

PARLIAMENT OF THE REPUBLIC OF FIJI



PARLIAMENTARY DEBATES

DAILY HANSARD

THURSDAY, 28TH JUNE, 2018

[CORRECTED COPY]

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THURSDAY, 28TH JUNE, 2018

The Parliament met at 7.37 p.m., pursuant to notice.

HONOURABLE SPEAKER took the Chair and read the Prayer.

PRESENT

Hon. Josia Voreqe Bainimarama, Prime Minister and Minister for iTaukei Affairs,
Sugar Industry and Foreign Affairs
Hon. Aiyaz Sayed-Khaiyum, Attorney-General and Minister for Economy, Public Enterprises,
Civil Service and Communications; Minister for Education, Heritage, Arts & Library Services
and National Archives of Fiji
Hon. Rosy Sofia Akbar, Minister for Health and Medical Services
Hon. Parveen Bala Kumar, Minister for Local Government, Housing and Environment,
Infrastructure and Transport
Hon. Mereseini Rakuita Vuniwaqa, Minister for Women, Children and Poverty Alleviation
Hon. Ratu Inoke Kubuabola, Minister for Defence and National Security
Hon. Dr. Mahendra Reddy, Minister for Waterways
Hon. Commander Semi Tuleca Koroilavesau, Minister for Fisheries
Hon. Osea Naiqamu, Minister for Forests
Hon. Lt. Col. Inia Batikoto Seruiratu, Minister for Agriculture, Rural and Maritime
Development and National Disaster Management and Meteorological Services
Hon. Jone Usamate, Minister for Employment, Productivity and Industrial Relations
Hon. Faiyaz Siddiq Koya, Minister for Industry, Trade, Tourism and Lands and Mineral
Resources
Hon. Lt. Col. Laisenia Bale Tuitubou, Minister for Youth and Sports
Hon. Alexander David O'Connor, Assistant Minister for Health and Medical Services
Hon. Lorna Eden, Assistant Minister for Local Government, Housing and Environment
Hon. Commander Joeli Ratulevu Cawaki, Assistant Minister for Rural and Maritime
Development and National Disaster Management
Hon. Veena Kumar Bhatnagar, Assistant Minister for Women, Children and Poverty
Alleviation
Hon. Ilesia Delana, Assistant Minister for Youth and Sports
Hon. Vijay Nath, Assistant Minister for Infrastructure and Transport
Hon. Viam Pillay, Assistant Minister for Agriculture
Hon. Parmod Chand
Hon. Mohammed Mursalinul Abe Dean
Hon. Jiosefa Dulakiverata
Hon. Viliame Rogoibulu Gavoka
Hon. Semesa Druavesi Karavaki
Hon. Ro Teimumu Vuikaba Kepa
Hon. Ratu Kiniviliame Kiliraki
Hon. Jilila Nalibu Kumar
Hon. Dr. Brij Lal
Hon. Mikaele Rokosova Leawere
Hon. Alvik Avhikrit Maharaj
Hon. Ratu Suliano Matanitobua
Hon. Alivereti Nabulivou
Hon. Ruveni Nadabe Nadalo
Hon. Niko Nawaikula
Hon. Mataiasi Akoula Niumataiwalu

Hon. Ratu Tevita Navurelevu Niumataivalu
Hon. Howard Robin Thomas Politini
Hon. Aseri Masivou Radrodro
Hon. Salote Vuibureta Radrodro
Hon. Lt. Col. Netani Rika
Hon. Dr. Mere Tuisalalo Samisoni
Hon. Balmindar Singh
Hon. Prem Singh
Hon. Ashneel Sudhakar
Hon. Anare Tuidraki Vadei
Hon. Samuela Bainikalou Vunivalu

Absent

Hon. Ratu Naiqama Tawake Lalabalavu
Hon. Prof. Biman Chand Prasad

MINUTES

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Thank you, Madam Speaker. Madam Speaker, I beg to move:

That the Minutes of the sitting of Parliament held on Friday, 18th May, 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

HON. SPEAKER.- I welcome all Honourable Members to this evening's special sitting for the delivery of the 2018-2019 National Budget Address by the Honourable Attorney-General and Minister for Economy, Public Enterprises, Civil Service and Communications.

I also welcome our distinguished guests joining us in the gallery: the members of the Diplomatic Corps and International Regional Organisations, Permanent Secretaries, the Commander of the RFMF, the Commissioner of Police, the Commissioner of the Fiji Corrections Service, members of the business fraternity, as well as those seated in both our Committee Rooms.

I acknowledge those watching tonight's proceedings on television and the internet and listening to the radio.

Budget Address

The Budget Address is one of the most important sitting days of the Parliamentary year, as it allows the Government to demonstrate its intentions and strategies in raising revenue, and also its expenditures for the next financial year. This event receives close public and media attention and the process is important to fulfil the constitutional requirement that a Bill to be enacted must be passed by Parliament and assented to by the President. In that respect, the approval of finance and appropriations is a fundamental role of any legislature. Thank you all for being part of this significant event.

BILL – FIRST READING

2018-2019 Appropriation Bill 2018.

HON. SPEAKER.- I now call on the Honourable Attorney-General and Minister for Economy to move the First Reading.

HON. A. SAYED-KHAIYUM.- Thank you, Madam Speaker. Madam Speaker, pursuant to Standing Orders 99 and 84(1), I move:

That the 2018-2019 Appropriation Bill 2018, Bill No. 10 of 2018, be now read a first time.

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

HON. SPEAKER.- Please, hand the four copies of the Bill to the Secretary-General.

(Copies of the Bill handed to the Secretary-General)

HON. SPEAKER.- For the information of the Honourable Members, as per parliamentary convention and tradition, the Business Committee has exercised its powers pursuant to Standing Order 68(1), to exempt the National Budget Address this evening and the Shadow Minister's response which will be delivered on Monday, 9th July, 2018, from the ordinary speaking time limitations.

I now call upon the Honourable Attorney-General and Minister for Economy to deliver the National Budget Address.

2018-2019 APPROPRIATION BILL 2018

HON. A. SAYED-KHAIYUM.- Thank you, Madam Speaker. Madam Speaker, the Honourable Prime Minister, the Honourable Leader of the Opposition: it is with much honour and privilege that I present to Parliament and to all Fijians everywhere in our country and even overseas, the National Budget for the 2018-2019 fiscal year.

This evening, Madam Speaker, we have many who are listening in and who are watching this Address live and they are doing so in many different ways. We have families watching this streamed live on the Fijian Government *Facebook* page and on the Parliament live website. We have some watching from their homes, with their families on television, many on the new *Walesi* platform. And we even have some who are streaming the Address live on their smartphones as we have just rolled out the *Walesi* mobile application this week, putting all of the *Walesi*'s channels: *FBC*; *Fiji One*; *FBC Sports*; *Mai TV*; *Channel 2*; *FBC Plus*; the *Parliament Channel*; and the *Hope Channel* on the fingertips of every Fijian.

It was standing at this very spot during last year's Budget Address, we announced the first budgetary allocation for the nationwide roll-out of the *Walesi* platform. Today, one year on, *Walesi* is available everywhere in Fiji and now it is also available on every smartphone, bringing crystal clear picture quality on free-to-air digital television to every Fijian everywhere in the country. Another bold step in the future, Madam Speaker, that began right here last year. Another policy successfully implemented and, Madam Speaker, there are many more to come.

Madam Speaker, every one of our budgets has been connected. They are all steps forward in the same journey to realise the same courageous, steady and consistent vision set out from day one by our Honourable Prime Minister. And tonight, we are taking another bold step into the future.

Tonight, we will be building on the opportunities we have already sought for the Fijian people to prosper, and continuing the unprecedented development that has transformed our nation's prospects with another bold and historic National Budget, one that will touch the lives of every member of every family in Fiji, because that is what makes this year's Budget special, Madam Speaker, is that this Budget built for Fijian families.

It is a Budget built for every Fijian family everywhere in Fiji because all Fijian families matter.

When Fijian families are strong, united, stable and thriving, the nation is strong, the nation is united, the nation is stable and together, the nation succeeds. And this is a Budget that is grounded in the same values that build strong and stable Fijian families; responsibility, integrity, accountability, foresight and the sense of duty and care for our fellow Fijians.

This is a Budget that empowers Fijian families, laying out new and better economic opportunities for every member of every family in the country. This is a Budget that gives a leg-up to families who need special care, those in rural and remote parts of Fiji and those low-income families. This is a Budget that protects families who are facing tragic and unforeseen circumstances. And this, Madam Speaker, is a Budget that will bring every Fijian family more prosperity, not only in the here and now, but for the years and decades to come.

Our focus on family is important, Madam Speaker, and I know our Mums and Dads watching tonight will agree because when we listen to something as important as the National Budget, we are not only listening with our ears bent for how it will benefit us personally. We want to know how it is going to affect our families, our children, our parents and our grandparents and all of our fellow Fijians.

Madam Speaker, we want to know how it is going to affect our nation and our ability to prosper now and into the future.

This Government has taken that love and care we share for one another and for our nation, and we have matched that with a business way of thinking that has brought visionary, responsible and prudent financial management to our economy.

That is our recipe for success, Madam Speaker, and that is how we have forged Fiji, at long last into a united nation, ending the heartbreak of Fijian families who once felt they did not belong in their country. That is how we have empowered hundreds and thousands of Fijians with new jobs, new access to services and new opportunities. That is how we have unlocked our productive capacity as a nation. That is how we have made our economy inclusive, massively expanding our social safety net, giving a greater level of care towards those on the margins of society, our youth, our women, Fijians with disabilities and senior citizens. That is how we have brought water, electricity, roads,

telecommunications, health services and high quality education to more Fijians in every corner of our country. And that is how, Madam Speaker, we have achieved nine straight years of economic growth; the longest running period of growth in Fijian history.

Tonight, we build on that success, Madam Speaker, in a responsible manner, in a strategic manner and in a deeply caring manner as well. Tonight, we will see what nine years of economic growth, nine years of prosperity and nine years of progress have created for Fiji.

Madam Speaker, I will only be covering the significant new budgetary funding allocations and spending priorities this evening. You will remember the detailed Budget kits that were published last year in the *Fiji Sun* with the full breakdown of the National Budget, and that will be happening again in next week's newspaper.

The Budget details will also be published in the Ministry of Economy website at www.economy.gov.fj. If you have questions, you can email the Ministry of Economy at BudgetConsultation@economy.gov.fj or submit feedback directly to the Ministry of Economy on their new Digital Fiji mobile app. available on *Google Playstore* for Android devices and it will be available on Apple devices very soon - another new development we will cover shortly, Madam Speaker.

Madam Speaker, in strengthening Fijian families, our effort must begin where all families begin, with the birth of a child. Many of us here are fathers; I serve under our Honourable Prime Minister, who is both a father and a grandfather. We also have many parents and grandparents watching tonight, and we have parents and grandparents, and even great grandparents also in this august House, many with more experience than me and many of the others on this side of the House. But regardless, we all know that there are a few times that are more stressful or more special for a family that when a new child is born. And we want every Fijian family to have a measure of financial security when they welcome the blessing of a new child.

That is why we are proud to announce tonight, Madam Speaker, that we have allocated \$5 million towards Parenthood Assistance Payments in Fiji. That means, mothers from families with a household income below \$30,000, upon the birth of her child whether it be her first, second, third child and so on, will be granted \$1,000. The moment the newborn is registered at the Births, Deaths and Marriages Office (BDMO), only upon registration at BDMO and is issued a birth certificate, a new bank account will be opened at any participating bank in the mother's name to receive that Parenthood Assistance Payment.

The first \$500 will be available immediately to the mother and those funds can go towards the purchase of whatever is required for the rearing of the child, bringing a measure of security to Fijian families in the midst of what can be a very stressful time. The other \$500, Madam Speaker, stays in the bank, where it will earn interest and can be accessed when the child enters Year 1 or Class 1 or primary school. So no child in Fiji, Madam Speaker, will be starting life without a financial foundation. Over the long term, we hope parents will add their own savings to those bank accounts, and that will drive home the importance of savings and of financial planning for more Fijian families. And no fees will be charged in maintaining these accounts, Madam Speaker.

Madam Speaker, we know that the work does not stop with the birth of a child. All mothers and perhaps to a lesser extent, fathers know this very well. The lead-up to a birth is also an extremely busy and stressful time. And no new or expecting parent in Fiji should be worried about keeping the jobs they need to keep a roof over their family's head, keep the lights on and keep their family fed. And it is the Government's job to grant them flexibility and give them financial stability.

That is why we are also increasing paid Maternity Leave from 84 working days to 98 working days, adding another two weeks for mothers to take off from work in the preparation of their birth and in the care of their child.

And for the very first time, Madam Speaker, we are also introducing a paid five days Paternity Leave for fathers, effective from 1st January, 2019. That leave can be taken three months before or three months after the birth of the child.

Madam Speaker, I know we have had a lot of fathers, who were taking annual leave to spend time with their wives and with their children, some are making a difficult choice between supporting their families and sustaining their pay cheques, those days are over. Because we cannot undervalue fatherhood, Madam Speaker. Fathers cannot leave everything to their wives, they can and must be a big part of rearing their children.

Furthermore, Madam Speaker, I think more Fijian fathers ought to be changing diapers. I can tell you it is certainly an experience! And that is another reason among many that Fijian mothers are very keen to get the fathers back in the house, helping at home as well. It is also a very rewarding experience altogether, Madam Speaker.

Madam Speaker, we are also introducing a fully paid five days Family Care Leave that all employees can utilise each year. So if you need to take your child to the doctor, if your child gets sick at school, if someone you love, such as a parent is in need of help or you have another sort of family emergency, you can use these days to be there for your family. Because we cannot let any working Fijian to be torn between going to work and caring for their loved ones when they need help.

We have heard a lot recently about compassionate days being taken away from civil servants, that is clearly not the case, Madam Speaker. As of 1st January, 2019, every employee in Fiji will have more days to spend caring for their families than they have ever had before.

Madam Speaker, in order to make all of these new leave possible, we need also to be mindful of Fijian businesses, we need to be mindful of productivity. So we will be holding our final Sports and Wellness Public Holiday this Friday which is tomorrow.

It is not that we do not appreciate the spirit of the event, it is an important mission and one that will continue through our massive funding towards the health of our citizens. But it is clear, Fijians wanted more flexibility, and we know these five new days of Family Care Leave are more than fair recompense.

Madam Speaker, Fijian businesses are going to be better off when their employees are able to manage their work-life balance, their employees will be happier and happy people get more done and they are more productive. That is just a fact.

But to help offset the wages paid to employees for these days, Madam Speaker, we are introducing a 150 percent tax deduction for all businesses for salaries and wages paid to those employees during those times they take Paternity and Family Care Leave.

Madam Speaker, I come to education. Every mother and father in Fiji wants to know that their child will grow up in a better society, with more opportunities than they knew themselves. That starts with education.

Before this Government, many families were left heartbroken; some were unable to send their children to school at all. Those days ended the moment this Government introduced free education, free textbooks and subsidised transportation to school. And the education revolution, Madam Speaker, started by this Government is alive and well with another historic allocation in this year's Budget.

For the first time ever 2018-2019 is a billion-dollar year in Fijian education, as we have allocated a record smashing amount of over a billion dollars to the education sector; nearly 22 percent of Government's total expenditure.

Fijian families can send their children to primary and secondary schools without worrying about money because both will remain free for all Fijians students with an allocation of \$66.4 million. But we are making one important change; families who feel, on a voluntary basis, that they can afford school fees for their children, can now pay school fees or any amount they choose direct into an account that helps fund the construction of schools in rural and maritime areas of Fiji. And we urge the Honourable Members of this House, who do have children in school, to take the lead on this initiative.

The Bus Fare Assistance Programme will continue, as will our Free Milk Programme for Year 1 students.

Madam Speaker, Fijian schools must afford students the same level of safety and the same duty of care that they enjoy at home with their families. In far too many cases, that is not happening in our schools. We have students being assaulted by other students, students being beaten, bullied and harassed and that is totally unacceptable.

Making our schools safer, Madam Speaker, starts with instilling values; family values like respect, tolerance, discipline, teamwork, nation-building and a sense for civic duty. That is why we are bringing scouts to the Fijian education system, working with the Fiji Scouts Association of which His Excellency the President is a patron, to bring scout programmes for girls and boys for the first time into secondary schools and new high schools on a voluntary basis. That is going to bring leadership opportunities to campuses in the development of our young people, and that is going to build the spirit of teamwork on campuses and that is going to help build communities among our students; 'home away from home', that brings the same structure, stability and security of a family environment. And schools that already have cadet training can offer both of these programmes to their students. We are working with the Fiji Scouts Association to bring this programme online from Term 1 of 2019 and in the meantime, we will begin our training courses for the teachers to roll-out this programme in the New Year.

Madam Speaker, we are also going to extend the reach of the Accident Compensation Commission Fiji to cover school-yard injuries so that families of students hurt at school can benefit from a no-fault payment scheme that can go towards the cost of their recovery. This is going to paint a very clear picture of which schools have serious problems with abuse on school property and need special attention. And, of course, Madam Speaker, accidents do happen at schools.

We have had children, for example, because children are playing around and a pen has been poked into someone's eye and they actually lost their eyesight. This is precisely what this compensation will cover, Madam Speaker.

Madam Speaker, we want teachers in classrooms to be able to afford as much one-on-one attention as possible to our students. To improve the ratio of teachers to students, we have allocated \$5 million to recruit an additional 200 primary and 50 secondary school teachers, along with another \$26.9 million, as a salary grant for Early Childhood Education (ECE) teachers.

Madam Speakers, Fijians do not become teachers because they think it will be an easy job. They do it because they want to make a difference, they want to change the lives of our young people, guide them, empower them, and further their development.

Madam Speaker, this Government is now bringing that same level of commitment to develop and empower Fijian teachers. We will be offering 50 fulltime academic scholarships that are open exclusively to Fijian teachers. Thirty of these scholarships are available to teachers who already hold a diploma and who want to upgrade to a Bachelor's Degree in Maths, Physics, English Language and Literature, Information Technology, Industrial Arts, Special Education and Early Childhood Education. Twenty scholarships, Madam Speaker, will be available to teachers who hold a degree and who want to upgrade to a postgraduate degree, including PhD programmes in Maths, Physics, English Language and Literature.

Madam Speaker, we are offering the scholarships in those areas because there is a serious lack of specialist teachers in the country. We need teachers with advanced skills in areas that are critical in a modern economy. We want Fijian teachers to receive these qualifications, better themselves, and ultimately better the education they provide to our young people.

Madam Speaker, we are going to comprehensively review our school curriculum, because our students need the right skills, the right knowledge and the right qualifications, to be competitive in a modern economy. That is why we will be redesigning certain courses to better engage with students, for example, an everyday Maths Track to students who do not want to study Complex Maths.

Madam Speaker, in a truly knowledge-based society, we all need to actively seek education, strive for good information and keep up with new trends. And all Fijians deserve an education system that keeps up with them as well. That is why we will be developing adult education to be taught afterhours, run by the Fiji National University.

We will be giving adults the chance to take new courses on how to start their own businesses, for example, how to manage basic finances, file tax returns, apply for Social Welfare Benefits and other skills, critical skills and give more of our people more opportunities to do well for themselves and do well by their families. These courses will be taught after hours by teachers and civil servants starting in Term 1 in 2019.

We are also working in partnership with the Indian Government in the Commonwealth Open Learning Centre to review our Education Curriculum, bringing global expertise to bear on the education of our young people.

As always, Madam Speaker, climate change poses a serious threat to the education of our people and we are raising the standard of resilience across the board in education, rebuilding back better from *TC Winston*, *TC Gita*, *TC Keni* and *TC Josie*, with a total allocation of \$90 million.

We are also bringing a level of uniformity, aside from meeting higher standards in construction to the design of schools in Fiji, along with the interior and exterior furnishings, and that will be funded by a Special Grant for School Renovations of \$6.9 million for Government and non-Government schools.

The Ministry of Education has also been tasked to work with the Construction Implementation Unit to carry out a comprehensive stocktake of school premises around the country, based on school needs and applications made by school management. The new system will weed out inefficiencies and make more effective use of the \$300,000 provided to properly fit out schools throughout the country.

Madam Speaker, this Government introduced TELS and the National Toppers Scheme because when we actually went out and listened to young Fijians, it was clear that too many faced financial difficulty in realising their dreams in education past secondary school.

TELS and Toppers have grown, they have expanded in a sustainable manner, they have improved and they have evolved to meet the needs of our students in Fiji because we keep our ears to the ground and we have taken on the concerns, the ideas, and the aspirations of young, ambitious Fijians. It is critical that these programmes stay relevant as workplace demands change and as new industries come to Fiji, so that our people have the right skills and the right knowledge to maximise their potential.

As is the case in any developed nation, we need to encourage students to take up in-demand areas of study that have the greatest impact on their future. The Budget does that, expanding Toppers and TELS to help more of our people and to do better by our students, and to ensure they have the skills that are in demand in our modern economy.

This year, we are proud to announce, we will be expanding the National Toppers Scheme for students with another 340 fulltime scholarships, bringing the total number of scholarships to 970. Of these new scholarships, Madam Speaker:

- 20 will be awarded for overseas study in specialised courses that we do not offer in Fiji, including Architecture, Counselling, Forensic Science, Genetic Science, Molecular Biology, Speech Therapy, Clinical Psychology, Specialised Education, Biomedical Engineering, Town Planning and Climate and Actuarial Studies;
- 20 will be awarded locally for students in the areas of Tourism, Agriculture, Fisheries, Forestry and other course work that is aligned with our national development agenda;
- 5 will be awarded locally for students entering PhD programmes, and
- the remaining scholarships, Madam Speaker, are spread out among the existing priority areas under the Toppers Scheme that have already produced extremely talented and accomplished young Fijians.

That full list of scholarships awards can be found in the TELS Flyer on the Ministry of Economy Website, the TSLB Website and, of course, in the Supplement in the *Fiji Sun*.

Madam Speaker, looking at what we are doing in Toppers is looking at Fiji's future. It is an inside look at the new generation of Fijian experts, intellectuals and leaders in Fijian society. These 340 new scholarship opportunities will be available at the start of next year, and we very much look forward to seeing young talented, ambitious Fijians seize this new opportunity.

Madam Speaker, we are also adding 20 more fulltime scholarships under the Scholarship Scheme for Special Needs Students and all the recipients under the scheme will now be receiving the same slate of allowances offered to National Toppers Scheme recipients. On the back of the historic allocation last year, we are also allocating \$206 million to fund TELS in the next financial year, expanding the reach of the programme to a total of over 25,000 students.

Madam Speaker, TELS is an investment in the potential and ability of hardworking Fijian students and when students go on to a job and pay back that investment, they are really paying it forward by helping fund the dreams and the ambitions of the next year of students who aspire to tertiary education.

Because we are such a young nation, our young people deserve to realise their own dreams to go on to higher education.

We need to make every dollar count towards the education of as many Fijians as possible. That is the sustainable model, Madam Speaker, and that is the model that has already funded the education aspirations of thousands of our people.

This year, we are announcing that those who repay their loans more quickly under TELS are going to enjoy a major discount on their total repayment. Depending on how fast you repay, you can have 50 percent, 25 percent or 10 percent of your student debt erased completely. Based on what you owe, you will have a full set of years to make your repayments to enjoy these incentives.

It is a simple deal, Madam Speaker, the faster you repay your debt, the less you will pay overall. The full detailed breakdown can be found in the TELS Flyer on the Ministry of Economy and TSLB Websites and, of course, in the *Fiji Sun*.

Here is an example, Madam Speaker. If you have \$39,000 in debt, and repay half your debt in three years - the other half of your debt will be waived, or if you repay 75 percent of the debt in six years, the remaining 25 percent debt will no longer be owed. So if you manage your money, if you save and are savvy saving with your spending, Government is going to help you in a very big and very responsible manner, because the sooner your debt is repaid, the less you pay overall. That is true because you will accrue less interest and because of the major discounts offered by this programme and what we are calling accelerated repayment incentives.

We are making another important change to TELS, Madam Speaker, because our students deserve transparency and regular updates in the repayment of their loans, especially now that we have such an attractive repayment incentive in place. Students will now receive statements on their debt position during and after their studies, and they will soon be able to view their statements on their mobile phones through the Digital Fiji App.

Under TELS, the case has been that only students whose parents make under \$25,000 were receiving allowances. We have now increased that threshold to \$50,000. And after taking on more input from students, we have increased the bus fare allowance for all eligible TELS and Toppers recipients from \$15 a week to \$30 a week. This will cover, for example, students who are travelling from Ba to the FNU Campus in Lautoka.

A funding of \$18.1 million is allocated to the 15 Technical Colleges that this Government has opened around the country, allowing these institutions to continue passing on invaluable trade skills to our people who are in high demand in our country. We are carrying out a review in partnership with the Australian Government on how to keep our course work in Technical Colleges relevant and impactful for our students.

Madam Speaker, as the economy grows, Fijian families do well and as Fijian families earn more, they dream of one day owning their own homes. A home is not only a structure that provides shelter, it is not only a space to share with your families but it is an asset, and one that can increase in value. And with this Budget, we are doing far more to realise the dreams of those thousands of Fijian families to own their own homes by accelerating their access to the main stream financial sector.

This year, we are announcing the formulation of a new ministry, the Ministry of Housing and Community Development, bringing all the functions of the Department of Housing and Rural Housing Unit from Rural and Maritime Development, along with the various housing and community services

previously offered by the Ministry of Lands and the Ministry of Local Government under one roof. The mandate of this new ministry is simple, increase the home ownership rate to meet the growing demand in Fiji for quality and reasonable housing at affordable prices.

The landmark policies in housing launched by this Government will continue, and many are becoming more impactful. We are continuing our campaign to regularise Fijians living in informal settlements and we are improving basic infrastructure in informal settlements at the city, town and community level, to bring more security of tenure.

We have also put \$15 million towards the first Home Owners Grant, formerly the First Home Buyers Grant, and made the programme more generous for Fijian families.

Now, first- time home buyers with an annual income of under \$50,000 will receive \$15,000 towards the construction or \$10,000 towards the purchase of their first homes. Families who make between \$50,000 a year and \$100,000 a year, now also qualify for this grant assistance with \$10,000 provided for constructing a new home or \$5,000 for the purchase of their first home.

Under this scheme, grant payments for the purchase of strata titles, developed and approved by entities, such as the Housing Authority will be considered at the same rates as a construction of a home. So, they will be eligible, even though they may have bought a strata title from Housing Authority, they will be able to get \$10,000.

We are also introducing a new grant, Madam Speaker, the First Landowners Grant to help more Fijian families purchase or lease land. Households who make less than \$50,000, will be granted \$10,000 towards the purchase or lease of land which eventually can be the site on which they construct the new home of their own.

Many people, for example, have leasing arrangements in place, the landowning units have agreed, iTLTB has agreed but they cannot make the purchase price of the lease, so it is \$10,000 of that amount.

For both, the First Home Owners Grant and the First Landowners Grant, the home or the land must be owned by the household for five years or else the grant must be repaid.

Madam Speaker, last year we opened up a new mechanism that allowed commercial banks to take out concessional finance from the Reserve Bank of Fiji (RBF) at a rate of one-percent, and then lend that money to First Home Buyers at a maximum of five percent interest.

This year, Madam Speaker, we are going even further by subsidising an additional one percent on interest rates from commercial banks to first time home buyers and for first time land buyers. So if, for example, Madam Speaker, we have a 4.2 percent interest loan, Government will step in to lower your interest rate to 3.2 percent and will continue making those payments for a period of three years.

Madam Speaker, there are a number of financial hurdles in realising land and home ownership that we are helping Fijian families to overcome. We have some Fijians who are currently living on iTaukei land, for example, Madam Speaker, who do not have the funds to conduct the surveys necessary to transition their lease agreement into a fully-fledged registered lease on *i Taukei* land.

We will be covering the costs of those surveys with the new allocation of \$750,000, speeding up the process towards regularisation and helping give more Fijians the security, financial empowerment and peace of mind for long- term land ownership. It also means, Madam Speaker, that landowners will

be able to demand the right market price for the land that will be leased to them. There are many areas, for example, in Nausori that are in this situation.

We have moved forward the feasibility studies, Madam Speaker, in partnership with the International Finance Corporation on the mixed housing developments announced in last year's Budget. We are looking at land availability and we have held a number of discussions with potential investors on the most appropriate scale of developments and on how we can engage with large private sector partners to move these developments forward and bring major mixed housing developments to Fiji.

Soon, Madam Speaker, Government will be signing off on a new agreement with FNPF, that will pave the way for the Fund to develop multifamily housing units in Fiji. These housing complexes will require no capital outlay from Government; instead, the developments will be made possible through a Government commitment to directly subsidise rent for low income tenants.

This partnership will not only further diversify FNPF's investment portfolio upon completion, the multifamily complexes will immediately open a large inventory of affordable accommodation options; both for rental and sale in the high-demand market. This effectively kills two birds with one stone, Madam Speaker, by providing Government-assisted housing to Fijian families, while further bolstering FNPF's diversification to the benefits of its members.

And with the announcement of the First Home Buyers expansion in this year's Budget, market-driven demand will make mixed housing projects like this become more economically feasible for developers, opening the possibility for the private sector to follow FNPF's footsteps.

We are working with the Singaporean Government, Madam Speaker, to maximise the value of Government's housing assets in the West, particularly in Lautoka, to redesign accommodation in prime locations to take better advantage of space and provide more creative and affordable housing options for civil servants. And we know in this area, Singapore has the wealth of knowledge and experience and that we are keen to harness for the benefit of our own development.

Madam Speaker, we will continue the Government's Grant Assistance for *i Taukei* Land Development, giving Fiji's landowning communities the opportunity to better tap into the nation's prosperity by developing their land and reaping the financial benefits that come as a result. Specifically, these grants are designed to meet the cost of connecting and constructing utilities, such as electricity, water, roads and other critical infrastructure on *i Taukei* land would otherwise be inaccessible to the public.

To-date, Madam Speaker, 11 development plans in Fiji have received the green-light from Government to embark on their transformative journey - two in Tailevu, one is already completed in Tailevu out of the two; two in Nadroga; one in Tavua and six more in the province of Ba; with one development having been completed and another three nearing completion. We hope the success of these first 11 developments will inspire many more landowning units to follow in their footsteps, empowering many more *iTaukei* along the way to become both asset-rich and cash-rich.

Of course, as introduced this year, Madam Speaker, 80 percent of any of the royalties for any mineral resources, mined on any land or seabed in Fiji, go straight back to the resource owners.

Madam Speaker, anywhere in the world, as an economy grows, more prosperity comes to the country, and citizens earn more money, they want more opportunities. As economies grow driven by demand, the quality of goods increase and prices go up. That is basic economics.

As a Government, we can address that in one of two ways. Option 1, we can be irresponsible. We can act without any care or consideration for the welfare of our citizens, business and the economy. We can increase the minimum wages to \$5, \$10 and \$20, if we wanted, and then we would have to watch thousands of Fijians lose their jobs and over 100,000 Fijians in the informal sector be crushed by the higher prices on goods and services, and far higher cost of doing business.

Option 2, Madam Speaker, we can be thoughtful, we can be strategic and consider how to ease the cost burdens on Fijian families. We can carefully consider the costs that impact Fijian families and reduce those costs - that is a Government's role.

It was the Bainimarama Government, Madam Speaker, that actually instituted the minimum wage in 2014 for unskilled workers and we have increased the minimum wage twice since then to \$2.68 an hour as it stands.

We also have the 10 sectorial wages which have higher wages than the National Minimum Wage.

We have carried out a comprehensive review of that wage this year in consultation with an international expert, Professor Partha Gangopadhyay. We have gone to great lengths to make sure that, that review has been thorough and that it has been participatory, transparent and inclusive. And it is a process that has considered wages and social wages given by Government, the ways we have addressed the major consideration in any family's budget by helping families with education, water, electricity, the purchase of basic goods and the affordability of housing. That is our record, Madam Speaker, it is a record of empowerment and it is a record of compassionate responsibility.

We will continue to take this sophisticated approach and carry out regular reviews of the minimum wage without compromising the rights of workers, without undermining the confidence of businesses and without costing hardworking Fijians their jobs.

We certainly do not let politics drive us into irresponsible actions. That is not how this Government leads. Every step we take forward is carefully considered, every action is guided by facts and rational decision-making, not by politics and not by when elections may be but by what will create the most good for Fiji, for our economy and for our people.

Madam Speaker, our work is twofold; cutting down the major cost facing Fijian families and ensuring fair prices of goods in the marketplace. Thanks to the work of the Economic Intelligence Unit with the Ministry of Economy, Fiji Revenue and Customs Service and the Fijian Competition and Consumer Commission, many large wholesale importers are no longer dictating market prices because by fostering competition, we are seeing a reduction in the prices of goods like diapers, hygiene products, energy bars, baked beans, chicken wing, cheese, washing powder, et cetera, we expect other importers to follow suit and indeed, soon.

From today, Madam Speaker, duty will be reduced from 5 percent to zero percent on imported fruits and vegetables, such as apples, grapes, oranges, pears, kiwifruits, strawberries, apricots, peaches, plum, grapefruit, raspberries, cranberries, pomegranates, carrots, mixed vegetables, broccoli, mushrooms, asparagus, leeks, spinach, et cetera. And to encourage healthier living, Madam Speaker, we are increasing the Excise Tax on imported carbonated and sweetened drinks to 32 percent or to a specific rate of \$2 a litre, whichever is higher.

Madam Speaker, any Fijian family can be hit by serious setbacks, whether that be a tragic death of a loved one, the loss of their home or an injury in the workplace quite abruptly; a family can find itself in an incredibly difficult situation. That is why we are introducing Family Insurance for all social welfare

recipients, bringing a package of protection that includes life, home and injury insurance, and the premiums for this insurance will be covered by Government.

The insurance model we are introducing pools resources with premiums covered entirely by Government. It is a community-based approach that protects families who have fallen on difficult times. So, for example, in the event of a death of a beneficiary, god forbid, the family of the deceased will be paid \$1,000 for funeral expenses and \$3,000 in the form of a relief payment.

If the family's home is lost to fire, \$3,000 will be paid out to the family and for any form of personal injury, the insurance scheme will pay up to \$3,000 to help those families cope during that difficult time. If anyone is curious as to how well this model functions, they can go ahead and ask a cane farmer, a rice farmer and a dairy farmer. Indeed, Madam Speaker, this was first introduced by Sugarcane Growers Fund which reduced packages of bundled insurance for cane farmers last year and over the past year, it has paid out insurance payments to 75 families, who have lost a loved one and 10 families, who have lost their homes to fire. Previously, these families would have been on their own, instead the community through this bundled insurance has been able to provide them with relief. And the rice, copra and dairy farmers, as highlighted earlier, have also introduced this insurance scheme model for farmers and their families.

As a Government, Madam Speaker, we are an employer to many tens of thousands of Fijians. Those women and men have families who count on them, and those families deserve the measured security and insurance. That is why we are also introducing Family Insurance for all Fijian civil servants, including the Republic of Fiji Military Forces, the Fiji Police Force and the Fiji Corrections Officers and that will not be at any cost to the beneficiaries.

By introducing this historic package of insurance to our civil servants and our social welfare recipients, Madam Speaker, we are bringing the security of life, home and injury insurance to a total of 100,000 Fijians at no cost to them. When you consider the security and assurance this programme grants to these families, this policy through this budget is going to impact nearly half of the country.

That, Madam Speaker, is how we cared for Fijian families and thereby being smart about your initiatives. And we encourage industries and, the private sector, to look closely at this model being introduced by Government and follow suit. And indeed, Madam Speaker, statutory organisations can also follow suit, because it makes a real difference for those families who have fallen on difficult times.

Madam Speaker, with this announcement, we will be insuring and protecting every civil servant in Fiji for the first time in Fijian history. That follows the Job Evaluation Exercise last year that has already led to record pay rises for Fijian civil servants. We are now allocating the full value of the salary increases across Government. Civil servants will continue to receive their higher salaries, the only change being that ministries' budgets will now truly reflect the salaries of their respective staff.

Over the past year, we continued that critical programme of reform in the Fijian Civil Service by introducing a Performance Management System that will reward employees directly on the impact they have had within their Ministries. That process began at the start of this year with criteria established and training sessions for all levels of the Civil Service and how the process functions and assessments are being carried out across every ministry and department to reward high performing civil servants. This is the first time that such a comprehensive, thorough and uniformed system of assessment and remuneration has been introduced and it is critical that we get this right in the first go. We are being careful, we are being fully transparent and we are being fair and after we have standardised these assessments through a moderation process and carry out another round of training for managers, we will be announcing pay

rises this year for high performing civil servants that will be backdated to 1st August of this year. So more pay is on the way for high performing Fijian civil servants.

This evening, Madam Speaker, we are announcing another landmark investment in our Civil Service as we are offering 35 scholarship awards for non-teacher civil servants and of those:

- 20 scholarships will be awarded to civil servants for Post-Graduate study locally in the area of tourism, agriculture, fisheries & forests and training itself, in particular teacher training.
- 10 scholarships will be awarded to pursue a Post-Graduate Diploma or Master's Degree overseas based on the strategic areas of study identified by the Civil Service;
- 5 scholarships will be awarded for civil servants to pursue a PhD programme. Madam Speaker, it is very rare to find a Fijian civil servant with a PhD.

We are also introducing a scarce skill allowance across the Civil Service that provides a major cash incentive to attract individuals outside the country, who possess skills that are urgently required across Government. The same allowance also provides an avenue for the Ministries to pay private sector rates for specialised talent in Fiji from Fiji. Of course, civil servants who acquire these skills can also become eligible for this.

For the Police, Madam Speaker, we are restructuring human resources within the Fiji Police Force to regularise over 600 Special Constables and other Government Wage Earners within the Force. These women and men are working fulltime in the vast majority of instances and deserve to be compensated correctly. This is the first phase of a five-year restructure and in its first phase, these new regularised positions will see an increase in salaries to bring them in line with what fulltime officers are receiving and \$24.6 million is allocated for that purpose, Madam Speaker.

Madam Speaker, we have increased our grant funding to Provincial Councils to \$1.9 million to raise salaries in line with the private sector, in accordance with the same methodology used to bring pay rise to civil servants and we have done the same for the *iTaukei* Affairs Board with a total grant of \$5.2 million.

Madam Speaker, we have set aside \$62.3 million towards the Ministry of Sugar Industry. We continue our efforts to modernise the industry to prepare it to be more competitive in the global market and more capable of supporting the over 200,000 Fijians and their families, who rely on the health of the sugar industry. Sugarcane replanting, the fertilizer subsidy, weedicide subsidy, farm mechanisation, subsidy for cane cartage, rehabilitation of cane access roads, the incentives we introduced for new farmers to grow cane, cane top-up payments by Government, that is going to continue, Madam Speaker. And as we saw through Sugarcane CARE, this Government is ready to respond swiftly and effectively when our cane farmers are hit by severe weather.

What is new in this Budget, Madam Speaker, is that we will be setting up a stabilisation price, funded in partnership with Fiji Sugar Corporation (FSC) of \$85 a tonne for all cane payments for the next three years. We have already maintained cane payments at \$82 for the last three years but now we are going to be able to bring a solid level of stabilisation. That is possible because of the tremendous effort of this Government to reduce the cost base for farmers and mechanise this industry.

That agenda has allowed the FSC to sell off underutilised assets and this stabilised price will be funded from the Sugar Stabilisation Fund within the FSC, bringing cane farmers a level of security, certainty and confidence in the sugar industry over the long-term. Government will be funding this

measure as well with an allocation in the 2019-2020 fiscal year. Madam Speaker, this is similar to the stabilisation programme we already introduced for coconut farmers and which will of course continue.

Madam Speaker, it is a Government's job to give employers every possible reason to train their employees. That is good for business, that is good for Fijians and that is good for Fiji. But the current incentive for small businesses through the National Training and Productivity Centre levy or NTPC was in dire need of revamping in a modern economy.

The simple problem is that small businesses face issues of scale and they need their employees on the job for a vast majority of the time. We get that. And the one percent NTPC levy was not working for these businesses, was too complicated and an unnecessary burden. That is going to change because this levy is going to dramatically reduce to 0.1 percent. Those funds will go towards training for the employees in NTPC which is currently developing a new course that is more relevant for trainees in the 21st century economy.

We are also introducing a 0.4 percent levy paid by all employees who used to pay the NTPC levy in the form of a workers compensation levy, which is going to have a far more direct and powerful impact for employees in Fiji. The levy will fund a no-fault workplace compensation fund in the same model of the very successful Accident Compensation Commission of Fiji. So when Fijians are injured or in especially tragic cases are killed in the workplace, their families can receive compensation quickly to help them during an incredibly difficult time. So no longer will claims languish on the sideline for years, no longer will companies have to bear the cost of the workers compensation insurance which is costing them around \$8 million a year and those who do not have insurance at all, will now be protected, and so will the employees.

To keep up with workplace training, we are revamping tax incentives by giving 150 percent in tax deductions to all businesses to compensate them for training their staff with on the job training now qualifying under this new incentive. So small business owners now have a real incentive that is actually designed very simply to the realities they face. The employees can train through an accredited programme in-house; they can train at the NTPC, they can train locally, they can train overseas regardless, their Government will support them, Madam Speaker.

Madam Speaker, a healthy Fiji is a strong Fiji. And work to expand access to care and improve the quality of health services throughout the country is growing bigger and better and more tailored to meet the most serious health problems affecting our people.

In this year's Budget, Madam Speaker, we have allocated a total of \$382 million to the health of the Fijian people of which \$335 million is towards the Ministry of Health and Medical Services and \$47.6 million is towards paying doctors salaries and recruiting new medical personnel.

Madam Speaker, it is well known by now that we are massively upgrading the Ba and Lautoka hospitals into world-class health facilities through a Public Private Partnership (PPP) and we are nearing completion on our work on the Ba Hospital. Again we will be partnering with the FNPF on this project for the benefit of our people and their future.

Under the PPP, we are engaging an international certified hospital operator to complete the upgrade of these facilities, and bring an unprecedented slate of health services to the Fijian people including better tertiary care, oncology services to treat cancer, kidney dialysis, better maternity care for more Fijian mothers, procedures for Non-Communicable Diseases (NCDs) and for the first time ever, the 24/7 availability of open heart surgeries; not only for the wealthy, Madam Speaker, not only for those who can travel overseas, but for every Fijian.

So real change is certainly coming, Madam Speaker. Real change, impactful change, change that will save Fijian lives.

The project will also provide a wide offering of new training opportunities for Fijian medical staff and put new cutting edge medical technologies in the hands of Fijian health care professionals. I would like to be clear. Madam Speaker, this is not a privatisation. All of our staff will always have the option of continuing to work in the public sector.

We are currently in the process of carefully selecting the right partner for Fiji on this project and I have just issued the request for tender. We expect to identify the partner this year and get this important project underway. Under the PPP, the annual cost to the Government is expected to remain similar to the current cost of running both hospitals but those hospitals will be delivering more and better services to our people in the new and more sophisticated health care facilities environment.

Madam Speaker, the health needs of our people are growing, our population is increasing and Fijians are become more conscious of their health and keener to access medical services and that is a very good thing. In rural areas especially, we still have some Fijians making long journeys to public health facilities, so we need to make a special effort to cater for these communities.

That is why, Madam Speaker, we are introducing a new programme to incentivise General Practitioners (GP) to set up shop directly in Fijian communities that includes peri-urban areas, towns and local communities and rural and remote parts of the country. We want to give our people the ability to easily and conveniently see a GP to be consulted on their health and to access basic medical services. If it is a more complex matter or serious health emergency, then Fijians should rely on the public health facilities, but they should not have to make that journey and wait in line for simple health check-ups and treatments.

That is why we are announcing this programme; we are seeking to create a new sector; a strong private GP sector in Fiji by offering a comprehensive package and incentives. That will include guaranteed income based on a number of patients they are assigned to serve, with additional financial assistance provided to GPs who set up in deep rural and maritime areas that are a distance away from a public health network, whether that be in Nabouwalu, Nisorowaqa or Korovou, just to name a few examples, we will fully roll out the first trial launch on 1st January, 2019.

Madam Speaker, essentially what this means is that if for example a person lives in Samabula, there would be GPs practising in that area. The first port of call will be going to the GP there. The cost of their consultations will be borne by Government. They do not have to travel all the way to CWM or to the nearest health centre. In this way, we will incentivising, Madam Speaker, GPs to set up more practices. For example, there is no GP in Korovou, there is no GP in Nabouwalu. If they know they have a set clientele base, they will go and set up shop there. This way we will be able to make available General Practitioner Consultations 24/7, Madam Speaker. Madam Speaker, we will roll out the first launch, as I had said, on 1st January, 2019.

I would like to specifically thank the Asian Development Bank (ADB) and the Australian Government for their assistance in developing this programme. The Australian Government just a few weeks ago facilitated a team of officials that went from the Reserve Bank of Fiji and the Ministry of Economy to look at the Medicare system in Australia and how it works and how indeed, we can learn from the facilities that they have there.

As we have said, Madam Speaker, we have dramatically changed the 1 percent NTPC levy in businesses. In its place, we are also introducing 0.5 percent levy to fund this expansion of GPs in Fijian communities. That is going to have a big impact on businesses of all sizes because health emergencies for employees and for families can be managed much more quickly when there are GPs stationed directly in a community. And healthy employees are productive employees and productive employees build strong Fijian businesses.

We are changing the model of delivering for Fijians benefitting from the Free Medicine Scheme. Madam Speaker, families who earn below \$20,000 a year can access 142 essentials free at pharmacies throughout the country. What is changing is that private pharmacies will now provide medicine to recipients directly and then bill the Government, as opposed to us giving them the stock. It is going to give these pharmacies financial incentive to stock these medicine regularly and give recipients a more reliable access.

Of the \$60.5 million, Madam Speaker, we have allocated to capital development in the health sector - \$11 million is towards the extension of the new Colonial War Memorial Hospital Maternity Ward. Our Honourable Prime Minister broke ground on that facility earlier this year and once completed, it will house 200 new beds in a facility that will deliver a complete package of coordinated care, specifically designed for women, the first of its kind anywhere in Fiji and built to the same standards as anything you will find overseas.

Madam Speaker, \$11 million is allocated towards the construction of the Navosa Subdivisional Hospital which will serve over 10,000 Fijians in the Nadroga/Navosa Province and provide maternity services, pharmacy services, laboratory testing along with x-rays and ultrasounds.

We are providing \$1 million to construct a new Health Centre in Lodonu, \$500,000 to extend the Korovou Hospital, \$3 million to upgrade the hospital operating theatre and X-ray capabilities at the Lautoka Hospital, \$2.5 million towards the upgrade of the Valelevu Health Centre and \$9.5 million to purchase new dental and bio- medical equipment and a new MRI machine and another \$43.4 million to purchase new drugs, consumables, vaccines and other medical supplies.

All of these, Madam Speaker, will dramatically reduce the travel time for Fijians to access these essential services and new treatments. Because every minute we save for patients travelling to receive this specialised care they require, there is another minute for our doctors and nurses to have to save the life of one of our citizens.

This Budget also makes a bold recognition of the critical work undertaken by community health workers in rural communities throughout the country. All of these workers will now be brought in under the Ministry of Health, some of them were, for example, with the Ministry of iTaukei Affairs. A new allocation of \$4.6 million will go towards increasing the allowances for around 1,800 community health workers in Fiji from \$50 a month, Madam Speaker, to \$200 a month.

Last year, Madam Speaker, we announced the launch of the National Kidney Research Treatment Centre and preparatory works are underway to deliver that state-of-the-art facility for Fiji. When completed, Madam Speaker, that facility will be led by Dr. Amrish Krishnan, the only active Nephrologist in the country and many have said the only active Nephrologist in the Southern Pacific islands.

While that important work is underway, Madam Speaker, this year we will be further expanding the number of dialysis treatments available in the country and making those treatments more affordable. We have allocated \$2 million to make four dialysis machines available at a facility in Suva and three

more available in Nadi which will provide dialysis treatment at \$150 per session to the public. That is going to drive down the prices generally for treatment and that is going to save lives.

And for Fijians with annual household incomes below \$30,000, the Government will also subsidise half the cost of the treatment with an allocation of \$3.5 million and the new standalone Government kidney centres in Suva and Nadi and the centre run by the Board of Visitors in Labasa. Other facilities can be included in the subsidy scheme if they are approved by the Ministry of Health, as long as the cost of the dialysis treatment is \$150 or below.

Madam Speaker, currently the law does not permit deductions of more than 50 percent from the wages and salaries of an employee. Because of this limitation, Madam Speaker, Fijians are getting seriously uninsured, as they are unable to authorise deductions from their wages and salaries for the payment of life and medical insurance. Many Fijians have simply decided to cease the payment of their life or medical insurance policies from their wages and salaries as they have other deductions, for example, the purchasing of their home.

We want our people to be insured, Madam Speaker. It saves them money over the long term, it keeps them healthier and protects them from debilitating financial mishaps. So we are going to amend the law, Madam Speaker, and exclude direct deductions for life and medical insurance and medical schemes from the current 50 percent restriction. That is going to enable more Fijians to obtain life and medical insurance policies and maintain these policies through direct deductions from their wages and salaries, encouraging a culture of savings and long term planning.

Madam Speaker, we know that parents across Fiji want more for their children than they had for themselves, more opportunity, more prosperity and particularly, they want to inherit a Fiji that is safer and more secure.

Right now, the worsening impacts of climate change are putting all of that at serious risk. Our environment, economy and our secure future are all under siege from the disastrous climate impacts, rising seas, changing weather patterns and the tropical cyclones that are ravaging our country.

Madam Speaker, we cannot budget the exact amount that cyclones will cost us each year but we are blessed that we have an economy that has been strong enough to support affected Fijians in the aftermath of these storms cause, and particularly in the immediate aftermath. This year we were able to immediately activate the “CARE for Fiji Programme” after the back to back arrivals of *TCs Josie* and *Keni*, a comprehensive relief package aimed at assisting Fijians badly affected by the storms.

To-date, Madam Speaker, we have disbursed \$123 million in assisting around 100,000 Fijian families through Homes-CARE, Farms-CARE, e-Transport-CARE, Welfare-CARE, Sugarcane-CARE and Leaseholders-CARE.

CARE for Fiji, Madam Speaker, Help for Homes and the massive rebuild, we undertook, following *TC Winston* have all accomplished tremendous good. But we cannot remain stuck in the dangerous cycle of having to put up with massive rehabilitation bills year after year. It is not sustainable, and if we do not take action immediately, it is our children and their children who will have to deal with the consequences.

Madam Speaker, in total, the direct cost to Government and the Fijian people from *TC Winston* was FJ\$1 billion in damages. That is a huge amount and that is not the cost Fiji can afford to pay year in and year out. That is why abroad as we continue in our Presidency COP23, our Honourable Prime Minister has remained steadfast in our campaigns to rally the world to more ambitious climate action

through the *Talanoa* Dialogue and seek the full implementation of the Paris Agreement on climate change. Because no matter how much we reduce our own carbon footprint, our secure future depends entirely on the commitment and actions on the rest of the world. So we cannot relent on the global stage and we thank the Honourable Prime Minister for the tremendous work he has done to unite the world in this important campaign.

Our Presidency and his leadership has been historic achievement so far and we will continue to demand more action on climate change all the way up to our handing-over the COP Presidency to Poland this December and beyond.

Our climate advocacy will continue through our Chairmanship on the Small States Forum, a special grouping of States within the World Bank which we have been tasked with leading because we have been at the forefront of opening up concessional financing for climate vulnerable countries and during our hosting of the Asian Development Bank Annual Meeting next year. Really, Madam Speaker, Fiji is fast-becoming a place where international regional businesses gets done.

We will also be welcoming the World Exchange Congress to Fiji in 2020.

Because of our Honourable Prime Minister, Madam Speaker, and his efforts, we are in a strong position to negotiate with the ADB and the World Bank to access finance and mechanism that can be activated following serious natural disasters, not only in the form of concessional loans but in the trigger-based immediate grant assistance as we are seeking to move away from an income-based financial system towards a system that responds more effectively to those nations that are most vulnerable to climate change like Fiji.

Madam Speaker, we are working to develop new insurance products to open up immediate flows of grant assistance to Fiji and affected Fijians in the aftermath of severe weather events. These products are enormously complex. We have already begun working closely with the World Bank, which is currently modelling a Parametric Insurance programme in Fiji. That programme would mean that in the aftermath of a serious storm, if the home is lost, immediate funds can be paid out to affected Fijians, and we are also looking to apply the model to crop insurance in Fiji.

For both Home and Crop Insurances in Fiji, we have allocated \$1.4 million to cover the initial development cost and premiums once this scheme rolls out. I would like to take this opportunity, Madam Speaker, to thank the International Finance Corporation (IFC) for helping us move on this important programme forward.

Here at our home, Madam Speaker, Government is aggressively investing in our national infrastructure to protect Fijian families from the devastation of climate change, because while Fiji may be truly vulnerable to rising seas and strengthening storms, the vulnerability does not limit our ambition. We still have our eyes firmly set on building Fiji into the nation we all believe we are capable of becoming.

This year, Government will spend \$650 million on Climate Adaptation and Mitigation Efforts from stronger schools to seawalls, from sustainable energy to flood resistant waterways. We are going all out to ensure the Fijian Economy is engineered to weather any storm.

Madam Speaker, we have published the breakdown of how Environment and Climate Adaptation Levy (ECAL) has been working for Fiji and it is essential reading for every Fijian, which shows that we have collected \$110.6 million and \$106 million had already been used to fund new cyclone resistant

schools, new bridges, solar home systems, cane access roads and agricultural loans to farmers among other programmes that are preserving our environment and protecting Fijians from climate impacts.

The ink is barely dry on a freshly signed MOU between Energy Fiji Limited and ICO Energy, a leading renewable energy producer from France which establishes a joint venture aimed at vastly expanding solar power-generation to Fiji bringing electricity to Fijians living in some of our most remote and maritime areas who would otherwise be unreachable to a EFL's grid. There is very good news for the tens of thousands Fijians, Madam Speaker, who recently become shareholders in EFL because when EFL does well now, so do they.

Last year, we introduced a 10 cents levy on plastic bags. Plastic usage has gone down but we know we can do better so we have increased the levy to 20 cents this year and we are working towards a complete ban on the single use of plastic bags in Fiji by 2020. This will give everyone two years to phase-out the usage of plastic. We are going to work to create more awareness in the Fijian communities on the dangers of plastic pollution and on the alternatives for the next two years to give every Fijian and every Fijian business enough time to prepare for this transition.

Madam Speaker, Fiji will be introducing a new Euro Five Fuel Standard in the New Year. That will reduce greenhouse emissions in Fiji make for cleaner driving and fuel maintenance check-ups for vehicles and lower the fuel bill for drivers on the roads in Fiji. We have been speaking with fuel companies on this transition during our Honourable Prime Minister COP23 responsibilities. It is an important step in our campaign to reduce our own emissions and show the rest of the world how a small island nation is fully capable of embracing and adopting greener, more modern and more efficient technologies.

Madam Speaker, it is this Government that has brought about Fiji's zero tolerance policy for any development that damages the overall health of our natural environment and we are streamlining our unprecedented environmental initiative this year by combining the Ministry of Waterways and the Department of Environment to form a new ministry. The Ministry of Waterways and Environment is being funded at \$70 million. We made this move because the Ministry of Waterways is a part of our natural environment. Projects that manage our network of waterways are by definition environmental projects.

So, taking this function under the same umbrella will make funding projects easier and get projects completed more quickly. Anyone who lived through *TC Josie* and *TC Keni* who has watched their own town or their communities be submerged due to heavy rains knows how critical that work is. We have given \$43.6 million to protect Fijian communities and families from water inundation by improving drainage systems within towns and cities, maintaining municipal council drainage systems and constructing seawalls, groyne and wave break-waters for villages and communities faced with the threat of coastal erosion.

We are rolling out new programmes as well including the construction of drainage on farm land and expanding drainage infrastructure in rural residential communities. On the margins of COP23, we began discussions with the German Government to bring in expertise to take a hard look at the way we are managing watershed infrastructure and give their recommendations. This year, the German Development Corporation will send a Technical Assistance team to Fiji with a mission to identify suitable climate adaptation activities in the water sector that are in line with national climate watershed and waterways strategies.

Those recommendations, Madam Speaker, will also highlight opportunities for the mobilization of climate finance into Fiji.

We will undertake another round of surveys for the Nadi River Project which is designed to alleviate the worst flooding in Nadi Town to update the master plan, the project's development based on the new river patterns, siltation and changing rainfall. We have also got new partners on the board to get this project done with the European Investment Bank (EIB), Asian Development Bank (ADB), joining alongside the Japanese Government. Once we complete this latest survey, the Japanese Government is committed to fund the most immediate and pressing work that can be undertaken to lessen the risk of serious flooding in the Nadi Town area. Then the ADB, EIB and Japanese Government will together fund the completion of the project in partnership with the Fijian Government.

Madam Speaker, we are also taking major strides to clean up Fiji because as a nation, as a society, frankly we need to do a lot better. We have allocated \$1 million to standardise rubbish bins across the country, first starting in Nasinu. This will not only look better but will make crystal clear in every Fijian community exactly where that rubbish ought to be put, not in the streets, not in our rivers but in the rubbish bin.

Madam Speaker, we have allocated \$1.5 million towards the collection of rubbish by Government. In our major urban centres, rubbish is choking roadways and communities and it is unacceptable and we will now be increasing rubbish pickups every day from Monday through Friday, first starting in Nasinu.

We will also be introducing a new pilot programme in Nasinu to distribute compost bins where Fijians can dispose of organic waste, like leaves and kitchen waste. So we will actually be creating compost from that waste for productive use.

We have moved the Rural Local Authority from the Ministry of Health to the Ministry of Local Government because non-health functions ought to be under the ambit of Local Government. It is the right Ministry that makes the most sense for inspecting and approving new developments. This will also bring rubbish clean-up under the Ministry of Local Government because this again is a local governance and development issue. Direct health aspects will remain with the Ministry of Health.

Madam Speaker, we are also launching a new national competition across Fiji to clean-up Fijian communities through the Clean Community Competition, bringing a sense of pride and achievement to Fijian communities to go the extra mile to keep their homes, community areas and streets clean by judging and rewarding which communities are the tidiest and are kept the cleanest.

Madam Speaker, maintaining a clean environment is not a job that anyone of us can go alone. It will require societal change and mindsets from all of us to think about our actions and consider the consequences. We are going to be working with companies in Fiji to adopt stretches of roads in Fiji to help clean them up. It is a great way for companies to give back to the Fijian community who support businesses here in our country by doing their part in keeping Fiji clean and beautiful, and protecting our natural environment.

Madam Speaker, there is a lot of work to be done to secure our future but we cannot let that hinder our development aspirations and because we have done well nine years running, we can take a moment to consider how to lay a foundation of economic growth and development that will benefit Fijians now in the year ahead and for years to come. This Government has already brought the digital revolution to Fiji and into the lives of the Fijian people.

E-transport has taken up public transportation into the 21st century, recording 10 million transactions a month around the country. Fijians living with disabilities are currently riding buses for free

and that is going to continue. In fact, we are now covering pensioners under the same scheme, allowing them to travel on buses in Fiji free of charge and that cost of travel for both pensioners and Fijians with disabilities will be paid directly by Government to the bus companies. So bus companies will not actually have to fork out from their own kitty but we will be paying bus companies ourselves to ensure that persons with disabilities and pensioners will actually be travelling for free.

Fijians are growing more comfortable using M-PAiSA cards through our Social Welfare payment distribution. We have been able to quickly and effectively coordinate disaster relief responses through the distribution of electronic cards in the aftermath of severe weather events. That innovative development must continue.

With the Information and Communication Technology (ICT) sector, it is proven to be one of the most powerful engines in driving sustainable development, improving living standards and achieving rapid economic growth. That is why we massively expanded access to telecommunications, connecting Fijians more closely to one another and are connecting Fiji to the rest of the world like never before.

This year we have allocated close to \$40 million towards the ICT sector and that is funding some very exciting new developments. Madam Speaker, we mentioned *Walesi* at the start of tonight's address. It is now available everywhere in Fiji through a terrestrial and satellite network, and it is also available on smartphones. We do not need to say how much *Walesi* has revolutionised television in Fiji because our citizens are already living that experience, many at this very moment. It has been funded at \$19 million to fund the roll-out of the recently launched mobile application, fund the Company's operating expenses, licensing cost, the different content of the platform.

That allocation will also fund, Madam Speaker, and this is something that we are very proud of, the installation of free high speed Wi-Fi hotspots for Fiji National University (FNU) students throughout all the FNU campuses throughout Fiji and increased speed in public Wi-Fi hotspots through Fiji. So Madam Speaker, My Suva Park, Sukuna Park, Sigatoka Bus Stand, Koroivolu Park in Nadi, Shirley Park in Lautoka, Ba Bus Stand area, Korovou, Syria Park in Nausori, Labasa Civic Centre and Savusavu Markets, are the first places to give all of our young people and every Fijian a community space where they can get online, share and create content with their friends and families. And these Wi-Fi Hotspots, Madam Speaker, anyone can receive free high speed Wi-Fi for 60 minutes every day on a daily basis, and the rest of the time of course, Madam Speaker, they will have access to free Wi-Fi speeds and in deep content. These, of course, will be geofenced in these listed locations.

Madam Speaker, I also mentioned that we will be taking questions and feedback from this Budget over the new digital Fiji mobile application. That is the result of our partnership with the Singapore Corporation Enterprise, an agency of the Singapore Government. We lodged a digital Fiji application this month, which currently makes the full Government directory available on smart devices such as mobile phones and tablets and allows Fijians to communicate feedback directly to their Government and track the status of the feedback while they await the response.

Madam Speaker, we expect to roll out more features with digital Fiji apps down the track, for example, the FRCS, FNPf and the BDM Registry will also offer direct services to our people through these apps in the months ahead.

We are also, Madam Speaker, streamlining the process of a number of agencies such as the BDM Office and the Companies Office. This digitisation effort is funded at \$14 million. We will also be announcing new internship opportunities to work with the Singapore Corporation Enterprise on the Digital Fiji Programme, giving young Fijians interest in ICTs to study ICT courses in universities, and to have direct access to an extremely competitive IT team here from Singapore and indeed information

officers that the Honourable Prime Minister launched the apps and the other one was launched last week on *Walesi*. We had students from three universities and indeed they will all be required to manage these programmes and these software programmes once the Singaporeans leave. So we need to train them now and indeed the Singaporeans have also agreed to train them.

Tele-centres are being funded at \$0.5 million to construct six new centres, making for a total of 35 Tele-centres providing data in remote and in rural areas of Fiji, and as those services do expand, we ought to make sure mobile phone companies are taking their cues from this Government and are delivering for their customers; the Fijian people. So we will be charging fines, Madam Speaker, from the New Year to any mobile phone companies whose downtime fall below acceptable levels. We have a lot of fallouts at the moment, Madam Speaker, and of course the mobile phone companies will be required to ensure that downtime actually have reduced, it is the similar system that they have in Singapore.

Madam Speaker, \$300,000 has been allocated to connect more Fijian schools to the internet, combined with the Tele-centre programmes within schools and universities easier access to updated materials, and more Fijian students can take in nationwide learning experience. This Budget is also making a big push towards financial inclusion, making electronic transactions easier and more affordable for Fijians and the businesses.

For starters, Madam Speaker, through discussions with all the commercial banks, electronic transaction will no longer carry any fees as of 1st January 2019, at Point of Sale Machine. Put simply, Madam Speaker, if you go now to pay for your groceries at a supermarket, when you swipe your card, it will charge you 50 cents. From 1st January, there will not be any fees for you, because in the digital era, Madam Speaker, no Fijian should have to think twice about the cost of swiping in the credit or debit card. We can now carry less cash, we can make payments more quickly when we can all benefit from more efficiency and accountability in our shops and businesses. We know EFTPOS machine can be a big cost for smaller operators. So we will also be paying 50 percent of the cost to purchase EFTPOS machines for small businesses. It is no point reducing the transaction cost, we need more shops to have the EFTPOS machines, Madam Speaker.

We want more Fijian businesses to offer electronic transactions to more Fijians as that is the foundation part of creating A more financial inclusive society. Of course, Madam Speaker, it also means we have a buoyant level of liquidity in the market.

Madam Speaker, taking Fiji forward and shaping Fiji as a nation, we are capable of becoming, is a national effort. It involves all of us and we need the private sector to be a 100 percent on board in our campaign to modernise the nation and transform our cities, towns and communities into attractive, welcoming and safe spaces. If you look around Suva, Madam Speaker, for example, or any of our major population centres, there are too many old, un-kept and deteriorating buildings. They are unattractive, unsafe and they really ought to be fixed up properly. So now, buildings that are at least five years old qualify for a new tax incentive package if the owners make the effort to have them redeveloped. If more than \$1 million is spent on refurbishment to the exterior of the building, building owners get a 25 percent investment allowance. To receive that allowance, owners have to utilise green technology such as solar panelling on the building, they must provide access to buildings with features for those living with disabilities such a wheelchair ramp to the door way and they need to install lightning on the exterior of the building that helps light up our streets. That incentive, Madam Speaker, is available from the next two years. Interest rates are low, liquidity and competence are high, and now is the time to make this sort of investment, Madam Speaker.

Madam Speaker, we have allocated \$500,000 to make Fijian buildings more inclusive and comfortable for people living with disabilities and their families. This initiative implemented by the

Habitat for Humanity will dedicate retrofitting Fijian homes and communities to accommodate Fijians living with disabilities. This funding will cover variety of structural upgrades, including the construction of ramps, railings, disabled friendly footpaths around the homes, accessible washrooms and toilet facilities, and the alteration of community centre entrances to be accessible to those with disabilities; a change that will truly open doors to the entire Fijian community. The application for this programme can be made through the Department of Social Welfare.

Madam Speaker, the RBF will be also be generally relaxing exchange controls, making much easier for Fijians and Fijian businesses to make overseas payments, and we expect overseas businesses to take notice that doing business in Fiji is getting easier.

Madam Speaker, in Fiji, we are in the business of forging strategic partnership with the right development partners. When it comes to preparing our cities and towns for the future, we are rightfully working with the Singaporeans to assist with our urban planning. They will be undertaking assessment in Fiji, looking at where roads should be built, where bus stands should be placed, how urban centres can be properly planned and spaced out so that 10, 20 and 30 years from now, Fijians can look back and say, “thank God, the FijiFirst Government planned so well for our future.”

(Acclamation)

Last year, Madam Speaker, we announced that we will be funding a national gallery of Contemporary Art in Suva, in partnership with the British Council, to give our artists in Fiji a modern and contemporary paid space, where they can show their work, create new pieces and engage among the artistic community. We have set aside another \$3 million, Madam Speaker, to begin refurbishment on the St Stevens building and we expect that gallery to open its doors in 2020.

Given our recent accession to the major position of leadership within the United Nations and our long standing commitment to the UN peacekeeping operations, we also offered to cover the \$1.2 million in rental cost for UN Common premises in Fiji to house the 16 UN entities and approximately 400 staff based in our country. It is a sign of our commitment to our partners around the world and to the framework that binds us, given the tremendous good Fiji has created by leading the UN on some of the great issues facing the planet since oceans preservation and climate change.

Madam Speaker, those were some of the new announcements from the 2018-2019 National Budget. I will not go into detail over all the Ministry’s Budgets, of course at the Committee Stage, we will be doing that but that is not a reflection of the importance of those ministries for the hard work the staff put in every day. Those full allocations can be found online and the detailed booklets included with the copies of the *Fiji Sun* next week but here is a snapshot.

Under the Fiji Roads Authority, we will be beginning construction on the four-lane project from Nadi to Lautoka next year, to hit the ground towards the latter part of next year. We are bringing better governance through a higher level of accountability and transparency to independent institutions, in particular Water Authority of Fiji (WAF), Fiji Roads Authority (FRA), Maritime Safety Authority of Fiji (MSAF). Board members of these bodies need to run a tight ship and every taxpayers dollar they spend needs to be justified and needs to make an impact, and if there is any abuse, those responsible will be taken to task. This Government has showed repeatedly zero and may I repeat “zero”, Madam Speaker, tolerance for corruption.

Unfortunately, we have discovered that a number of local contractors have not been able to get rid of these old culture of abuse and rid themselves of corrupt practices, and we will not work with anyone who has a poor record on integrity, accountability and delivery. We are coming down hard on contractors

who do not pay their workers to the company that subcontract. If it is found that you are not paying your people you hired to work, if it is found your actions are non-compliant, then you will be blacklisted by Government because Fijian taxpayers deserve better; meant to be fully compliant with FNPF payments and fully compliant with FRCS.

We will also be applying a new policy towards Government Ministries and Departments as well. The Ministry of Economy will be carrying out regular checks on the Budget spent of various ministries, and if we catch slow implementation against the KPIs, we will take funds away from slow moving projects and allocate those funds to ministries who are making more efficient use on their budgets. That is because we are a Government that is concerned above all else the delivery for the Fijian people. Nowhere was it clearer than when we opened the brand new World Class Nadi International Terminal earlier this month by the Honourable Prime Minister. We are also nearing a completion of the upgrade of the Labasa Airport to cater for night landers, granting the ability for the same day return flights from Labasa to Suva. And for Rotuma, we are finally realising the forty-year dream to upgrade the airport, to cater for the larger ATR 42s and 72s, increasing the number of passengers who can fly to Rotuma ten-fold, thereby reducing fares.

Opening up another maritime region of our country to massive new flows of economic exchange, tourism and connecting them like never before to the rest of our Fijian family. Both of those projects are scheduled to open at the end of next month, Madam Speaker.

Madam Speaker, I encourage Fijians to take advantage of the new friendly fares on Fiji Airways and Fiji Link, which is making travels throughout the country and throughout the world much more affordable. We should mention that we are also ending our partnership with Fiji Airways route to Singapore as that route is now fully commercially viable. This initiative like others demonstrates the wisdom of Government to hand hold projects that in the long-term reap enormous financial and commercial benefits for our country and for our fellow Fijians.

We have set aside an allocation of \$97 million towards the Ministry of Agriculture and within that funding is a new ambitious effort to build up a Fijian Goat Industry. We are going to support the local goat farmers, assist with veterinary services, help prepare land, construct fencing, and provide water resources to step up in a very big way the production of goat farms to the point that we provide kits to other farmers. As we saw, Madam Speaker, we have had Crest and Rooster Poultry. If Crest did not exist, we would not actually be self-reliant on poultry meat.

It is very important to target one or two companies that are actually providing the type of that leverage and the amount of goats that are put into the market. A few good companies can really revolutionise an entire industry and our goal is to have a self-sustaining goat industry driven by strong local producers, and we are confident that we can establish a brand for goat meat in Fiji that will give our customers more choice in the market, lower the price and support the livelihoods of goat farmers throughout the country.

We will also de-stock dairy farms of cows suffering from *Tuberculosis* and *Brucellosis* and we will pay for the restocking to the dairy farms with new healthy cows, bred from superior stock.

Government has allocated \$20.5 million to the Ministry of Fisheries. Within that allocation, we will be developing new local source of fish in Fiji. It is a move towards strengthening our food security and building up livelihoods in the process by assisting commercial agro-culture farms to boost their production and move small players up to the commercial level.

Madam Speaker, if we cannot tell from the incredible statements that we have been hearing from certain political parties who have already started the campaigning, we will be holding Elections sometimes this year. And \$20 million is allocated to the Fijian Elections Office for the conduct of those Elections.

Madam Speaker, we are very proud to announce that we have set aside a special allocation of \$500,000 for our commemoration for next year for the 140 year anniversary of the first ship carrying indentured labourers or *Girmitiyas* from British India to Fiji. Madam Speaker, I know that is great news to every Fijian families, especially those who can trace the lineage back to the original *Girmitiyas* who were brought to Fiji and made to work under slave like and inhumane conditions.

That will also include, Madam Speaker, a nationwide celebration of remembrance and we will cover the first round of funding of \$300,000 towards the construction of the Museum, either in Lautoka or Nadi, dedicated to history, legacy and immense contribution that *Girmitiyas* and descendants had made to Fiji.

Madam Speaker, as far as taxes and tariffs are concerned we already reduced the tax burden on Fijian families to lowest point in our history. We already raised the income tax threshold from \$8,840, Madam Speaker, just two years ago to \$30,000, freeing low income families from paying income tax completely.

Corporate taxes have also been cut to only 20 percent. We have dropped VAT to 9 percent, one of the few countries in the world to reduce rather than raise such a tax. We have completely eliminated the Dividend Tax. The companies listed in the South Pacific Stock Exchange pay only 10 percent. Regional global offices pay only 17.5 percent. That has meant bigger pay cheques and more disposable income for Fijian families, because when it comes to meeting family expenses, Madam Speaker, we trust families to spend their own money rather than have the Government spend it for them.

We are taxing smarter not harder. That is how we have actually lowered the tax burden on Fijian families whilst actually tripling our tax revenues since 2005, with revenues expected to exceed \$3 billion this year, Madam Speaker. We are taking that effort even further in this Budget by giving the FRCS more teeth to go after anyone seeking to cheat our tax system.

This year, we are introducing a few changes to our revenue policy, in line with the same vision to make our taxation system more equitable and build upon our record in using revenue collection as a tool to guide developments, open doors of investment and support Fijian wellbeing.

We are introducing a \$1.25 million turnover threshold for businesses who are currently paying STT and ECAL. This threshold is aligned to the \$1.25 million for restaurants. The threshold for residence withholding tax has risen from \$16,000 to \$30,000, aligned to the unprecedented rise of income tax threshold last year.

Excise Tax on alcohol and tobacco has risen by 15 percent as we had agreed with the tobacco industry, Madam Speaker, and this is the last year of that agreement.

We are expanding the 13 year tax holiday for ICT businesses to include customer contact centres, engineering design, research and development, animation and content creation, business learning, market research, travel services, finance and accounting services, human resource services, legal procedure, compliance and other administrative services that our ICT enables.

Just to give you an example, Madam Speaker, we have a company set up shop in Lautoka that has Fijian accountants actually filling out tax returns for Australian taxpayers and then submitting the tax returns from Fiji. There is an enormous growth in this area of potential, Madam Speaker. We have locally qualified accountants, they have the CPA qualifications and we believe that this the top end of the ICT sector which we can capitalise on.

Fiscal duty on used vehicles that are two years and younger have been reduced from 32 percent to 15 percent or half the current specific rate, whichever is greater to help more Fijian families afford newer higher quality vehicles. These rates depend on the size of the vehicles.

The concession of duty rates for taxis has also been extended to used vehicles that are younger than two years old, meaning the fiscal duty is even lower at 7.5 percent, helping get new cars on our roads, cleaner cars and safer cars.

We have introduced a 55 percent capital deduction for any purchase of electric vehicle for the next five years. The minimum capital investment to qualify for the 5 percent subsidy, we offer for the setup of electric vehicle charging station has been reduced from \$500,000 to \$100,000. We are providing 150 percent tax deduction for any cash contribution above \$10,000 to any corporate sponsor towards the hosting of the ADB Annual Meeting next year.

We have also revised the Medical Incentive Regulations to include hospitals and the PPP arrangements to be eligible for medical tax incentives.

Madam Speaker, as far as economic overview is concerned, this year Fiji's projected revenue stands at \$4.23 billion with \$4.65 billion in expenditure. That means we have brought our national deficit down by a full percentage point from last year to 3.5 percent this year. In other words, last year it was 4.5 percent, it is now going to be 3.5 percent, as we had undertaken in last year's budget announcement.

What is really impressive, Madam Speaker, is that we have accomplished that despite being battered by three successive cyclones and torrential flooding. Despite quickly and generously helping Fijians get back on their feet after the storms, and despite pouring resources into adapting our nation to climate impacts. We kept the economy on course, meeting and exceeding our national goals through our prudent stewardship of the Fijian economy.

Through our economic growth and by virtue of our inclusive approach to governance, we brought together financial institutions, banks, insurance companies and telecommunication companies. We have found common ground and we have been the glue that have bonded these institutions to new partnerships for the betterment of the nation and our citizens' wellbeing.

Madam Speaker, despite the recent rounds of cyclones, as we stand here today as Fiji sits on the cusp of an unprecedented nine straight years of economic growth, we have achieved the growth rate of 3.2 percent this year. Our unemployment stands at a 20-year low and our foreign reserves is sitting at about \$2.2 billion, marking an all-time high.

Investor confidence is booming. All around the world investors are looking at Fiji's stable business friendly climate, rife with opportunity. These are the facts, Madam Speaker. These are the hard numbers endorsed by international financial institutions and credit agencies, who regularly survey and assess our economy. Some may not like these facts, Madam Speaker, because they do not go well for their own political future.

But when ordinary Fijian families take a good long look at the facts, they will see that our management of the economy is sound and effective and again it is clear that this Budget is a responsible Budget for Fiji. It will put our financial strength in a more relatable terms for those sitting at home who are not economists or maybe some who are based on the economic illiteracy I should say, that we have seen from the other side. Truth of the matter, Madam Speaker, is that again Fiji is running an operating budget surplus. Let me repeat, the truth of the matter is, Madam Speaker, that Fiji is running an operating budget surplus. You take in more money than you spend on the day to day running of the country. The only dollar

(Honourable Member interjects)

HON. A. SAYED-KHAIYUM.- You cannot understand economics, that is the problem. The only dollar, Madam Speaker, that our Government borrows is the dollar invested in Fijian people, in other words in capital expenditure.

One of our most telling economic accomplishment, Madam Speaker, is our debt to GDP ratio which has hit a rate of 45.6 percent last year; the lowest level in 15 years. It means that Government is able to borrow the funding that it needs to invest into the betterment of our people because lenders are fully confident of our ability to repay and they see the strength in our economy.

(Honourable Members interject)

HON. A. SAYED-KHAIYUM.- Do not listen to your leader!

(Laughter)

The one outside Parliament.

(Laughter)

Madam Speaker, suggestions that Fiji is experiencing some kind of Chinese or Japanese takeover because of Government's investment in Fijian families only goes to show that the person speaking more commonly these days are obviously typing behind a keyboard is either ignorant or a liar or even both, Madam Speaker. All too often, the answer is both, as we have seen from past Governments' gross mishandling of the Fijian economy and their attempts to manipulate the facts.

Back in 1996, Madam Speaker, the government of the day took out a huge amount of debt. That debt was not spent on Fiji's families or infrastructure but debt was squandered to bail out deposits from the National Bank of Fiji (NBF) and the person who was the Prime Minister then is also the leader of Social Democratic Liberal Party (SODELPA) now, debt that the economic novices at the helm had no plan to repay.

Today, when you consider the difference in dollar value, interest and opportunity cost of the debt, the number balloons to \$500 million. Let that be said simply, Madam Speaker, \$500 million of Fijian progress lost down the drain at no benefit to the Fijian people. With that money now, Madam Speaker, anything we currently owe to China could be wiped clean. Just think of what that money could have done to Fiji if it had been managed by someone, say capable of managing a political party, let alone the entire nation's economy.

Madam Speaker, now many of these same voices are trying to tell us lies about our strong economy. An economy they themselves never had the vision, the know-how, the political will or the

ambition to deliver for Fiji. Madam Speaker, that is deeply concerning because as His Excellency our President has said that the Fijian economy is something we must all protect. Our economy is the basis for the well-being of Fijian families and no one should be telling lies about the economy for their own short-term political gain because our economy, the future of our nation, the future of our families and the future of our children is never a fair game. We have heard them say it is fair game, it is not. We must speak the truth, Madam Speaker, and the truth is, the only reason that Fiji has the ability to invest so heavily in the Fijian people and to invest in building an economy to last, is because the world trusts us to make good on our financial obligations.

Governments over the past tanked our economy, they racked up bills they never intended to pay, irresponsibly leaving a terrible inter-generational debt to be settled at the expense of our nation. The very fact that Fiji today has recovered from this and can invest in our people at all, especially after being burdened by the debts of those before us, speaks to the strength of our economic management and speaks to the principled nature of our leadership.

Madam Speaker, the truth is that we are announcing this Budget from a position of considerable financial strength. It would have been easy for us to stay in the island play Father Christmas, handing out freebies, announcing gimmicks, giving away money without any care or consideration, announcing \$5 - \$10 per hour because we are in a very strong financial position. We could have done that, Madam Speaker, but we have not.

We have never done that because we are not interested in gimmicks. We do not make policy based on what is easy on what an election may be. We are interested in the prosperity of the nation and of Fijian families over the long-term, Madam Speaker. We are interested in making thoughtful investments in our people and in Fijian society to bring opportunity to our people, to empower people and give them the confidence to pursue initiative and enterprise. We are interested in building the Fiji of tomorrow, today, specifically this evening through this National Budget, Madam Speaker.

Madam Speaker, this Budget that is grounded in reality, defined by its responsibility and again, Madam Speaker, this Budget will be remembered for its vision and the stable foundation it has established in Fiji's future success, our children's success and their children's success afterwards. This is a true family budget, through and through and just like the smart and responsible family finances, we spend money where it matters. We have made investments in areas that will see a positive return in improving standards of living, expanding infrastructure, driving important societal change, raising the quality of life for Fijians and ensuring a secured prosperous future for the next generation.

Madam Speaker, I would like to end by thanking all of those Fijians who contributed to the budget during our consultations. Our efforts to respond to impacts of *TC Josie* and *TC Keni* meant that many of those consultations had to be cancelled. But we still received many submissions over mail and online. We thank those Fijians as well. We have received a number of requests, Madam Speaker to hold nationwide Budget roadshows over the next few weeks to break down the Budget and explain its impact on ordinary people and their families. We hope to see as many people as possible at those sessions because it is important, Madam Speaker, everyone can get the full picture of how this Budget will impact your lives, your families and your communities.

Madam Speaker, we have designed this Budget for Fijian families to support them, protect them, empower them and give them the stability they deserve and from our youngest Fijians to those entering schools for the first time, to those going onto higher and tertiary education, to their parents and to those who are at later stages of their life, this Budget believes in every member of every family in the country.

This is a Budget for breadwinners, the businesswomen and men who put in the work to keep roofs over their families' heads and put food on the table. This is a budget for young and ambitious people, putting new technologies at their disposal, along with new educational opportunities and unprecedented new high paying jobs. Younger Fijians who want high paying jobs to one day support families of their own, because this is a Budget, Madam Speaker, that recognises we are a young nation. It recognises the potential of the next generation of Fijians and it sets them up for incredible success. This is a Budget for parents who want to see their children well and realise opportunities they only dreamed for themselves. This is a Budget for those who care for their own parents and their grandparents at home. This is a budget for those who need assistance and not a hand-out but a hand up and most importantly.

More importantly, Madam Speaker, this is a Budget for our children and for their future because this Budget can give us all the certainty that we are building a better Fiji and a better world for our children, for our grandchildren and one day for their own families many years on from now because every Fijian family matters, Madam Speaker. Madam Speaker, this Budget delivers prosperity to every Fijian family today and for those families yet to come and for that reason, Madam Speaker, I recommend this Budget. Thank you, Madam Speaker.

(Applause)

HON. SPEAKER.- Thank you Honourable Minister, Secretary-General.

SECRETARY-GENERAL.- A Bill for an Act to appropriate a sum of Four Billion, Two Hundred and Forty Nine Million, Twenty-Nine Thousand, Two Hundred and Ninety Eight Dollars for the ordinary services of Government for the year ending 31st July, 2019 (Bill No. 10 of 2018).

HON. SPEAKER.- In accordance with Standing Order 84 (2), the Bill has now been read for the first time and in accordance with Standing Order 99 (3), the Bill will now be listed on the Order Paper for Second Reading on a future sitting day.

2018-2019 BUDGET CONSEQUENTIAL BILLS 2018

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

HON. A. SAYED-KHAIYUM.- Thank you Madam Speaker. Madam Speaker, pursuant to Standing Order 51, I move that the following Consequential Bills for 2018-2019 National Budget be considered by Parliament without delay;

- (1) Tax Administration (Budget Amendment) Bill 2018;
- (2) Income Tax (Budget Amendment Bill) 2018;
- (3) Value Added Tax (Budget Amendment) Bill 2018;
- (4) Service Turnover Tax (Budget Amendment) Bill 2018;
- (5) Environment and Climate Adaptation Levy (Budget Amendment) Bill 2018;
- (6) Fiji Revenue and Customs Service (Budget Amendment) Bill, 2018;
- (7) Excise (Budget Amendment) Bill 2018;
- (8) Customs (Budget Amendment) Bill 2018;
- (9) Customs Tariff (Budget Amendment) Bill 2018;
- (10) Employment Relations (Budget Amendment) Bill 2018;
- (11) Telecommunications (Budget Amendment) Bill 2018;

- (12) Drainage (Budget Amendment) Bill 2018;
- (13) Tertiary Scholarship and Loans (Budget Amendment) Bill 2018;
- (14) Parliamentary Retirement Allowances (Budget Amendment) Bill 2018; Madam Speaker, pursuant to the Standing Orders, I move that these Bills;
 - (a) must pass through one stage at a single sitting of Parliament;
 - (b) must not be referred to a Standing Committee or other Committees of Parliament;
 - (c) must be debated and voted upon by Parliament immediately after the vote on the 2018-2019 Appropriation Bill, 2018; and
 - (d) that the time for the debate be limited to ensure that these Consequential Bills tabled today are debated and voted upon in the sitting of Parliament beginning on Monday, 9th July, 2018.

HON. SPEAKER.- Do we have a seconder?

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

HON. SPEAKER.- I now give the floor to the Honourable Minister for Economy.

HON. A. SAYED-KHAIYUM.- Thank you, Madam Speaker. Madam Speaker, suffice to say that we will be debating these Bills later as they are all related to the Budget that has been presented now and to give effect to the Budget, some of them are related in terms of the finance that will be allocated and also as we did last year, there will be a couple of other Bills that will be presenting in the week that will be debating the Budget itself. Thank you.

HON. SPEAKER.- Thank you. The motion is now open for debate and I invite input, if any.

The onus is now on the Honourable Minister for Economy to speak in reply.

HON. A. SAYED-KHAIYUM.- Thank you, Madam Speaker. I think that will suffice, thank you.

HON. SPEAKER.- Thank you. Parliament will now vote and the question is, pursuant to Standing Order 51 that the following Consequential Bills to the 2018-2019 National Budget be considered by Parliament without delay:

- (1) Tax Administration (Budget Amendment) Bill 2018;
- (2) Income Tax (Budget Amendment Bill) 2018;
- (3) Value Added Tax (Budget Amendment) Bill 2018;
- (4) Service Turnover Tax (Budget Amendment) Bill 2018;
- (5) Environment and Climate Adaptation Levy (Budget Amendment) Bill 2018;
- (6) Fiji Revenue and Customs Service (Budget Amendment) Bill, 2018;
- (7) Excise (Budget Amendment) Bill 2018;
- (8) Customs (Budget Amendment) Bill 2018;
- (9) Customs Tariff (Budget Amendment) Bill 2018;
- (10) Employment Relations (Budget Amendment) Bill 2018;
- (11) Telecommunications (Budget Amendment) Bill 2018;
- (12) Drainage (Budget Amendment) Bill 2018;
- (13) Tertiary Scholarship and Loans (Budget Amendment) Bill 2018;
- (14) Parliamentary Retirement Allowances (Budget Amendment) Bill 2018;

Madam Speaker, pursuant to the Standing Orders, that these Bills:

- (a) must pass through one stage at a single sitting of Parliament;
- (b) must not be referred to a Standing Committee or other Committees of Parliament;
- (c) must be debated and voted upon by Parliament immediately after the vote on the 2018-2019 Appropriation Bill 2018; and
- (d) that the time for the debate be limited to ensure that these Consequential Bills tabled today are debated and voted upon in the sitting of Parliament beginning on Monday, 9th July, 2018.

Does any Member oppose the motion?

(Chorus of “Noes”)

HON. SPEAKER.- There being no opposition, the motion is agreed to unanimously. Thank you Honourable Members.

ADJOURNMENT

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

That Parliament adjourns until Monday, 9th July, 2018 at 9.30 a.m.

HON. SPEAKER.- Do we have a seconder?

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

HON. SPEAKER.- Parliament will now vote and the question is, that Parliament adjourns until Monday, 9th July, 2018 at 9.30 a.m. Does any Member oppose?

HON. MEMBERS.- No.

HON. SPEAKER.- Since no Honourable Member opposes, Parliament is now adjourned until Monday, 9th July, 2018 at 9.30 a.m.

That brings us to the end of our sitting tonight. I take this opportunity to thank Honourable Members and guests present to witness the presentation of the National Budget. The Ministry of Economy has organised light refreshments and I invite all Honourable Members and guests to partake in the refreshments provided.

The Parliament is now adjourned until Monday, 9th July, 2018 at 9.30 a.m.

The Parliament adjourned at 9.22 p.m.