maritime where there is a shortage in terms of seafarer lecturers. This course is very expensive and the Lecturers too most of them are experts that were brought to Fiji and is very expensive too in the recruitment. If Government could look into this because most of our Fijians who come from maritime areas want to pursue this as a career. But the problem is they cannot go to these classes because there are shortages of lecturers. I think this was brought to the attention of the Committee too, and I hope the Government would take this on board.

Madam Speaker, most of the recommendations that are now coming out of this particular report, given there is about 13 reports in this motion. This shows the failures of the Government in the last eleven years .

HON. MEMBER.- Absolutely.

HON. M.D. BULITAVU.- Again, because we came to have a Parliamentary Democracy in 2014, most of these reports are coming out now. The things that are coming out that Honourable Nawaikula has already mentioned these are things that the public wanted to know; that in a democracy and they ought to know. I thank the Committee for Social Affairs for having time to go back on these reports and also most probably they will face difficulties with some of the officials who were seated in those posts and who made those decisions then were no longer present. Even the current staff who were there came to answer questions.

(Honourable Members interject)

HON. M.D. BULITAVU.- Given the problem that we now have the Committee looking into these reports; lot of reports as I have said and it is good that we made some recommendations and we also urge the Government to look seriously in the recommendations that are coming from the Committee. It is coming from a Committee of the Parliament and again sufficient feedback has to come back to the Committee on how recommendations are implemented. This has been the issue, Madam Speaker, it has been brought to your attention once and probably through your authority that the Cabinet Ministers will also give timely feedback on how recommendations are implemented so we do not have repeated recommendations when it comes to a new Annual Report

HON. DR. M.T. SAMISONI.- Wasting of time.

HON. M.D. BULITAVU.- Very true Honourable Samisoni. Those are the things Madam Speaker that can improve the scrutiny powers and functions of the Committee. Thank you Madam Speaker.

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

HON. P. CHAND.- Madam Speaker, may I rise to make some contributions in regards to Fiji Roads Authority the Annual Report, it talks about over 17,000 kilometres road graded, 250 percent of road network. Something that is seriously lacking with the Fiji Roads Authority is the periodic maintenance of our roads, and that is one of the reasons most of our roads are just getting bad every day to worse.

As far as highlighted by Honourable Bulitavu, the roads in the Northern Division are getting narrower and narrower by the day. Generally, when buses go if you have another bus from the opposite end you have to stop the bus and reverse.

(Honourable Members interject)

HON. P. CHAND.- I am a bus operator, it does not mean I cannot speak about the problems that we face, because I do not carry myself in those buses, I carry the very public that this Government is interested in serving, the poor Fijians of Fiji; those who want to go to school, those who want to go to market, those nursing mothers who want to go to dispensaries.

(Honourable Members interject)

HON. P. CHAND.- Madam Speaker, there are three very important roads that need an immediate attention, these roads have been made, left over the years, nothing done, but promises have been made. One of them is the Lagi – Qaranivai Road, it services the people of Udu Point who live on the coast; who come and land at Qaranivai, then they need transport. They do not have bus service because the road condition is not good. The roads have been done but in piece-meal. For a kilometre, they will put the gravel and then half a kilometre no gravel. This is the story of that road. The second one is the cross-country road between Naiyarabale and Vanuavou. This road is in existence for a long time and I bet there were lot of pleas to the Fiji Roads Authority to no avail. If that happens, right now when the people from Vanuavou, they travel 124 kilometres to Labasa, it will cut their journey only to 45 kilometres. The road is already there but I have been hearing this from the Honourable Minister, the Commissioner and other people that this will be completed. I wrote and explained to them that it only needs a little bit of gravelling and grading and bus services can continue. Similarly, more than \$2 million spent on the Naisarawaqa, Namuaboiboi and Cogea cross-country road. The contractors have gone away and the road is not completed. There is one Irish crossing that needs to be done very properly and there is a creek which needs an Irish crossing.

Madam Speaker, this also takes somewhere about 185 kilometres travelling. If this road is just completed it will not take many days and distance will be reduced to about two-thirds, bus fares will go down from \$12 to \$8 and from \$15 to \$10. These are the kind of things we are talking about and I always hear this Government talked about unprecedented things...

(Laughter)

...unprecedented failure, unprecedented blindness they cannot see the roads. The only time these roads are done is when someone either the Honourable Prime Minister or the Honourable Minister go then

you will see the quick grading here and there and cover up potholes. These are the kind of things that are not very good and those remarks 'lying' should not be used in Parliament, Madam Speaker.

When we are talking about Labasa, we are talking about the bypass road. In Labasa, if there is some serious problem there will be huge traffic congestion. There is a big FSC train line, I would suggest to the Government to look at it making that as a bypass road for Labasa Town using the FSC bridge which will reduce congestion.

Madam Speaker, it is very important for us to note that we are talking about 510 kilometre drains and water tables cleaned over 2,215 metres new culverts build. I have a very strong evidence that the Fulton Hogan and all these contractors they will come and they will quote about \$14 metre of digging, but that is being done by \$5 or \$7 by subcontractors. Why are we wasting that money? We have lots of local contractors that could do their job for \$5 or \$7 a metre. Why are we paying someone who is taking away the money?

We have a huge budget in the Fiji Roads Authority (FRA) including roads, jetties, ports, airports and all these. But previously if I am not mistaken the Budget used to be \$80 million to \$100 million and when there is hurricane or cyclone it used to go a little further up. But we have \$653 million; we must make the best use of it. From 2015, in my calculation amounted to \$2 million a day for FRA. What are we doing, \$2 million a day what is the difference on the roads? The vehicles are still bumping, the potholes are still there and these are kind of things we need to look at.

Madam Speaker, the Government should seriously consider an investigation of the FRA and all the contracts that are being given out and the kind of money that is going away and not producing results. This is very important.

Madam Speaker, with this I will make a call to Government, I think they should visit and see the roads in the Northern Division. This Japanese tea type grass is growing on the road shoulders everywhere and making the road soft on both sides; it is very difficult. Naduri Coastal Road is so bad, the bus drivers have to go, trees are overhanging on the road and the buses have to go crisscross, otherwise they will hit and damage the roof. These are the kind of things that need to be done immediately. We are talking about many things but one of the most important things is communication, good roads will enable people to look after their vehicles properly, come to town on time, school children will not be late for school, nursing mothers will have comfortable seat in vehicles whether it be bus, RSL carrier or anything. These are the kind of things we need to look at. Madam Speaker, this is my contribution, thank you.

HON. SPEAKER.- I now invite the Honourable Salote Radrodro to have the floor.

HON. S.V. RADRODRO.- Thank you, Madam Speaker. I know a lot has been said about the Consolidated Reports. May I just contribute to the Ministry of Health.

Madam Speaker, the Ministry of Health facilities as we know and as we have continuously raised in this side of the House the need to get them upgraded, repaired and I must at this time acknowledge the efforts of the International Women's Association (IWA) that have come out to help upgrade the facilities of the CWM maternity unit in terms of its bathrooms and toilet facilities. Those are the kind of problems not only at CWM but in all our health facilities, and we note that the budgetary allocation is not that much as compared to some other allocations. For example, in the current budget they are all grouped together CWM, Lautoka and few other medical facilities with the budget is even less than \$9 million. I understand even golf has been given that \$9 million for their allocation. So there is some kind of misplaced priorities, Madam Speaker, in terms of Government service delivery particularly in maintaining the health and medical facilities which is in dire need right now of upgrade.

That is the example that I have given and have been taken on board by the IWA to look at the maternity unit bathroom facilities at CWM.

Madam Speaker, if I can just add on to what has been said about the Annual Report for the Fiji National University. The concern is that even though the institution is well aware of the cost of having to hire qualified people to be able to allow the students to complete their programme in the School of Maritime they still offer the programme. So what has happened those students that have come on board these programmes are not able to finish their programme at all. They are sitting there unable to complete their programme and they have been continuously sent to go and do I believe what is called like practical attachment of their programme in ships which is what they do not need. What they need is a qualified seafarer or captain to be able to come and run the programme at the schools so that these students are able to finish or complete the programme. We have heard that it is an expensive exercise. These students will not be able to complete their programme or graduate. That being the issue, the school continues to offer that programme when they know that they do not have the money, they do not have the finance or have financial difficulties to be able to recruit the overseas experts to allow the students to complete their programme.

Madam Speaker, if I can move on to the Fiji National University (FNU), there is pertinent issue in regards to their human resource recruitment. We will note in the discussion in the report there is a decrease in the number of students intake but on the other hand there is an increase in the academic staff intake. These two sort of do not work in sync and it is an issue that FNU have to really look at or scrutinise their human resource recruitment policy and also the student intake.

May I just add one last comment on the Fiji Ports Corporation Limited (FPCL). One of the issues that caught my attention while they did their presentation was on the state or the condition of the wharves, particularly the Suva Wharf, it is in need of infrastructural upgrade. They had also raised that issue and that is the challenge with them. The state that the wharf is in and considering the incoming work that they have to deal with, it can pose as a risk to them undertaking their work and also that have been raised by those that came to do their presentation and I hope the Government will take heed of that.

Before I sit down, Madam Speaker, may I again highlight that we will note that all these reports have been consolidated and one of the issues that we raised as a Committee is that, and I have checked the Standing Orders and it does not specifically help us in that, it is like a one-way street of Committee work, Madam Speaker. We make recommendations but whether those recommendations are taken on board by the Ministries or the organisations, we do not know because nothing comes back to us. Like I had already mentioned, I have checked the Standing Orders and it does not mandate a provision of what kind of action or feedback has been taken by the relevant ministries and department and other organisations, thank you, Honourable Speaker.

HON. SPEAKER.- Just before I call on Honourable Ro Kiliraki, I do not think Committee Members should come and highlight issues that were discussed at the Committee stage because the issues discussed at the Committee stage remains with the Committee, and the Report tabled is the Report of the Committee, so do not bring back what was highlighted over there to Parliament but always pick on the recommendations made.

HON. RATU K. KILIRAKI.- Madam Speaker, if I can make some small contributions to the consolidated report, firstly, on the Public Rental Board 2013, 2014.

One of the challenges is meeting the customers' demands in regards to new accommodation and also one of the ongoing challenges we have is the issue of the availability of housing. You know, Madam Speaker, the problem of housing, especially the rental and informal settlements are renting

their houses for those looking for accommodation, especially working people. You go towards Princes Road and all those from Suva through Princes Road to Nausori, there are settlements or houses that offer rentals because of the demand for housing. In terms of the Public Rental Board (PRB), there are some shortfalls on the Raiwai Flats intake and they could not achieve the \$2.9 million target. That is a challenge because the upcoming projects are Raiwai, Kalabu, Nasinu, Simla in Lautoka, Namaka, Votua and Raiwaqa.

The fact that there are also rental arrears from existing tenants, was one of the major challenges or highlights that affected the balancing out of the income of those who take land in these PRB rental flats and the rental is very expensive for their income. So you have existing tenants who accrue rental arrears and the challenge for the PRB is to collect those arrears in terms of finances that are outstanding.

In terms of the reforms for FNPF,, even though the existing Act requires employers to pay contributions, as for the average collection of \$40 million per month over 2000 members. The point is for employers to pay that 10 percent, whether there is an opportunity for those who are no longer members to be paid that amount in other provisions that may exist, apart from the existing FNPF provisions.

My last contribution, Madam Speaker, is in regards to the Local Government, Urban Development, Housing and Environment Report 2009, 2010 and 2011. In terms of the environment, it is a big issue especially there is an issue related to the climate change and we hold the Presidency of COP23. In fact, the Ministry of Environment is under-resourced in terms of manpower, even in this new Ministry. So one of the challenges is the Department's capacity to address the environment enforcement, the ability of this to enforce the challenges in urban developments, especially in housing.

On reclamation, as we know that we always highlight the importance of the destruction of mangroves and those other issues that we try to highlight in terms of the Ministry of Local Government, Urban Development, Housing and Environment in terms of the protection of environment as far as housing is concerned.

Another issue also is the challenge on the First Home Buyers. As I have mentioned already, the housing problems that our people face, especially those who come into the workforce, I have asked also in regards to the availability of FNPF funding in terms of the entitlement in the FNPF that is provided but the issue is on the First Home Buyers. What is the progress on that issue for the availability of the First Home Buyers to be able to buy their own houses?

On those comments, Madam Speaker, I conclude my remarks in terms of the consolidated reports, thank you, Madam Speaker.

HON. A. SAYED-KHAIYUM.- Madam Speaker, it will be amiss not to perhaps respond to some of the comments that have been made by the Members on the other side of Parliament

What Honourable Nawaikula actually highlighted is actually very true. There has been a lot of anomalies in the manner in which the staff of the Ministry of Health have actually managed funds, the manner in which the staff have actually managed contracts, the manner in which the staff have not adhered to various procedures is absolutely correct. Indeed, I thought we actually had a rule, Madam Speaker, with respect that whenever there is a particular Committee looking at a respective report that would not be discussed, and in this particular case, the Honourable Member was discussing the Auditor-General's Report which is before the Public Accounts Committee, I think that is what the Government Whip was trying to impress upon Parliament.



Notwithstanding that, Madam Speaker, the reality is that, yes, those things have happened; yes, the Auditor-General has noted that and this is precisely the reason why we need civil service reforms because we have many people holding many positions that are actually not fit enough to hold those positions. This is why, Madam Speaker, we need contracts in place to monitor people's behaviour.

What the Honourable Nawaikula highlighted (and this is a very pertinent point), regarding the Tender Evaluation Committee. We have had a system in Government now for decades where, whilst you have the Government Tender Board, the respective ministries have a Tender Evaluation Committee that is made up of staff of that Ministry, and they genuinely tend to rule the roost, as they say. I will give you a classic example, in the previous Government Tender Board noted that. So, for example, when the Ministry of Health calls for tenders for the provision of say, nurses uniforms, then people actually tender. We, of course, know that the pricing of fabric varies depending on the quality of the fabric. And what actually used to happen was that when they give in the submissions, the Government Tender Board simply pass it on to the Tender Evaluation Committee from the Ministry and say, you decide, you choose.

We discovered this only 18 months or two years ago, that the Tender Evaluation Committee in fact Madam Speaker, used to get free *bula* shirts and other stuff from one of the suppliers and guess what; what do they recommend who the supplier should be? Company "x", and what happened when they supply cotton for example, eventually they supply some substandard material. These are the kind of shenanigans that were going on and obviously, this has been happening, not just in the Ministry of Health, but other Ministries. People have been reported, recently I can tell this, Madam Speaker, we discovered that within the Ministry of Health, when we have works, maintenance or hole in the wall or the lights need fixing, we have lot of works that are below \$50,000. So it does not go to the Government Tender Board, it is done internally within the respective Ministries.

We discovered that one of the persons who was in charge of the maintenance of various facilities within the Ministry of Health was actually giving all of these to his father's company. It has been reported to FICAC and it is in excess of approximately \$250,000. So it is happening, you cannot hold the Minister responsible for that. Most definitely, the Permanent Secretary needs to be held responsible for that. As provided for in this Constitution, the ultimate accounting officer for a particular Ministry is the Permanent Secretary. This is why we have the division. We have the operational aspect of a particular Ministry, we have the policy aspect of a particular Ministry.

The Policy is done by the Ministers and the operational aspects are done by the Civil Service. So these are the types of things, I agree with the Honourable Nawaikula. We ourselves have discovered that many of the Ministry staff actually going on signing contracts without being vetted by the SG's Office, without it even going to Cabinet. There are couple of cases before the courts at the moment. For example, the awarding of bus shelters and putting up signage on bus shelters are done all privately by staff, in this particular case, the Ministry of Transport.

There are many cases Madam Speaker, like that. So, the reality of the matter is we need the reforms. We have had people who have been managing and holding positions, they are not qualified to hold positions because there was a culture in the Civil Service that the longer you are in the service, you are the one who should be first entitled to holding a senior a position, even though you may not have the qualifications. Someone only been there for five years, he has the right qualification, he will not get it because this person has been there for the past 10 years. These are the kind of shenanigans that have been happening and we accept that. We have never changed that Madam Speaker, we want it to be able to change that, there has never been change. So through the Civil Service reform we are carrying that out.

The reality of the issue such as nurses, Honourable Members would know and Honourable Nawaikula does also know, that when you actually come out and get admitted as a lawyer and sworn in by the Honourable Chief Justice, you cannot go through High Court for the first two years. You need to be mentored by a senior practitioner. Similarly, and obviously nurses and doctors need to be mentored too. So what is the big deal about a nurse being mentored? It does not necessarily mean that they are not qualified. It means that they need to be able to have that level of training exposure by those who are senior to them.

Madam Speaker, the shortage of doctors and nurses has been a problem in Fiji. We have increased the number of scholarships in those areas, we have increased the number of intake, but that is the problem that is why we are going offshore to get the right people. The other one I find it quite ironical, on one hand the Opposition has been complaining about the condition of the cleanliness of the hospitals. It has been a problem. Now when the Government Tender Board is awarding the cleaning services to a company, they object to it. You have, Madam Speaker, see, for them it is like whoever is the cheapest, we should give it to them. Whether they do the job or not it is another thing. We had companies that were issued cleaning services where people were going around cleaning with the rags on the floor in the hospitals. There were no proper equipment, no modern day facilities, no using of certified chemicals they should be using in the hospitals.

Madam Speaker, this is the reality. In any case, Honourable Radrodro who has raised this issue should also know that out of this, the CWM Hospital contract has been awarded. The new company has in fact retained 77 staff from the old company, they have hired them. Madam Speaker, for Labasa, out of the 42 staff, 27 have been retained. Obviously, there are some people who are not performing. It is up to the company to do as it will, as far as we are concerned, that our job is to make sure that the right company is there to provide services, that the hospital is clean up to acceptable standards.

You see this is all politics, on one hand they claim that the hospitals, they sue the guy, you should give it to the company. Madam Speaker, this is the kind of shenanigans that is going on. They keep on talking about free medicines not available, absolutely not a single evidence have been provided, they are making all sorts of wild allegations.

Madam Speaker, talking about Health Centres, having dental or optical services all of that, everyone knows that you cannot provide all those services even in Health Centres. This is why you have hospitals with bigger and greater services as you go up the scale, because no point setting up a dental services there or optician there when you know there are not enough people to service that place. As and when the need arises and get the personnel, of course, you build it up. In the same way, Valelevu did not have a 24 hour service, today Valelevu is providing a 24 hour service, need has grown, there are right personnel and of course the services will be provided.

Madam Speaker, this is obviously being done in a systematic manner, I agree with the challenges that have been faced by them, we also have the issue about absolutely right again. For example, as you said in the Parliament before, the core business of the Ministry of Health and Medical Services is to provide the services. The core business and the people there are not necessarily to build buildings. So we need to get the people who are actually specialised and have the expertise.

This is why we have the Construction Implementation Unit, where the entire team is dedicated to that, that actually does all the centralisation of the construction and the expertise are there. So we are trying to actually centralise this, we get better economies of scale, we get the better expertise as opposed to trying to have a civil engineer within the Ministry of Health. No! The focus of the Ministry of Health is on the medical area, so these are the kind of changes Madam Speaker, through the reforms that are taking place.

Madam Speaker, very quickly, I completely agree, with the ship building, we are a maritime country, we need to have ship building, we need to have a slip way and good port facilities. We need to be able to do the transshipment hub which we are achieving to a certain extent. The turnaround time has now improved by more than 33 percent, we now no longer have the levies that are charged by the shipping companies on containers coming to Suva Port because the efficiencies have increased.

The SVT Government sold the shipyard to a \$2 New Zealand company. And then when it did not work out they have to buy it back at more than what they sold it for, that is what happened. So, yes, we need to do ship building, they need to also know the history. The question now of course arises, where do we actually have it? Madam Speaker, as we have highlighted to Parliament previously, and also through public announcement, that the Fiji Ports Corporation Limited has been looking at a master plan, we are working with the expenses, we are working with the Asian Development Bank, whether indeed the current location of the Port is suitable to have a one stop shop as far as port facilities are concerned.

The Honourable Salote Radrodro is absolutely correct, the infrastructure at the Port is also, I have highlighted in this Parliament, that one third of the Port cannot be used for container services because the infrastructure is very weak. This is why you have the cruise liner boats come to this end of the Port because it can hold the passengers. So there is massive amount of money that needs to be put in and, of course, as we have also said repeatedly that for decades and decades in Fiji we are not very good at maintaining our assets and maintaining our infrastructure. So therefore it now requires a huge injection of funds. As we highlighted to Parliament the other day, we do not have a redundancy line for FEA. If a lightning strikes, the power line going through Monasavu to Vuda, that is it. Most countries would actually have a redundancy line that will cost over US\$100 million. We need to be able to get the funding for that which will span over five years. But once we get there then we actually have a redundancy line; improves efficiency. So money needs to be spent in that respect. I completely agreed with the pollution aspects. That needs to be done, there are of course insurance issues and we will be looking into that.

The Maritime Academy, Madam Speaker, we brought in the overseas people to precisely address that issue because the courses offered by the Maritime Academy, I urge the Honourable Members of the Opposition they should go now, see what it is like, see the courses that are actually now certified by IMO. There is no point doing the certification if it was not certified by IMO, because it will not be recognised by other shipping companies. So this is the work that is in progress, Madam Speaker.

Madam Speaker, the other issue about the Fiji Roads Authority (FRA), yes, of course there are many roads in Fiji. What Honourable Chand (unfortunately he has left for the day it would appear) talks about that there has been no periodic maintenance. I completely agree with him that there was no periodic maintenance which is why we are in this state that we are in now. Everyone knows that whenever you build a tarseal road at least every three years you need to come back and reseal it; you have to do that. If you look at the funding allocation under PWD and then subsequently the DNR because it was not enough to cover the resealing of all the roads we had. As we highlighted the other day, water is our major enemy.

I completely agree with Honourable Gavoka. There are many countries in the world that they have huge amounts of water formed on roads are immaculate. I completely agree with that, you can go to countries like USA, Canada, et cetera but they have built the roads to a particular standard that we had not built our roads to those standards. We are now trying to do so. If you look at some of the works around Suva, round the roundabouts and various other places, you can see that they are actually digging quite deep because they need to get to what they call the base core or the sub-base. We need

to get to the sub-base to ensure that there is stability. Suva, for example, many parts of Suva including Rewa, et cetera, is very much clay based, the soil is very much clay based.

I have here the figures as I highlighted to Parliament the other day, Madam Speaker, about the number of cars on our roads. It has almost increased quite significantly. On average in 2016, 41 vehicles were registered per day. In 1998, 6 vehicles were registered per day. In 2006, there were 25 registered in a day. Today we have 41 vehicles registered per day in 2016. Obviously, Madam Speaker, it is now is 2017/2018, there will be more vehicles registered per day.

So there is a lot of pressure on the roads and ,yes, we need to be able to get to the base core and this is why many of the roads that we are actually digging up needs to be done and of course there can be improvement, but many people actually do talk about the \$520 million allocation. This also includes, Madam Speaker, the major road works for example the four-laning of the road from Nasinu to Nausori, Nadi Airport to Denarau et cetera, all the four lanes that goes up to Martintar and then with the back road to Denarau; it includes all of that. It includes the loan repayments, Madam Speaker, for the Nabouwalu to Dreketi , the Buca Bay Road and it includes the loan repayments for that which is actually reflected in the Budget for FRA. So, Madam Speaker, there are those changes that are taking place.

Very quickly on the Public Rental Board. I completely agree with Honourable Ratu Kiliraki, there is a dearth of housing stock. The tradition has always been that Government gives the grants to Public Rental Board and whenever they have budgetary allocation of \$4 million, \$6 million then you go and build a block of Public Rental Housing; and then they go and rent it out to people with low income.

But, Madam Speaker, as announced in the Budget that we have now provided tax incentives for the private sector to be able to participate in this space, and we are currently talking to two or three companies that have actually expressed interest which means that Government does not have to have a huge outlay of capital. What they can do is come and build, we agree on a price, so for example if they are say for them to get a rate of return on that particular investment, if they say our rental should be \$100 a month and we rent it out to the lower income people at \$20 a month, we pay the difference of \$80. But we do not actually have to invest any money upfront. In the same way we lease vehicles. Why are we able to give the Police 250 vehicles all one shot? Because we are leasing vehicles, we do not have to have a capital outlay.

So similarly, Madam Speaker, there is a dearth of housing stock that is necessary to address people with low income level to be able to have an affordable housing and be able to then graduate them into a home ownership and we are going to address that by way of getting a PPP with various organisations.

Madam Speaker, the FNU of course, we know it is a conglomeration of the various institutions that existed throughout Fiji, they will put together, consolidate together to form the FNU. This year's budget has seen an increase to the FNU operational expenditure is about \$54 million to \$56 million. Either one of those two figures, I stand to be corrected, but one of the reasons why we did increase their operational cost was for them to be able to pay good salaries to attract good lecturers and tutors into FNU. Because the reality is, Madam Speaker, that USP as Honourable Professor Prasad would know and can verify that they get paid a lot better, or have been paid a lot better than what FNU has been offering.

Obviously this is our national university and we need to be able to attract the right people to this institution, Madam Speaker. I would like to thank the Committee for their recommendations and

the various observations that they have been made, Madam Speaker. I just wanted to highlight some of the issues that have been raised by the Honourable Members of Parliament. Thank you very much.

HON. SPEAKER.- Thank you. I now call upon Honourable Inia Seruiratu.

HON. LT. COL. I.B. SERUIRATU.- Thank you, Madam Speaker. On FRA again, Madam Speaker, this is very important for all the Honourable Members of this House to know particularly when we are dealing with roads.

The Honourable Parmod Chand had talked about periodic maintenance. Madam Speaker, one is periodic maintenance and the Honourable Attorney-General has spoken at length on that. The other issue, Madam Speaker, is upgrading of roads because in rural roads from the days of the Alliance Government, Madam Speaker, and that continues into this very day, the first thing you do when dealing with rural roads is about accessibility, rural access roads and you do periodic maintenance for rural access roads; and then you have to upgrade the roads to higher standards so that public service vehicles can service these roads.

It would be good with all honesty, the Honourable Member can declare his interest because these rural roads that he mentioned, Madam Speaker, the Nukusere/Lagi Road, the Lagi/Qaranivai, the Nasarawaqa/Namuavoivoi/Daria; these are rural access roads, Madam Speaker and including the Nayarabale Vanuavou Road. But the Honourable Member has forgotten that it was this Government that cleaned up again, upgraded the Nukuserea/Lagi Road, not only that, Madam Speaker, we took that road as far as Tawake. After Tawake then the people of Qaranivai also wanted the road. It was under this Government that, that road into Qaranivai was constructed. Madam Speaker, in my first trip from the Namuavoivoi/Daria road, I only went as far as the Forestry Station because that road was in a bad state.

Madam Speaker, it is this Government that has upgraded that road and that is accessible now, but he wants to service the buses there. They have not mentioned about the Daria/Kubulau extension. They have not mentioned about the Nabouwalu/Dreketi upgrade which is obvious, Madam Speaker.

Let me also mention, Madam Speaker, that all these roads that I am talking about they were constructed as rural access roads to facilitate the logging industry. We all know that FFI is a big employer in Labasa likewise Valebasoga Tropik Board Limited is a big employer in Labasa. It is these access roads that were cut based on the recommendation of the loggers, because road conditions in Vanua Levu was bad because of the logging trucks. This is why the Nayarabale/Vanuavou Road, Madam Speaker, in Namuavoivoi/Daria we still have in the Northern plan, the Kedra/Sese and Kilaka/Matasawalevu Road; these are all the plans that are simply to facilitate all the stakeholders. But Madam Speaker, the Honourable Member has been very selective as if things have not happened in Vanua Levu. It is this very Government that took the electricity to Dreketi, Madam Speaker, this Government and that is to be clarified in this Honourable House. Thank you, Madam Speaker.

(Chorus of interjections)

HON. SPEAKER.- Honourable Prof. Prasad.

HON. PROF. B.C. PRASAD.- Madam Speaker, I was not going to speak but having heard the Honourable Minister for Agriculture and his reference to Honourable Chand having not declared his interest. Madam Speaker, Honourable Chand was merely highlighting very clearly roads which need maintenance. I travelled from Nabalebale right up to Kubulau, Nasawana, Solevu past Nabouwalu, Madam Speaker, and the condition of the road is pathetic. I think he was simply highlighting because these were always bus routes. I mean it is not as if Honourable Chand and his company started

yesterday, so I think the Minister needs to correct that. I think he cannot totally discount the fact that what he pointed out was correct.

Obviously, Madam Speaker, the Honourable Minister also, what I had learnt that this Government has done this, done that including the electricity to Dreketi. When I was a child, Madam Speaker, we had not seen a bus until 1972 when the irrigation scheme started. There was a major rice project started by the then Alliance Government in 1972, roads were built, the vehicles could travel. So, a lot of things happened over a long period of time. It is a bit unfair on the Honourable Ministers on the other side who keep talking about what happened in the last never happened before.

They need to talk about what happened in the last 10 years or 12 years and take on board constructive criticism and identification of areas where it needs. I went to Bua, Madam Speaker, this is the road from the highway which was built and bus services that road and the condition of that road was unbelievable. There were kids from right towards the end of Vatubogi who were travelling to school could not get a bus ride because the bus could not get there. So I think what he is highlighting is not his own interest, there are some routes where buses travel.

Might I add, Madam Speaker, before I take my seat, I think the point he raised about FRA and the Honourable Attorney-General kind of agreed with the concerns that are there. I think we need a thorough review of the FRA Board, its management and audit of whether we are getting value for money. I suspect, Madam Speaker, given the evidence that we have some anecdotal and some coming to us right through while we are debating this is whether we are getting value for money?

HON. A. SAYED-KHAIYUM.- Making a perception.

HON. PROF. B.C. PRASAD.- It is not a perception. We have some evidence, Honourable Attorney-General where we actually know.

HON. A. SAYED-KHAIYUM.- Show it.

HON. PROF. B.C. PRASAD.- In fact when the reform started in 2012, Madam Speaker, it was stated that over a period of 4 or 5 years local contractors would be able to be in a position to be able to undertake all these contracts, but because we have so many overseas contractors now, even though they have split, the FRA has split work into smaller portions, still the overseas contractors have an edge. So I think the points he made was very relevant and I think the Government ought to take it on Board. The FRA Board need to get its act together and understand that people need value for money from FRA. Thank you, Madam Speaker.

HON. SPEAKER.- Honourable Members, I note there has been a lot of negative comments made against FRA and I am sure there are other companies that are working on roads and if FRA was here to defend itself, I am sure they would have been able to do that but I think you should refrain from making all these negative comments against FRA for instance.

(Chorus of interjections)

HON. SPEAKER.- I now give the floor to the Chairperson of the Standing Committee on Social Affairs to speak in reply.

HON. V. PILLAY.- I do not have any other comments, Madam Speaker.

HON. SPEAKER.- Parliament will now vote to note the content of the report. Does any member oppose the motion?

(Chorus of “Noes”)

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

That bring to the end today’s Order Paper and I thank you all very much for your contribution to the debate.

The Parliament is now adjourned until tomorrow at 9.30 a.m.

The Parliament adjourned at 6.02 p.m.