

PARLIAMENT OF THE REPUBLIC OF FIJI



PARLIAMENTARY DEBATES

DAILY HANSARD

FRIDAY, 7TH JUNE, 2019

[CORRECTED COPY]

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FRIDAY, 7TH JUNE, 2019

The Parliament met at 7.36 p.m., pursuant to notice.

HONOURABLE SPEAKER took the Chair and read the Prayer.

PRESENT

Hon. Josaia Voreqe Bainimarama, Prime Minister and Minister for iTaukei Affairs and Sugar Industry
Hon. Aiyaz Sayed-Khaiyum, Attorney-General and Minister for Economy, Civil Service and Communications
Hon. Rosy Sofia Akbar, Minister for Education, Heritage and Arts
Hon. Parveen Kumar Bala, Minister for Employment, Productivity, Industrial Relations and Youth and Sports
Hon. Mereseini Rakuira Vuniwaqa, Minister for Women, Children and Poverty Alleviation
Hon. Dr. Mahendra Reddy, Minister for Agriculture, Rural and Maritime Development, Waterways and Environment
Hon. Cdr. Semi Tuleca Koroilavesau, Minister for Fisheries
Hon. Osea Naiqamu, Minister for Forestry
Hon. Lt. Col. Inia Batikoto Seruiratu, Minister for Defence, National Security and Foreign Affairs
Hon. Jone Usamate, Minister for Infrastructure, Transport, Disaster Management and Meteorological Services
Hon. Ashneel Sudhakar, Minister for Lands and Mineral Resources
Hon. Dr. Ifereimi Waqainabete, Minister for Health and Medical Services
Hon. Premila Devi Kumar, Minister for Industry, Trade, Tourism, Local Government, Housing and Community Development
Hon. Alexander David O'Connor, Assistant Minister for Health and Medical Services
Hon. Veena Kumar Bhatnagar, Assistant Minister for Women, Children and Poverty Alleviation
Hon. Vijay Nath, Assistant Minister for Infrastructure, Transport, Disaster Management and Meteorological Services
Hon. Alvick Avhikrit Maharaj, Assistant Minister for Employment, Productivity, Industrial Relations, Youth and Sports
Hon. Jale Sigarara, Assistant Minister for Agriculture and Maritime Development
Hon. Viam Pillay, Assistant Minister for Environment Rural Development
Hon. Joseph Nitya Nand, Assistant Minister for Education, Heritage and Arts
Hon. George Vegnathan, Assistant Minister for Sugar Industry
Hon. Selai Adimaitoga, Assistant Minister for iTaukei Affairs
Hon. Mitieli Bulanauca
Hon. Mosese Drecala Bulitavu
Hon. Viliame Rogoibulu Gavoka
Hon. Dr. Salik Ram Govind
Hon. Anare Jale
Hon. Ro Teimumu Vuikaba Kepa
Hon. Sanjay Salend Kirpal
Hon. Inosi Kuridrani
Hon. Dr. Ratu Atonio Rabici Lalabalavu
Hon. Ratu Naiqama Tawake Lalabalavu
Hon. Mikaele Rokosova Leawere
Hon. Ratu Suliano Matanitobua

Hon. Ratu Tevita Navurelevu
Hon. Niko Nawaikula
Hon. Vijendra Prakash
Hon. Prof. Biman Chand Prasad
Hon. Lenora Salusalu Qereqeretabua
Hon. Adi Litia Qionibaravi
Hon. Major-General (Ret'd) Sitiveni Ligamamada Rabuka
Hon. Aseri Masivou Radrodro
Hon. Simione Rokomalo Rasova
Hon. Jese Saukuru
Hon. Rohit Ritesh Sharma
Hon. Lynda Diseru Tabuya
Hon. Lt. Col. Pio Tikoduadua
Hon. Ro Filipe Tuisawau
Hon. Peceli Waqairatu Vosanibola

Absent

Hon. Alipate Tuicolo Nagata, Assistant Minister for Employment, Productivity, Industrial Relations, Youth and Sports
Hon. Salote Vuibureta Radrodro

MINUTES

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Mr. Speaker, Sir, I beg to move:

That the Minutes of the sitting of Parliament held on Friday, 17th May, 2019, as previously circulated, be taken as read and be confirmed.

HON. A.A. MAHARAJ.- Honourable Speaker, I beg to second the motion.

HON. SPEAKER.- Honourable Members, the Parliament will now vote on the motion.

The Question is:

That the Minutes of the sitting of Parliament held on Friday, 17th May, 2019, as previously circulated, be taken as read and be confirmed.

Does any Member oppose the motion?

(Chorus of 'Noes')

HON. SPEAKER.- Honourable Members, as no Member opposes, the motion is agreed to unanimously.

Motion agreed to.

COMMUNICATIONS FROM THE CHAIR

Welcome

HON. SPEAKER.- Honourable Members, I welcome all Honourable Members to this evening's special sitting for the delivery of the 2019-2020 National Budget Address by the Honourable Attorney-General and Minister for Economy, Civil Service and Communications, the Honourable Aiyaz Sayed-Khaiyum.

I also welcome our distinguished guests joining us in the gallery, their Excellencies, the Ambassadors and High Commissioners, the Heads of International and Regional Organisations, the Heads of the Forces and Corrections Services, Members of the business fraternity, as well as those seated in our Committee Room. I also acknowledge those watching tonight's live proceedings on television and the internet and those listening to the radio.

Budget Address

Honourable Members, the Budget Announcement and the Budget Debates are significant events in the Parliament calendar. The announcement by the Honourable Minister for Economy this evening enables the Government to articulate its intentions and key policies, as well as its forecast for the next financial year.

As all Honourable Members would know, tonight's significant event draws public and media attention and essentially the procedure is vital for Parliament to fulfil its constitutional obligation. In that regard, the approval of finance and appropriations is a fundamental role of any legislature.

Thank you all for being part of this significant event.

BILLS – FIRST READING

2019-2020 Appropriation Bill 2019 (Bill No. 7 of 2019)

HON. SPEAKER.- Honourable Members, I now call on the Honourable Attorney-General and Minister for Economy, Civil Service and Communications the Honourable Aiyaz Sayed-Khaiyum to move the First Reading of the Appropriation Bill.

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

That the 2019-2020 Appropriation Bill 2019 (Bill No.7 of 2019), be now read a first time.

HON. LT. COL. I.B. SERUIRATU.- Mr. 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 all 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, 17th June, 2019, from the ordinary speaking time limitations.

I now call upon the Honourable Attorney-General and Minister for Economy, Civil Service and Communications, the Honourable Aiyaz Sayed-Khaiyum, to deliver the National Budget Address.

2019-2020 APPROPRIATION BILL 2019

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. The Honourable Speaker, the Honourable Prime Minister, the Honourable Leader of Opposition, it is my privilege to present to Parliament and to all Fijians across our country and overseas, the National Budget for the 2019-2020 fiscal year.

Whether you are watching live on television, listening on radio or streaming on *Facebook*, the Parliament live website or the *Walesi* application, I would like to thank you all for being with us this evening. Given the incredible progress we have made in expanding *Walesi*'s coverage this year, we would like to especially acknowledge those tuning in from Community Halls in Lakeba, Moala and Kadavu, as well as from deep rural pockets in Viti Levu. All of them have received *Walesi* coverage for the first time. Welcome to this National Budget announcement.

I know we traditionally say Budget announcements, but as more Fijians are not only watching, but participating in this event, it is really grown to become a national dialogue among our citizens. For all those who are following along and commenting on social media, please use our hashtag *##Fiji Budget* to share in this nationwide conversation. We want to thank all of those who took part in the first ever online National Budget Consultations we held on Facebook earlier this year. The over 50,000 engagements on Facebook which included thousands of comments, questions and suggestions, from secondary and tertiary students, as well as the general public, have made the 2019-2020 National Budget, the most participatory Budget to date, with a record volume of perspectives, ideas and experiences brought to the forefront of our consultations.

I was particularly happy to see that entire classrooms gathered around the computer screen using this digital consultations as an exercise to learn more about how budget works and hear directly from their Government. An engaged well informed young population is the greatest assurance we can possibly have that the progress we make today, will be protected through the decades to come. The contributions we received from young Fijians across the country made clear that Fiji's future is actually in very good hands.

Mr. Speaker, Sir, tonight we further the realisation of the vision of empowerment, people first policy making and innovative problem solving. A vision that prioritises the prosperity of our people today and protects the wellbeing of generations to come. A vision set out by the Honourable Prime Minister and set in motion by the responsible and practical management of our economy.

Tonight, Mr. Speaker, Sir, that vision enters its second evolution, led by a future facing Budget that builds on the unprecedented achievement of the Fijian economy and looks ahead with confident expectations and ambitious aspirations. It is a Budget that paves the way towards even greater triumph for our economy, for our businesses and for our people, and ensures resilient progress in a changing climate and changing global market. It is a Budget that secures our nation as a sustainable future with every dollar of new expenditure dedicated to support one of five fundamental pillars of modernity:

1. Strengthening law and order;
2. Protecting our natural environment;
3. Empowering young Fijians;
4. Spurring technology and innovation; and
5. Building certainty in an uncertain world.

Standing before this august Parliament one year ago, we proudly celebrated the ninth straight year of growth for the Fijian economy, the single longest stretch in our history. Today one year on, we are proud to announce that the FijiFirst Government is adding to the record breaking streak of economic expansion. We expect GDP to grow to \$12.7 billion this year, making it for 10 straight years of growth for our economy.

When we went to the Fijian people in 2014 and 2018, ahead of our National Elections, we promised that we were the only Government equipped to consistently grow the economy to improve the lives of all Fijians. Just as promised, we have delivered a decade of progress, a decade of development and a decade of prosperity for all our people. We have done more than set a new record, we have set a new bar of expectation for what our nation can achieve. For all the young people watching this evening, Mr. Speaker, Sir, that is the bar we expect all of you to one day surpass.

Before this Government, the Fijian economy had some good years, some okay years and some bad years, quite a few bad years actually. Through decisive political leadership and responsible financial management, we ended that era of instability, we shut the door on economic inconsistency and put ourselves, the Fijian people in command of our own destinies. Under our Honourable Prime Minister, the economy has been stable. Our growth has been steady and our future has been secure for 10 straight years.

This age of historic economic achievements, this unbroken decade has been rightly dubbed by some as the “Bainimarama Boom” for our economy, not a bump, not a bubble, but an economic boom that has carried our economy through 10 years of expansion and that will go down in history as the decade we solidified Fiji’s economic future.

Since 2009, the Bainimarama Boom has more than doubled the size of our economy. A boom in employment has put a hundred thousand more Fijians in jobs, hundred thousand more women and men who can go to work, earn a pay cheque and provide for their families, driving national unemployment to a 20 year low of 4.5 percent. And booming private sector investment has built new homes, hotels, offices, residential buildings and shopping centres, while historic public spending has built a national network of high quality infrastructure and reliable essential services.

How, Mr. Speaker, Sir? By playing our cards in a savvy manner, by keeping a close eye on market developments, business cycles and geopolitical machinations, by taking tough decisions at the right times, forging new strategic partnerships, seizing opportunities while they were hot and pulling back when things slow down. That record has inspired confidence in our nation’s progress, confidence among our people, confidence among our development partners and confidence among business owners - from CEOs heading investment firms to vendors operating roadside stalls. We have harnessed that collective confidence and used it to build an economy that works for all our people at all levels of our society.

Mr. Speaker, our commitment to inclusive progress has made Fiji one of five countries in the Asia Pacific Region, a region that is home to more than 60 percent of the world’s population, where income inequality is actually decreasing, in a global economy where far too often only the rich are getting richer, the Fijian society is actually becoming more equal. The Bainimarama Boom was a boom for ordinary men and women. Not only the wealthy and the privileged, it has uplifted dalo farmers, as well as doctors, taxi drivers as well as teachers, cashiers as well as company owners.

By our surging economy has done more than put money in our people’s pockets – far more. It has funded an unprecedented wave of development across the country. It has dug boreholes in rural villages, giving more of our people access to clean drinking water. It has built Health Centres that have provided lifesaving treatments to our people in times of emergencies. It has paid the school fees of tens

of thousands of Fijian children, and has built faith among our people and among the world that Fiji is headed in the right direction.

That faith Mr. Speaker, Sir, takes many forms. It is the faith held by a Fijian factory worker that her daughter could one day lead the same company she works for today. It is the faith held by investors that Fiji is where their investment will see the biggest returns, and that the Fijian people are capable of building their businesses. And it is the faith held by every Fijian that they stand on firmly, upon an unshakeable foundation of political, civil and socio-economic rights. And all those individuals share a collective faith in our nation's potential, faith that Fiji is a nation on the rise, faith that our country's best days are yet to be had.

Mr. Speaker, Sir, when it comes to National Budgets, we sustain that faith in our future by making prudent and disciplined financial decisions. That means achieving balance; balancing expenditure against revenues, balancing investments against returns, balancing private sector funding against public sector spending and balancing short-term needs against long-term aspirations. By managing those balance responsibly, we build confidence in the future, as that allows a government to adapt to unexpected circumstances. And as a nation with strong relationships with development partners, along with extreme climate vulnerabilities, that is all the more critical for Fiji.

Mr. Speaker, Sir, for decades Fiji's adherence to long term economic balance were sidelined by short-sighted economic managements. As a result back in 2006, the Bainimarama-led Government inherited debt worth 53 percent of the then GDP. Now, with debt levels that high, you would expect that those Governments would have something to show for it. You would expect that debt to be accompanied by some serious investments in roads, bridges, jetties, ports and airports, .education and other strategic investments.

Mr. Speaker, these are the sorts of expenditures that fuel a nation's long term productivity and GDP growth. But past Governments were not making the required levels of investment. They built up their debt and then simply took that money and blew it on short-term expenditures. They were borrowing money simply to cover their operating cost to pay their own employees. Anyone who has a business to run can tell you that, that is being called 'being in the red', and it is a sure sign you are headed for financial catastrophe.

Mr. Speaker, Sir, I saw a headline yesterday that I really could not believe. In read, and I quote, "Fiji Opposition Warns of Economic Collapse", with a photo of Honourable Sitiveni Rabuka. I thought for a minute that I was reading a newspaper from 1996. But no! It was a story run yesterday with Honourable Rabuka claiming that our nation today somehow faces an economic crisis.

Mr. Speaker, you would think Honourable Rabuka would know one thing or two about what a real economic crisis looks like, considering he led our nation straight into one when he crashed the National Bank of Fiji as Prime Minister. That reckless sabotage ...

(Honourable Members interjected)

HON SPEAKER.- Order, order!

HON. A. SAYED-KHAIYUM.- ... of the Fijian economy cost our people in today's terms, \$500 million. \$500 million, Mr. Speaker, Sir, thrown down the drain never to be seen again! In his supposed warning, Honourable Rabuka went on to claim that Government expenditure should be 20 percent of GDP and that revenue should be 15 percent of GDP.

During his entire term as Prime Minister, his Government came nowhere near to achieving those figures, with expenditures hitting highs of over 30 percent and average revenues of 25.6 percent of GDP. But his hypocrisy did not end there. He then implied that the Government should run a deficit of 5 percent in this Budget. Five percent, Honourable Speaker! He has made a call for greater levels of debt for Fiji while warning of the dangers of expansionary spending all in the same breath.

Mr. Speaker, Sir, Honourable Rabuka clearly has not taken any lessons from his own disastrous economic blunders that began the vicious cycle of Fiji's inter-generational debt. That is why it is relevant until today, debt that was subsequently mismanaged and worsened by the Government that followed. Mr. Speaker, this Government finally said, "Enough was enough", until this Government finally brought fiscal discipline and prudent management to our economy.

By the time the Bainimarama-led Government took up the reigns of our economy, Mr. Speaker, Sir, we were not only faced with a mess of Government finances due to historic lack of strategic investment, our nation also suffered from massive gaps in productive capacity. We had to play serious catch-up to keep pace with a rapidly modernising economy or else our people were going to be left behind.

We did not shy away from confronting those weaknesses. We tackled them, head-on. We made smart investments and today, what were once our most serious shortcomings rank among our greatest strengths.

We transformed technology from an afterthought into a driving force behind delivering faster and better Government services. We made education free and created affordable paths to higher education, fuelling the engine of Fijian ingenuity.

We invested in our people, our greatest resource by caring for those who are vulnerable, building resilience to worsening climate impacts, empowering the disadvantaged to lift themselves from the grips of poverty, enabling those with big and bold ideas to chase their ambitions and giving all our people a fair shot at success in our economy, creating a new age of Fijian meritocracy, one in which success is not about who you know or where you may come from, your ethnicity or religion or what province you belong to, but about what you know and the value you can create for your country.

Delivering those achievements has required significant investments and we took on manageable levels of debt. But the one thing about smart investments, Mr. Speaker, Sir, is that they pay back returns in the form of a more productive society, more productive economy.

Prior to 2016, despite an ambitious investment agenda, we made clear commitments and progress towards reducing our debt levels, achieving steady reductions in our debt to GDP ratio. From that high of 53 percent in 2006 down to 43.9 percent in the 2016-2017 financial year.

Then came, of course, in 2016 the massive devastation of *TC Winston*. As reports of the damages poured in from around the country, we knew moments after *TC Winston* left Fijian waters that the rebuild would take us years. When the assessments completed, it was revealed that *TC Winston* wiped out one-third of the value of our GDP, and over the years the price tag of this storm has proven immense with a total cost to our economy of an astonishing \$500 million. Those costs were compounded by the devastations of *TC Josie*, *TC Keni* and *TC Gita* in the years that followed.

Mr. Speaker, we could have easily rushed the rebuild. It would have been cheaper and far more politically expedient had we built on the same haphazard standard that existed before *TC Winston*. We can vividly remember some of the propositions outlying half measures and quick-fixes to fix our schools, homes and other infrastructure. But this Government, Mr. Speaker, did not go for any of those Band-Aid solutions. We chose to put in time, the money and effort to build back better to a stronger standard,

building schools with resilient building plans, providing high quality materials for homes that are built to code and redeploing infrastructure in a climate conscious manner.

As we conclude that historic re-building effort, we can now say without a shadow of doubt that the Fijian economy is the most climate resilient it has ever been. Every new school building we have constructed or reconstructed is built to withstand Category 4 cyclone winds. We have already completed 55 evacuation centres across the country, many of which are equipped with generators and water tanks. When future storms bear down on our country and they most certainly will, not only will those investments in resilience save us a great deal of costs and rehabilitation, more importantly they will save lives, Mr. Speaker, Sir.

Mr. Speaker, the scale of our rebuilding effort was only possible because of the strength our economic position prior to *TC Winston*. And even in the midst of that massive funding effort, our debt levels remain sustainable, that is the clear consensus amongst banks and multilateral institutions. And let us be clear, those are organisations with entire teams dedicated to assessing the health of the Fijian economy. They do not play political favourites and they do not supply political opinions, only fact-based analysis.

The point being, that when the commercial banks, multilateral financial institutions and the Reserve Bank of Fiji (RBF) all agree on the health and sustainability of our economy, they are being objective. They are looking at actual facts and making considered assessments.

Meanwhile, Mr. Speaker, Sir, the Honourable Leader of the Opposition occupies his time with desperate dooms day predictions on the eve of the Budget announcement.

Mr. Speaker Sir, let us take a moment to pause at the utter absurdity of this. Under the flash of the cameras, Honourable Rabuka essentially issued a Budget response, before this Budget was even announced, rambling on about an economic collapse to anyone who would listen. We all know that he loves the limelight, but could he not have waited a day to learn what was actually in this Budget first?

While this pre-emptive strike on a yet to be announced Budget was unprecedented, there was a far greater offence to his actions than a break from tradition, or even a gross breach of decorum. His baseless assertions are economic sabotage of the highest order. He needs to realise that his words have consequences, and every false accusation can result in very real damages to our economy which is underpinned by investor confidence.

In his times as Prime Minister, the Honourable Rabuka has already upended our economy once. But I suppose that because of our young population, more than half of the Fijians were not even alive when he first drove us into the ground. So, perhaps he wanted to refresh our memory. But this Government, Mr. Speaker Sir, will not let Fiji suffer from a bad case of *déjà vu* at the hands of the Honourable Leader of the Opposition.

Our young people in particular, do not have time for this as they look to the future. They want to be inspired, not intimidated by fear mongering. Our youth have more opportunities at their feet than at any point in our history, and their vitality

(Chorus of interjections)

HON. SPEAKER.- Order, order!

HON. A. SAYED-KHAIYUM.- ... is what will drive us into the future. Through this unbridled optimism is in what is ahead We will continue to move our economy forward and not back.

So, Mr. Speaker, let us take a good look at the facts and let us speak in economic realities. In the next financial year, we are looking at revenues of around \$3.491 billion with tax revenue passing the \$3 billion threshold for the first time, and we will be collecting that historic figure in tax revenue without raising VAT, without increasing corporate taxes and without increasing personal income tax.

(Acclamation)

HON. SPEAKER.- Order, order!

HON. A. SAYED-KHAIYUM.- You heard that right, Mr. Speaker Sir, in a growing Fijian economy with growing incomes, we are not raising VAT, we are not raising income tax and we are not raising corporate taxes.

Mr. Speaker, it took over 35 years for tax revenues to reach \$1 billion, Mr. Speaker, since Independence. It took another 10 years after that to reach \$2 billion. But it took this Government only five years to go from \$2 billion to \$3 billion in tax revenue, all the while steadily decreasing the tax burdens faced by ordinary people. VAT is down from 15 percent to 9 percent. Families who make under \$30,000 a year have been free from paying income tax entirely. Small businesses have been exempted from paying ECAL, instead we have made some simple and savvy changes to improve tax compliance and close loopholes that once allowed countless millions to pour out of our country. Now, instead of that money leaking out of Fiji, it is helping fund a nationwide network of social safety, educating our children and drive forward an agenda of empowerment through the life changing new developments that are the hallmarks of this Government.

Mr. Speaker, now that the vast majority of cyclone rehabilitation has ended, we can sustainably shift our economy back onto the path of fiscal consolidation. A commitment first announced by this Government back in 2017. Projected expenditure for the year is down to \$3.84 billion reflecting a lower deficit of 2.7 percent of GDP, down from 4.4 percent in 2017-2018 and 3.4 percent in 2018-2019. With a GDP of \$12.7 billion and a debt of \$5.98 billion, our debt to GDP is projected at 47.1 percent of GDP meaning, Mr. Speaker, Sir, our debt to GDP ratio is 6 percentage points lower than 2006.

As of this month, Mr. Speaker, Sir, our foreign reserve levels are around \$1.92 billion equal to 4.2 months of coverage for retained imports of goods and non-factor services. Current inflations stands at 2.1 percent. One does not need an economics degree, Mr Speaker, Sir, to recognise that progress for what it is. Even someone with a pedestrian knowledge of finance and economics will tell you or rather have to admit that it is indisputably responsible financial management.

Mr. Speaker, there is a reason why we are building up our fiscal buffers to give ourselves greater financial leeway. The world's leading financial institutions, economists and the NGOs are warning that economies around the globe are facing down a period of great uncertainty but one trend is clear, global growth is softening. Just this week in its June report titled - "Heightened Tensions, Subdued Investment", the World Bank attributes a dampening in global growth prospects to a further escalation of trade disputes between the world's largest economies, renewed financial turmoil in emerging and developing economies and more abrupt deceleration of economic growth among major economies.

Mr. Speaker, it is not hard to see how they arrived at that conclusion. A single tweet from the President of the United States threatening war with Iran can send shock waves through the international oil market. A test missile fired by North Korea can send ripples through the Nikkei Index. Every time the United Kingdom holds a new Brexit vote traders around the world await the outcome with bated breath. And the ongoing international trade war ignited by the Trump Administration is being fought on many fronts from China, to the EU, to Mexico with a new tariff making headlines with head spinning regularity.

The International Monetary Fund forecast for global growth in 2019 stands at 3.3 percent down from 3.7 percent last year. But that slow down, Mr. Speaker, will not impact all nations equally. Some economies are proving more resilient. The growth of emerging economies such as India, Vietnam and China are all projected to steadily chug ahead. The drop in global growth is mostly due to slowing growth among developed economies whose growth is decreasing from 2.2 percent in 2018 to 1.8 percent this year. That includes all of Fiji's major trading partners; the USA, Eurozone, Japan, Australia and New Zealand whose growth is forecast to be lower than earlier projected. For example, Australia's growth is projected to slow down from 2.8 percent in 2018 to 2.1 percent this year.

Meanwhile growth in emerging economies will see a much more modest drop of a mere 0.1 percent and currently economists are cautiously optimistic that the growth of world economy will recover by 2020. And those projections come despite a continuing drop in growth among the developed economies. Stronger growth among emerging economies of 4.8 percent in 2020 is projected to single-handedly lift the global growth rate back up to an average of 3.6 percent. Given these projections, we are positioning the Fijian economy to do more than add to our record breaking stretch of economic success. We are looking to out-perform the growth of our more developed trading partners. If our past performance is any indication, Mr. Speaker, Sir, this Government is more than capable of doing exactly that. Mr. Speaker, Sir, it is this Government that brought the Fijian economy booming back to life out of the global financial crisis in 2008. In the midst of that economic chaos, we kept our cool and did what needed to be done.

We enacted anticipatory measures, we showed we knew how to tighten our belts, foresee new opportunities and distinguished ourselves in competitive markets. When growth was slowing in our neighbouring economies, we showed we could revamp our tourism industry to continue attracting historic numbers of visitor arrivals. When global investments stagnated, we showed we knew how to rally businesses, build confidence and drive local capital investment.

When global output lowered, we showed we knew how to increase productivity in the public and private sector, make pricing adjustments and continue to fund long term development aspirations. We showed we knew how to build a modern economy even in the face of adversity through our brand of positive, creative and collaborative leadership. So while we must remain cognisant of current global realities, we should take comfort that this Government has proved its merit in maintaining positive economic momentum. Despite the whims of larger economies, despite the shifting whims of global markets, this Government has chartered 10 years of sustainable, resilient and responsible economic growth.

Mr. Speaker, Sir, I would like to add, we have made that progress despite continuing partisan efforts to crush our progress and the weight of lies and pessimism. We have cut through those fronts of fear mongering and fogs of falsehoods and carried our economy to record breaking success, because this Government Mr. Speaker, Sir, has inspired belief in Fiji's true potential. And when we look to the future of our economy, we must continue to do so through lens of truth and objectivity. We must maintain a dispassionate assessment of what the coming years will bring. We cannot hold our economy hostage to politically fuel rumours and unfounded speculations. We cannot waste time hanging on the words of people with zero economic credibility.

No politician's 15 minutes of fame should be allowed to come at the expense of the health of our economy. A strong economy underpins our people's prosperity, a strong economy helps keep the lights on, keeps the tap flowing and sustains our people's livelihoods. And when we speak about the economy, we need to adhere to a level of intellectual regard. There is no room for shallow social media speculations. We need hard facts, we need objective analysis and when debates arise, we need well thought out proposals brought to the table.

At the very least, as Members of the Opposition, one owes the Fijian people with a responsible and considered alternative way of doing things. Our people deserve that much, at least, because when we talk about the economy, it is their wellbeing that is the subject of discussion. Mr. Speaker, Sir, building a strong economy defined by sustainable growth only occurs with the adherence to the right policies and the right fundamentals. We proved that to be true with our success in the economic record in the wake of the global financial crisis; we proved that. And now we are harnessing this new global downturn in our favour by becoming a more productive society, preparing and adapting the Fijian economy for new and better opportunities.

As part of that transition, we will be progressively undertaking a comprehensive package of structural, fiscal management reforms that stretches across every sector of our economy with an eye to sustaining our wide reaching economic prosperity. To name some, Mr. Speaker, Sir, we are reviewing the Foreign Direct Investment Act to encourage greater foreign investments. We are reforming our State owned enterprises and public enterprises to make them more customer-orientated, profitable and efficient.

Just last week, we announced a reform of a Secured Transaction Framework and the launch of the Personal Property Securities Registry. This makes it easier for our people to use their assets as collateral to secure loans. Basically it means access to finance has gotten easier, allowing our people and our businesses, in particular small to medium enterprises, to make investments at lower cost with greater efficiency. Since its launch at the end of May, over 7,000 loan entries have already been reloaded onto the online registry.

Mr. Speaker, Sir, we are also conducting a review of the Financial Management Act 2004 or the FMA as it is commonly known, to make some key changes that meet the high expectations of transparency and accountability in a modern economy. Every year, before the Budget announcement, Government must table a broad fiscal framework that sets the stage for budgetary preparations which is what we are going to implement thereby building accountability and adherence to fiscal projections. The Government of the day will also be required to provide a pre-election economic and fiscal update on the state of the economy which will compare information from the Mid-Year Annual Report against the Fiscal Strategy. That update must be made publicly available at least 20 days before the polling date.

We are enhancing the accountability of internal audit functions within Government through the establishment of an Internal Audit Committee to oversee audits and where necessary permanent secretaries have been empowered to initiate prosecution to combat abuse of taxpayer funds.

Lastly we are climate sensitising the FMA to engrain a deeper focus on building resilience, catering to investments that climate proof our economy and support inter-generational equity. We will be mandating that all political parties contesting the elections cost their budgets in relation to manifestos to grant full transparency to the Fijian people in assessing the viability of political promises.

We are also giving new levels of certainty to our partners in the private sector through a range of new initiatives that will incentivise investment and spur greater development, the specifics of which will be covered later in the evening, Mr. Speaker, Sir.

Mr. Speaker, Sir, our multilateral partners have offered their full support towards what they agree is a critically important and impactful programme of reform. The Asian Development Bank and the World Bank are stepping in to assist by refinancing our loan obligations with policy based loan support that is contingent on the progress of our reforms.

The Fijian Government intends to use this funding support to redeem the US\$200 million global bond due in October 2020. We will be accessing the loan in two tranches, and based on our progress so far, the first trench has already been made available, which we will access this financial year and keep in

an offshore account until the global bond is due next year. By accessing these funds now, we ensure that we are on track to access the full extent of this policy based support well in advance of the October 2020 deadline.

This will be a temporary increase in our headline debt in this financial year, but, that will go down the moment we will redeem the global bond in the 2020-2021 fiscal year. It is abundantly clear, Mr. Speaker, Sir, the world sees our financial reforms as credible and our current leadership is responsible and we are getting a more favourable loan that comes at a lower cost as a direct result. This is not actually adding to our debt portfolio. Listen, our strong economic position has simply allowed us to broker a sweeter deal, a deal that costs us less in interest, protects us against unexpected shocks and smooths our debt repayment profile.

Mr. Speaker, ironically enough, this debt we are refinancing was actually rolled over from the Qarase Government. Let that go to show....

(Honourable Members interject)

HON. SPEAKER.- Order, order!

HON. A. SAYED-KHAIYUM.- Let that go to show how severe the consequences of irresponsible management can be. So with this move and by deploying what we call a “bullet repayment”, we will finally put a stop to that vicious cycle of debt that was initiated and exacerbated by past economic mismanagement in this country.

And let me commit now, Mr. Speaker, Sir, that this Government will never repeat such mistakes.

HON. GOVERNMENT MEMBERS.- Hear, hear!

HON. A. SAYED-KHAIYUM.- Every dollar we spend, we be to build our country not to drive it into financial chaos. And we will never take on intergenerational debt in exchange for nothing. Mr. Speaker, responsible management of our economy is always important, but more so now than ever, given the threat we face from climate change.

Fiji has lead a concerted global campaign to make international climate finance accessible not on the basis of the size of a nation’s economy, but on the basis of vulnerability to climate impacts. The World Bank has answered that call to action by declaring Fiji eligible to receive International Development Assistance, or more commonly known as IDA, in recognition of our extreme vulnerability to climate change. Essentially, Mr. Speaker, Sir, this means Fiji can now access over \$55 million annually at zero interest rate with an extended repayment term of 40 years.

Mr. Speaker that is over \$55 million a year in development funding on the best terms a nation could ask for and we expect, Mr. Speaker, Sir, the Asian Development Bank to soon follow suit in offering similar terms in recognition of the extreme climate threats faced by the Fijian people. Mr. Speaker, when cyclones do descend upon Fiji and lay waste to cities, towns and communities, we cannot afford to watch critical development finance be stalled by bureaucratic inefficiency. We need funding that can be quickly deployed to rebuild damaged infrastructure and get our economy back on its feet. We are nearing an agreement with the Japanese International Cooperation Agency, or JICA, to provide what we call a “trigger-based “Stand-by Loan for Recovery and Rehabilitation” to fund immediate disaster-relief efforts in the aftermath of the severe weather event. Under the terms of this agreement, the moment the Government declares a state of emergency, rapidly deployable funding of up to US\$50 million will be made available at an extremely concessional rate of 0.01 percent, with a 40-year tenure and a 10-year grace period.

Mr. Speaker, at a time when the world faces softening expectations, a fiscal discipline is impressing the world's foremost leaders in finance, sparking new confidence in Fiji among multilateral organisations and our partners in development. That confidence is building tangible buffers that are literally shielding our people from threats to our progress. Through responsible fiscal management, even in an era of global uncertainty, Fijians can be certain that we are ensuring our economy is resilient, in the best possible position to withstand any headwinds on the horizon, whether from climate impacts or market downturns and come out of those storms stronger than ever.

Mr. Speaker, our operating expenditure on the year stands at \$2.534 billion with capital expenditure of \$1.25 billion. The growth of those figures is lower than the period of expansionary spending following *TC Winston* for the reasons we have already stated. But our agenda is to improve our people's health, build a knowledge-based society, develop new networks of infrastructure, access the digital age, care for those who are vulnerable and modernise our nation, will all push forward with the same relentless ambition we have driven from day one. Growth in expenditures is down but so are leakages and waste. We are offering new incentives that trust businesses and taxpayers to spend their own money by incentivising them to make strategic investments, and in this period of fiscal consolidation, Government's focus will be streamlined to the key pillars that support our people's welfare by doing more with less.

Starting with health, Mr. Speaker, we have made an allocation of approximately \$53.4 million with the commencement of the Lautoka and Ba Hospitals Public-Private Partnership (PPP) project which would transform the quality of medical services in Fiji, including a wide range of tertiary medical care. These medical services will provide opportunities in aged care retirement villages and we have also introduced a very attractive tax incentive for retirement villages and aged care facilities.

Together with this, the Fiji National University (FNU) will also be introducing courses in the aged care industry to provide qualifications to our people who are well-known for looking after children and elderly, many of whom actually work in the West Coast of North America and various other places, who are naturally skilled in aged care. This will position Fiji to develop other areas like retirement villages, aged care facilities and host many large events that we could not capitalise on in the past. A new capital infusion will continue in the form of new and extensively upgraded hospitals, subdivisional hospitals and healthcare centres all throughout Fiji.

An allocation of \$12.7 million is dedicated to the Ministry of Health and Medical Services' major infrastructure projects in this budget, including an ongoing major extension of the Colonial War Memorial Hospital (CWM) Maternity Unit, the construction of a new subdivisional hospital in Navosa and, in fact, the completion of it and the preliminary works for the Labasa Hospital, Lodon Health Centre and the Sub-Divisional Hospitals in Nausori, Korovou and Valelevu.

Concurrently, the Ministry plans to invest another \$3.2 million on refurbishing a number of additional health facilities around the country, including the refurbishment of the Emergency Department at CWM, the Nausori Health Centre, the upgrade and extension of Rotuma Hospital in addition to the specialised Tamavua Twomey Hospital and Sub-Divisional Hospitals in Vunisea, Savusavu and Nabouwalu.

Mr. Speaker, Sir, this Budget recognises that the dollars and cents of our nation's economic output cannot possibly capture all aspects of our people's wellbeing. More important than any financial assessment is how secure Fijians feel in their homes when they go about their businesses. Every Fijian deserves to hold absolute confidence that they are safe, their families are safe and if they were to face a threat, the Fiji Police Force (FPF) is committed and capable of translating their concerns into prioritised actions. This Budget sets out a series of critical measures that ensure our police officers are properly

trained and equipped to deliver a world-class duty of care to Fijians in our cities, towns and the most rural and maritime communities across the country.

We continue with our five-year restructure of the FPF, regularising another 995 special constables to give them proper training, equipment and, of course, compensation for the critically important service they provide the Fijian people.

Upgrading works and new police stations in Lautoka, Nadi, Nakasi and Nawala will also continue in the next financial year. The nature and tactics of criminal operations are evolving leading to a rise in criminality, particularly in the trade of hard and synthetic drugs. Our Fiji Police Force needs to evolve in response if Fiji is increasingly seen as a transit point for drug traffickers that can carry serious spill-over effects of violence. That is not a future we are prepared to accept. We are sending a clear message to hard and synthetic drug traffickers - doing business in Fijian waters will not get you to lucrative drug markets in Sydney or Auckland, it will get you a bunk space in a Fijian prison cell.

We have allocated \$800,000 to fund a stronger effort to combat drug trafficking with dedicated staff tasked with funding and rooting out networks of hard and synthetic drug dealers and suppliers and, of course, they will work with their counterparts from Australia and New Zealand.

We are allocating \$720,000 towards the purchase of four new intercept boats for the Police to strengthen law enforcements' presence on the seas. The Fijian Navy will also be providing the police with additional personnel and vessels to assist with maritime surveillance and with a \$1.1 million allocation set aside to fund personnel costs aboard two new vessels: the *RFNS Volasiga*; and the *RFNS Savenaca* for the Fijian Navy. Of course, we are grateful to the Australian and the Korean Governments for donating these vessels to our fleet.

Mr. Speaker, in our Correction Services, we have allocated \$4 million dollars for capital expenditure to undertake major infrastructure works to improve the security and the quality of life in our prisons. That is just for our national security because creating humane environments within prison walls is actually proven to reduce the rate of recidivism.

When you give people respect, Mr. Speaker, Sir, they are more likely to act in a respectful manner themselves, and that is a key tenant of the highly successful Yellow Ribbon project we have already undertaken.

Mr. Speaker, Sir, we generally regard development as a positive initiative and for a good reason. Development brings essential services to our people that can, not only change but save lives. Development opens communities to new opportunities and new dreams of what they can become. Development creates higher-paying and fulfilling careers for our people, quite literally feeding Fijian families, but there is also a flipside to that coin, as development, if left unchecked, holds the potential to irreparably destroy our natural environment.

On the world stage, Fiji has emerged as a respected champion for environmental protection pushing forward the campaign for climate action and oceans preservation. And at home, we need to live out these same expectations we are demanding from the rest of the world.

As Fiji enters the second phase of our economic revolution, we must remain adherent to our zero-tolerance policy for any development that comes at an overall cost to our natural environment.

A position made crystal clear by our Honourable Prime Minister who has pledged new environmental laws to permanently ban developers from working in Fiji that disregard our environmental laws and protections.

Mr. Speaker, we plan to introduce those laws at the next available opportunity but we know that strong laws alone will not cut it. We need a whole of society approach, one that is guided by Government actions and commitment but that inspires ordinary people to take ownership over the protection of our natural environment.

As previously announced, we are on track to ban single use plastics from 1 January 2020 that is in seven months' time. These bags, which have a thickness of less than 50 microns are the thin bags we have grown used to shopping with at supermarkets and at our markets also, but their use in Fiji is literally choking the life out of our environment, particularly our marine life.

In the next financial year, we will also be increasing the duty on plastic bags with a thickness of more than 50 microns. As an alternative, we have been steadily promoting the usage of locally-produced reusable bags. To spur that emerging industry, the duty on materials used to manufacture non-woven bags will be dropped to zero.

To protect our budding local reusable bag manufacturers, fiscal duty will be raised to 32 percent on imported reusable non-woven bags.

We want to see alternatives to plastic in every market, in every restaurant and in every market stall everywhere. So, we are also placing zero duty on all non-plastic food packaging, for example, straws, containers and cutlery. Reducing Fiji's reliance on plastic is a movement that cannot be restricted to Government actions alone, it must become nationwide, a Fijian effort. To incentivise action at the grassroots, we are partnering with all PET bottle packagers and manufacturers to launch a nationwide Plastic Bottle Deposit Scheme whereby Fijians who deposit plastic bottles will be compensated.

Over the next few months, we will be introducing laws to this effect that will contain the exact policy details with plans to have this programme up and running early next year.

Mr. Speaker, Sir, the most responsible way to deal with plastics is to never use them in the first place. Even products branded as biodegradable products can take up to 300 years to actually decompose.

The next best thing we can do, Mr. Speaker, Sir, is to ensure that plastic waste is properly recycled. Fiji does not have a recycling plant at the moment and the associated carbon emissions of shipping our plastic overseas will do far more harm than good. We need a local Fijian waste management industry. That is why we will be establishing a tax free zone in Naboro, next to the Naboro Landfill for waste management businesses. Companies operating in the zone will be granted income tax exemption for capital investments of under \$1 million, \$2 million and more than \$2 million for periods of five years, seven years and 13 years respectively, and we are granting an import duty exemption on raw materials, plants, machinery and other equipment needed to run a recycling and waste management business. Land will also be made available at a concessional rate. The Naboro Landfill as well will be entering Phase 2 of construction funded to the tune of \$5 million.

Mr. Speaker, Sir, plastic is not the only scourge of our natural environment. Styrofoam containers, also composed of fossil fuels are just as bad, taking up to 1,000 years to decompose. Long after a meal is finished, even long after the person who used that container is dead and gone, that styrofoam will still be there until it finally breaks down into harmful particles that pollute the environment and hurt our plant and animal life.

Tonight, we are announcing a complete phase-out of styrofoam containers by 1 January, 2021. We will be carrying out a nationwide consultation awareness campaign to give ample notice to restaurants, coffee shops, grocery stores and convenience stores to prepare for that transition.

Mr. Speaker, Sir, many businesses in Fiji, in fact, entire industries depend on the health and the sustainability of our natural world. It is incumbent on businesses to play their part in preserving our natural environment.

We will be incentivising businesses and organisations to adopt stretches of highway basically if an organisation commits to covering the cost of maintaining the cleanliness of a stretch of road and indeed planting trees, et cetera, in line with the FRA standards, they will be given recognition in the form of signage along the roadside. It is a system you will see on highways across in the USA, Canada, Australia and other major economies where consumers are already rewarding businesses who are making contribution to cleaning up the roads.

Mr. Speaker, Sir, we introduced the Environment, Climate and Adaptation Levy (ECAL) in 2017. Since that time, ECAL has emerged as one of the effective tools at our disposal in building a better, cleaner and more sustainable nation.

ECAL has funded schools that have sheltered our young people during severe weather events, solar panelling that is increasing our share of renewable power, new technologies that are giving advance warning of incoming storms, tangible assistance for Fijians affected by climate impacts, farms that produce more climate resilient crops and a range of other climate environmental protection initiatives across the country.

Since its introduction, ECAL has collected over a quarter billion dollars in revenue with \$120 million collected so far in this financial year alone.

Mr. Speaker, Sir that work must continue. We will be applying ECAL to a few new items that are proven to worsen pollution through high usage of electricity and the emittance of chlorofluorocarbons, including vehicles, smart phones, microwaves, washing machines, televisions and other commercial appliances or white goods.

Mr. Speaker, the present climate crisis poses an unprecedented threat to our people, our progress and our natural world. At current rates of global warming, we are already seeing horrific levels of environmental degradation, particularly in our oceans and reefs.

In response, Fiji has remained on the frontline of the global campaign for Climate Action and Environmental Protection.

From Suva to New York to Nairobi, the Honourable Prime Minister has been sounding the alarm and demanding greater action from the world.

I would like to actually personally and on a very personal basis, extend my personal gratitude to him for sacrificing so much of his time away from the comforts of home and family in pursuit of carrying Fiji's urgent message to the world which is already paying dividends for us.

Mr. Speaker, Sir, Fiji's global engagement on these campaigns has not only advanced the cause of vulnerable nations the world over, has pushed global financial players, business leaders and development organisations to rethink how they can best support building climate resilience. Fiji's perspective has highlighted new opportunities to think innovatively in the climate financing space to develop new financial products that attract development finance.

The Green Bond we launched back in 2017 is one such example that is already funding critical adaptation efforts across our economy but climate impacts are wide-ranging and we need a diverse array of financial tools to respond effectively. Today on the eve of World Ocean's Day, there is no better time

to announce that in the next financial year, Fiji will be seeing blue. We plan to expand our shoreline replicating immense environmental progress we have made into our oceans and reefs, and reefs which are particularly at risk to the impacts of climate change.

We will be pursuing a number of oceans and blue economy initiatives that transform Fijian waters known as our Exclusive Economic Zone (EEZ) into a responsible Marine Managed Area. We are recovering our oceans and protecting our marine resources from lasting generational devastation by making Fiji's oceans free from nuclear testing, deep sea mining, over fishing, plastic pollution and industrial discharge. We will also be pursuing the issuance of a Blue Bond to fund these critical efforts to preserve our oceans and build a Blue-Fiji. In earlier discussions, we have already sparked strong initial interest in the Bond among our development partners, and we will have more details to announce on this initiative in the months to come.

Mr. Speaker, Sir, we are also keen to pursue better prices for the Blue Bonds, and the already issued Green Bonds. We are currently in talks with our development partners about this. This focus on cultivating a sustainable blue economy will take close coordination effort across Government, businesses, our development partners and society, particularly to benefit those many Fijians who have long relied on our oceans for their livelihood. Some of the most tangible change will come at the community level. As the Ministry of Fisheries works to accelerate new sustainable industries in our seaside communities, subsidising the cost of projects like fish hatcheries, shrimp, and prawn farming and seaweed farms, which will prove to be both beneficial to the health of our oceans and in creating lucrative new career paths for entrepreneurial Fijians. And those of all ages and walks of life can personally participate in our efforts to build a blue economy with small steps at the grassroots level. Simply by planting mangroves or cleaning up rubbish from our beaches, we can work to instil a culture of proactive oceanic stewardship that sets an example the rest of the world can follow.

We have also allocated \$200,000 to push ahead a joint project with the United Kingdom called the Common-Sensing project which creates a platform that collects data and generates useful information to inform our policy priorities, particularly in the areas of disaster risk reduction and food production sustainability. As part of the programme, we are building up our local capacity to use remote sensing technology and analyse observatory data to make better informed policy decisions.

Because it is not enough to have the data in hand, local officials need to know how to use that data to make better decisions. Ordinary people as well deserve access to that important information so they can take proactive steps within their own households and communities to adapt to climate realities. Another \$300,000 is allocated to exploring nature based solutions to development through the Revitalising Informal Settlements and their Environment or RISE Programme which works at the intersection of health, environment, water and sanitation to build the resilience of informal settlements.

The Nadi River Flood Rehabilitation Projects, Mr. Speaker, Sir, in fact it is the Nadi River Flood Alleviation Project is pushing ahead next year with physical works to begin on a drainage system in Nadi Town proper and designed works for the widening of the Nadi River to reduce flood risk that has long devastated communities along the river. We are funding that effort through a renewed mix of funding commitments from the Japanese Government (JICA), French and Australian Governments, the ADB, and the European Investment Bank, along with \$7.95 million in Government funding.

Mr. Speaker, Sir, whether by adapting our economy or preserving the health of our natural world, this Budget is defined by its recognition that our environment and our climate are shared resources that will take shared commitments to protect. Commitment from the highest levels of government and the multilateral institutions, to businesses, to civil society and down to the grassroots. But we cannot stop there, we need to extend that commitment to the generational level as well, by fostering a new culture of

environmental ownership and accountability among young Fijians. We view young people as powerful allies in our campaign to protect our environment for good reason.

Mr. Speaker, Sir, 50 percent of our population is under the age of 27. If we are serious about securing a sustainable future, we need to be equally serious about instilling a new level of care and concern for the natural world. Fiji is a nation blessed with young leaders, many in the climate action and environmental space, whose advocacy graces the highest stages of these critical global campaigns. We need to recognise that achievement and inspire more of the same. But, Mr. Speaker, we must remember it is not always about how we act when the cameras are rolling, it is not also about how we act when we think, it is also about Mr. Speaker, Sir, how we act when no one is watching. It is the choices we make day to day, big and small that ultimately have the greatest impact on our natural world.

Mr. Speaker, we are supporting a new level of commitment in environmental stewardship. Firstly by launching a 'National Gardening Competition' in all Fijian schools, where many of us when we were growing up you may remember school gardens as the pride of many a student body. Many school campuses were home to the humbling and comforting presence of beautiful manicured gardens made possible by the effort of committed students and school staff.

Mr. Speaker, Sir, we are sad to say that many of those school gardens have since dilapidated into ruin. The commitment to gardening has all but disappeared, and our schools and our nation are worse off as a result. We are working to re-instil that culture, Mr. Speaker, Sir, by rewarding school communities who go the extra mile in caring for their school gardens which in essence are small celebrations of our natural world, there will be a competition. Tending a garden teaches us that natural beauty is not something that can be taken for granted. Nature must be cared for and cultivated. Through this competition that is the lesson of life long value we will be introducing to our students education.

Mr. Speaker, Sir, we are using that same model to inspire environmental protection on societal level as well, by holding a national competition that awards Fijian communities that demonstrate the strongest commitment to cleanliness, tidiness and the health of the natural world. We are launching this competition for a simple reason. We recognise that environmental laws are only as good as societies commitment to seeing them enforced. They cannot depend entirely on authorities clamping down on ordinary people. They need to be enforced by everyone, everywhere all the time. They need to be enforced by young people who tell their friends, "Do not be careless. Have some respect and use a rubbish bin." They are enforced by mothers at the fish market who say, "We will not buy that mud crab. It is too small." or consumers at the grocery store who say, "I know that company cares about sustainability, and I am going to show my support by buying their products."

These small actions and daily decisions, Mr. Speaker, Sir, are how we change a society for the better. Those little everyday commitments shape the way we think and inspire others to follow our lead. Taken together that builds societal momentum that shifts mentalities more powerfully than the single policy ever could. And there is perhaps no place where that grass roots environmentalism is more evident than within the Ministry of Forests, which has recently spearheaded what it is undoubtedly the most ambitious project in its history, the "Four Million Trees in Four Years" initiative; launched by His Excellency, our President.

This monumental movement aims to reforest our nation, beautify our communities and make the Fijian economy as a whole more carbon neutral by offsetting our emissions. Saplings have already been planted all throughout Fiji with young school children, with international rugby stars, world leaders and even the Secretary-General of the United Nations is taking part. This work is nationally complemented by the Ministry's work to grow indigenous species and create a more sustainable Forest Industry with assistance from the World Bank through REDD+, a programme that will aggressively work to curb environmental degradation and preserve Fiji's delicate forest ecosystem.

Our work with our development partners has obviously been critical in carrying this agenda forward. To streamline our global engagements, we will be scaling back and stepping up in a few areas. We will be closing our embassies in Brazil and Ethiopia, and expanding our presence in India through the \$500,000 allocation to establish a new trade Commission. Fiji's capability to host prestigious regional and international events has emerged as one of our most powerful tools for our engagement with the rest of the world. And in 2020, we will be bringing another major global gathering, 'The World Exchange Congress to Fiji.' The first time such an event is coming to the Pacific.

Mr. Speaker, Sir, the grand and overarching purpose of the 2018-2019 National Budget was to support the institution of family in Fijian society in nurturing the next generation of Fijians. It is a Budget designed to set up our young people and young families for greater prosperity in a growing economy. Thanks to free education, free textbooks, subsidised transportation to school, the historic funding we have given to Tertiary Scholarships and the support we have extended to our new families, new home buyers and new entrepreneurs; the range of support is stronger than ever.

Tonight with this Budget, we build on that proud legacy. Mr. Speaker, we are starting up by strengthening our ability to implement youth focussed policies. Right now, Government's youth empowerment agenda is suffering from a classic case of too many cooks in the kitchen; too many different Ministries with far too much overlap and responsibilities resulting in far too little overall impact. To streamline implementation, we are taking in programmes obviously run by a number of other Ministries under the single umbrella of one Ministry. The programmes will be more intentional, policies will be more impactful and our young people will have a clearer idea of where to go and what they can expect to receive from their Government.

Mr. Speaker, we would be here all evening if we were to detail the tremendous strides young Fijians are already making in our economy, across the Pacific and on the world stage. The immense human capital of Fiji's young people was on full display during the Asian Development Bank Annual Meeting, during our first ever 30 Under 30 event. There, we honoured 30 exceptional young Fijians who have marked impressive achievements across a wide range of fields and industries.

When we celebrate youth achievement, we show young people that their hard work and achievement means a great deal to the nation, and that is why we are giving \$200,000 to introduce a National Youth Awards in Fiji, uniting Ministries and Departments into one Government-wide effort to give deserved recognition to high achieving young Fijians, from agriculture to athletics to social work, entrepreneurship, technology and innovation. These awards will spotlight the potential of young Fijians to their friends, families, their nation and, of course, to the rest of the world. We will also be continuing the Young Entrepreneurship Scheme (YES) Programme with a funding of \$500,000, awarding grants that now amount up to \$30,000 per person, and I am sure we will see many of these recipients competing in our National Youth Awards event.

Mr. Speaker, Sir, we are allocating \$4 million for overseas sporting tours, with \$650,000 going towards our 15s Rugby side to fund preparation for the Rugby World Cup this October; \$2.1 million, which will go towards our men's and women's Rugby 7s Team. Of course, our Fiji Airways Flying Fijians just secured automatic qualification for the Olympic Games following their fourth World Series title win in Paris last weekend. Of course, I speak for everyone, and I would like to congratulate the Coach, Gareth Baber, and the boys on that incredible finale to a thrilling season.

(Acclamation)

Mr. Speaker, Sir, in respect of that, we gain more private sector participation. The threshold to qualify for the 150 percent tax deductions for corporates who sponsor sports teams will be lowered from \$50,000 to \$15,000. We are also introducing a new programme of cadetship for incoming civil servants,

which will be spearheaded by the Ministry of Civil Service. The cadetship will give top graduates a holistic look at how the civil service functions as they will rotate through various Ministries to learn how they work together to advance Government's agenda. Once rolled out, it will be one of the most dynamic employment opportunities offered in the country, as participants will get an unprecedented view of the public sector before settling on a career path at the intersection of their professional interest and the nation's needs.

Allocations of meal allowances at Government schools are going up for all Government schools to top-up to \$6 per meal. We will also be rolling out special courses on public speaking and communications in partnership with various international organisations focused on student leadership development in Years 12 and 13. That effort combined with \$15,000 allocation to strengthen social leadership training is designed to cultivate a new generation of Fijian leaders, not by selectively picking favours or giving extra attention to those who can afford it, but by giving every Fijian student equal access to the resources and training that builds strong leadership qualities.

Following the announcement of an all-star line-up to the FNU council, we are allocating \$6.9 million to move technical colleges to the Fiji National University, in line with our vision of establishing FNU as a world-class institution. A vision which will become abundantly clear to our young people as they witness the transformation across FNU campuses in the years ahead.

Following the historic investment towards Tertiary Education and Loans Scheme (TELS) in the past two budgets, we are making an important change to the programme to reduce class sizes for our students benefit. Essentially, if an area of study is offered or a course is offered where an incoming student currently resides, that student will be required to study where they live and attend classes at that nearby campus. Some students have been abusing the current system, relocating themselves to new cities to pursue degrees that are available at their own local campuses with taxpayer funds going to support their room, board and meal allocation. We will not tolerate taxpayers' hard earned money funding for those unnecessary expenses any longer.

Mr. Speaker, Sir, we are taking a hard look at the pathways towards higher education and taking some key steps to ensure students are entering high education on a level playing field. We are checking that no one is cutting corners or getting preferential treatment in order to ensure that everyone gets a fair shot at success. As we all know, students need to earn a certain number of marks to pass Year 13. Unfortunately, some universities are bending the rules in order to fill their own coffers, allowing students who have actually failed Year 13 to do degree courses. That practice will no longer be allowed. To attend university, students need to have earned the necessary marks to pass Year 13, fair and square.

Mr. Speaker, we have also seen some concerning outcomes among students who opt for what we call Foundation Year rather than completing Year 13. On paper, these students are doing extremely well and many go on to be awarded Toppers Scholarship. In reality, the course offerings during the Foundation Year do not match the rigour of Year 13 classes and exams. A lot of parents know that, and those with extra money are happily paying for their children to go to Foundation Year to get inflated marks and obviously they have become Toppers. It is a classic case of the 'haves' getting by easier than the 'have nots', and we have been left with little choice, other than disqualifying students who opt for the Foundation Year from receiving Toppers Scholarships.

We will also no longer be allowing students who study in USP's Technical Colleges to fund their education through TELS, given the current programmes exclusionary policy of not permitting the cross transfer of credits to and from other universities, and within the University from Certificate to Diplomas. However, we will continue to fund FNU Technical Colleges through TELS, as they do allow for cross transfers. This will also strengthen the vocational focus and specialisation of FNU.

Mr. Speaker, Sir, this Government's financial support towards expanding access to high quality education is unrivalled, as is our commitment to levelling the playing field across Fijian society. We will not hesitate to make the hard decisions that keep our students on equal footing, otherwise our historic educational investments will all have been for nothing.

In the next financial year, Mr. Speaker, Sir, over \$800 million will go towards the education sector, continuing our landmark policies of free education, free textbooks and subsidised transportation to school. Those funds will come with the new lens of scrutiny to keep schools and staff more accountable to the Fijian taxpayer. For teachers, we will be working with our universities on curriculum and assessments that raise the general standards for those entering the teaching profession.

Teaching can no longer be seen as default career option. It must be respected as a passionate professional undertaking for all levels of education. Particularly for Early Childhood and Primary Education, teachers need to possess the right qualifications. Right now, many early childhood environments in Fiji more or less resemble Day Care Centres than actual classroom or learning centres. They need to become more conducive educational environments where students can actually receive the fundamental and critical disciplined rigour in their literacy and numeracy skills - both areas, we are looking to strengthen in our curriculum this year and indeed, the financial allocations.

But there are other measures of progress we must consider. Raising decent, caring and responsible Fijian citizens takes more than teaching Maths, Science and Literature alone. You will not find all the lessons in life within a textbook, children need a more holistic education and a more robust understanding of the rights and responsibilities of adulthood.

A worrying trend of abuse, Mr. Speaker, Sir, is sweeping across our nation's schools and tonight, we will be announcing new actions to curb the intolerable abuse and misuse of Government programmes and assistance.

Mr. Speaker Sir, as you know, we have provided free milk to Year 1 students for some time, given the numerous studies that have shown that access to nutritious food can provide students with more energy and focus throughout the school day. But while you can provide milk, you cannot force students to drink. And unfortunately, in many urban schools, many students are using milk for more creative purposes. For example, (we have seen this) they will play, "who can stomp on their milk box the hardest?" with the winner being whoever spurts their milk out at a greater distance.

It is a shame, Mr. Speaker Sir, because in some parts of the country, the availability of free milk is actually having a measurable and positive impact for Year 1 students. So from now onwards, Mr. Speaker Sir, we will be restricting the Free Milk Programme for Year 1 students in rural and maritime regions, and continue to keep a close eye on outcomes.

Mr. Speaker, Sir, there have also been some serious issues on abuse relating to buses. It used to be that the Government would subsidise students to ride on dedicated school buses to and from school each day. These buses came at set times and if you miss the bus, well you are out of luck. We undertook a trial programme in the past year where we allowed subsidised student travellers to ride on any bus, school bus or otherwise to get to and from school. In fact, we even extended the travelling times up to 7.00 p.m. We wanted to give some flexibility to the students, and be a bit more liberal about the travel restrictions.

Unfortunately, Mr. Speaker, Sir, we have seen an unacceptable rise in truancy as a result. Some students are choosing to take buses anywhere, but to school. But even worse, Mr. Speaker, Sir, we actually have parents of students, who are taking their child's blue subsidised bus cards, putting in phones and then simply tapping it when they travel during the day and getting the schools bus subsidy, and using

them to travel around the country on half or fully paid fares. They simply slide the card into their wallets or even into their phones, and tap it against the bus machines undetected.

Mr. Speaker, parent taking the student's card, a student who should be travelling to school to abuse Government

(Honourable Opposition Member interjects)

HON. SPEAKER.- Order, order!

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, a parent taking a student's card, a student who should be travelling to school to abuse Government assistance, is a level of immorality that we frankly could not predict. And we will be firmly closing that loophole by again, restricting travel for subsidised students to the dedicated school buses and no longer allowing students to travel after 4.30 p.m. on the subsidised rates.

Mr. Speaker, Sir, when we tolerate abuse, we not only do a disservice to our nation and to those who actually deserve our help, we do a disservice to the abusers themselves, especially when they are young people. When someone spent their childhood getting away with disrespecting the law, they become adults who are comfortable breaking rules on a regular basis. Our nation bears the brunt of those mentalities all the time.

We have grown adult children who have not seen their parents for decades, flying in from overseas to cash Social Welfare cheques the moment their mum or dad passes away, in particular through the insurance programme that we very generously put in place. As we know that now all Social Welfare recipients have an insurance policy in place. Those cheques, of course, are intended for dependants, not estranged family members living comfortably overseas.

We have people elbowing their way to the front of the cyclone assistance queues when in reality their properties did not even suffer a scratch. Those who break our laws in those manners should not kid themselves into thinking that no one is watching, and I am not talking about the Police, Mr. Speaker, Sir. I am talking about their children, their nieces and nephews, or maybe cousins and the children with whom they share a community. They are watching what they are doing and when they set that, sort of, example we stick our nation in an endless cycle of abuse and disrespect. Mr. Speaker, now I have actually spoken to some young people who have sought to abuse Government assistance, it is clear they broke the rules, not because they bear any ill-will but because they did not see the harm in it.

But there is a harm, Mr. Speaker, Sir. When you cut corners and sneak off an extra slice of our national cake for yourself, you are not stealing from some imaginary pile of Government money, you are actually picking your own neighbour's pockets. When you abuse Government assistance in the wake of a cyclone, you are not stealing from some foreign aid office, you are taking money from one of your fellow Fijians who actually needs it. Someone may have lost their home, everything they have ever owned or even a loved one, and when a parent abuses the rules, taking assistance intended for their own children, they tell that child that the rules do not actually matter, that care for your fellow Fijians does not matter, and that, Mr. Speaker, is the greatest tragedy of all.

Mr. Speaker, Sir, many people in this Chamber would be well served if they learnt humility. But when we do take time to explain the bigger picture to young people, trust me they get it. They understand what is at stake. They understand that we all have a role to play in building a more caring society. They understand that rules matter for everyone's sake, and as leaders it is incumbent on all of us to go out and make that case to our people. Do not go out telling your supporters to exploit Government free-bees, not

when there are real people who really need a leg-up. That kind of mentality will keep us a nation of mud crabs in a barrel, clambering over each other to get ahead, but only succeeding in pulling each other down.

As a society we need to come to terms with this persistent culture of abuse that has nagged at the heels of our progress for generations. It is the strength of character of our young people that can rid us of this blight on our national character.

Now I know, Mr. Speaker, Sir, there are many people who think that others' bad behaviour is simply not their business, but that is not true. It may be uncomfortable to tell someone to stop littering, driving drunk or abusing Government programmes but it is certainly in your business to do so. And among young Fijians, it is that level of commitment to rules-based society that will truly make or break our future. Morality is the real key to modernity, particularly given the range of new technological tools at our disposal. Maintaining respect, civility and care for one another, is more important than ever.

Mr. Speaker, Sir, Fiji has cemented its position as the regional hub for development, trade and tourism owed to our consistent focus on the future. We are fast becoming the Pacific's hub of technology and innovation. Thanks to consistent and steady investments in our ICT infrastructure over the past decade, the cost of mobile coverage and broadband service in Fiji are some of the lowest in the world, while our mobile penetration extends across the entire country.

Thanks to the sophisticated ICT foundation, Fiji no longer watches from the side-lines as the world speeds past us on the back of new technologies. We are actually in the game, and we are keeping pace using new technologies to spur new industries, new innovations and new imaginings of what our nation can become.

The *Walesi* mobile application launched last year, Mr. Speaker, Sir, is now the most popular free entertainment App in the nation with over 260,000 downloads as of this week. In fact, when we were playing the sevens in London, there were 250,000 downloads that weekend alone.

That is over 260,000 Fijians, Mr. Speaker, at this moment who now have sports, entertainment, educational content and the business of this august Parliament at their fingertips, and the App is only getting better.

With *Sky Pacific* coming on board, *Walesi* will soon offer users access to another 25 Channels. As a nation home to over 100 populated islands, we knew the nationwide rollout of *Walesi* was going to present some serious difficulties, but we did not back down from that challenge. We are innovating on a daily basis to ensure that every Fijian, no matter where they may be, has full and equal access to *Walesi* services.

Servicing our most isolated maritime communities cannot be achieved through traditional terrestrial networks, so we instead opted for satellite technology. When that work is finished a student attending school at the Mavana District School in Lau can access the same high quality educational content of *Walesi* as the student at QVS. Mr. Speaker, Sir, so far *Walesi* has established 16 free Wi Fi hotspots across the country and covered 26 FNU Campuses with high speed wireless internet.

Next in partnership with the Ministry of Education, *Walesi* will be expanding those same high quality internet services to schools. The industries, our students will one day enter, are rapidly embracing digital revolution and our students need to be ready to hit the ground, running with the comprehensive understanding of the internet's productive potential. Now, I know some of us may be thinking, the last thing our students need is a distraction of Wi Fi and of *Facebook* in the classroom. We agree, but these Wi-Fi networks will be carefully regulated with firewalls and monitoring software that combine with classroom enforcement to keep these networks tasked only for educational purposes.

Mr. Speaker, in 2018, access into the Southern Cross Cable was liberalised, allowing Fiji to join the network at a cost of \$4,000 per STM-1, which equated, Mr. Speaker, Sir, to a cost of \$256,000 a month for a single 10 GB line. For Fijian consumers, this meant that the internet access came at a steep price, even with a maximum charge rate in place. It was a profitable business for FINTEL but the expense made internet out-of-reach for many ordinary Fijians, widening our digital divide.

Due to FINTEL's reluctance to reduce rates, which would have allowed for better deals with Fijian consumers, the FCCC, which we asked to actually look into this, recently intervened to break down this monopolistic barrier and set new rates. This regulatory intervention has already led to massive reduction in landing charges for Fiji's telecommunication companies which have witnessed a massive reduction from the \$256,000 a monthly expense for one 10 GB line, which has fallen to just \$40,000 a month, equating to an average annual savings of \$2.5 million that can be very easily passed on directly to Fijian consumers and businesses alike.

To continue to build on our momentum in bridging the digital divide, the FCCC is also taking a hard look at the monopolistic power, the local fibre networks and working towards liberalising access for local fibre optic infrastructure. These regulatory decisions will lower the cost of doing business for our telecommunications service providers and ordinary businesses, enable competition at the retail end and lead to higher quality, higher speed access to data, lower charges and better product offerings for ordinary Fijian consumers.

Mirroring in the success story, the FCCC has also reviewed the county's mobile termination rates. Over the next two years, these fees will gradually reduce from 8 cents per minute to 5 cents per minute, making calling much more affordable for the ordinary Fijian. Similarly, the FCCC will be looking into the monopolistic position of Vodafone in regard to the national e-Transport initiative, reviewing rates and charges with the goal of ensuring fair and efficient pricing for the commission they charge to bus operators. The FCCC has proven its ability to enforce competition in its name, and with this bold move a more attractive and competitive landscape will undoubtedly spark new investments into the nation's ICT oriented businesses.

Mr. Speaker, Sir, technology already touches nearly everything we do on our day to day lives. From the cars we drive, to the treatment we receive in hospitals, to the way we do business, technology gives us incredible new tools that can raise our standards of living to previously unimaginable levels. By its very nature, this digital revolution is advancing at an exponential rate and through a \$39 million allocation of flagship initiative digitalFiji, we are keeping Fiji at the cutting edge of innovation and leveraging this wave of new advances to our advantage; helping deliver better, faster and more efficient Government services.

In April this year, our Honourable Prime Minister rolled out Online Birth Registrations Services for babies born at CWM Hospital. A revolutionary new function of the digitalFiji App that massively expedite the process of registering a new baby. Using this App, new mothers and fathers can begin the birth registration process as soon as they decide the new born child's name, be it from their hospital bed or the comfort of their own home. No endless queues, no endless headaches, just simple user-friendly registration services all the way up to booking an appointment to collect the baby's birth certificates.

Next week new mothers and fathers in Sigatoka, Lautoka, Nadi and Ba will enjoy the same convenience of using the digitalFiji App for faster online birth registration. We hope the Honourable Prime Minister will be able to launch this next Thursday. By 5th July, the same service will be extended to the Northern Division, that is, Savusavu, Labasa and Taveuni and by 9th August it will be rolled out to Rakiraki and Nausori. Sir, digitalFiji will continue to spearhead our push towards the speed and efficiency over cashless society by introducing electronic payment options across Government services.

That effort combined with the surge of nationwide connectivity will grant access to Government services nearly everywhere in the country.

From 14th June, Mr. Speaker, Sir, online payment options will be available for current year services such as:

- Birth Registration; and
- Registrar of Companies Services.

As new services expand onto the digitalFiji platform, they will also incorporate electronic payment options. We want Fijians to take advantage of this transition, so Government will be covering all of the associated card fees on electronic payments for Government services, who are also undertaking a review of Government fees and charges, many of which have not been updated for decades, some fees are only \$1. And of course this service will provide in terms of subsidising the cost for the next one year.

The Government is also working on the transition from paper-based passports to the state-of-the-art e-passports with contactless chips that contains security features and compliance with International Civil Aviation Organisation Standards. In line with our commitment to a more secure Fiji, these e-passports will make it more difficult for people to illegally enter the country and easier for Fijians travelling overseas to use e-passport gates to speed through airport immigration queues. We are not only making Fiji safer, we are making travelling easier and setting up Fiji for a wider visa free status access around the world. We will be progressively issuing these new e-passports throughout the next financial year.

This commitment is part of a wider agenda to facilitate flows of knowledge and human capital between Fiji and the rest of the world. Government will implement a number of reforms to our immigration citizenship laws. These include the introduction of an expedited procedure for processing work permit applications. We will also revise our laws to enable foreign spouses of Fijian citizens to be able to not just enter and reside in Fiji, but also to be able to work in Fiji. Similarly spouses of foreign diplomats and staff of international organisations such as UN will now be able to work in Fiji for the duration of their stay in Fiji.

The Government will be introducing more stringent measures with respect to citizenship applications including requirements that any applicant must first obtain a permanent residency visa in Fiji before becoming eligible to apply for Fijian citizenship which will be for a much longer period. Currently companies who hire expatriate workers are required to pay a refundable bond which goes into a Trust Fund. Moving forward, we will be replacing this bond with a one-off set fee that will go towards the funding and the training of Fijians to study key economic areas within the Fiji National University system including things like TVET.

Following a comprehensive study with the Registrar of Companies (ROC) processes from the 14th June 2019, the digitalFiji App will allow anyone with a registered e-profile to:

1. Conduct 24/7 online companies and business name searches;
2. Lodge a reservation for companies and business names;
3. Lodge new name registrations for businesses and foreign and local companies; and
4. Pay for services online.

Instead of travelling to the ROC Office, they can access these services online while sitting at their desk or their dining room tables. For companies and businesses registered after 14th June, their information will be available online such as the companies' number and status, directorship details and company financials.

From 30th September, 2019, companies and businesses will actually be able to lodge an online application to make basic changes to the businesses whether it is a name change, a change in business type or updates with their directorships. Bringing these processes online will mean faster services. It will make the user experience more convenient and most importantly the results will be far more accurate.

Mr. Speaker, Sir, the next phase for digitalFiji will involve combining different sources of data into streamlined, easy to access hubs, one for our citizen's information, another for our business information and one for land information. Right now information across Government is outdated at best and completely unavailable at worst. It is the reason why our people find themselves waiting for days, sometimes weeks, longer than necessary for approvals.

DigitalFiji will create a "People Hub" that relies on a secure, centralised information curator and publisher within Government. No loose leaf papers spread out across five different ministries but one secure digitised information source. When someone applies for Government services, that person's basic information such as their name, date of birth and TIN number can be pulled out and viewed in real time by Government officials who have the relevant access privileges. Fijians can trust that that information is safe and the ministries can trust that the information is both accurate and up to-date without having to ask anything more of the person seeking their services. By February of next year, the "People Hub" will be operational.

Mr. Speaker, Sir, with this hub up and running, someone living in Taveuni, who qualifies for social welfare assistance will no longer have to travel to the Births, Deaths and Marriage (BDM) Office to obtain his or her birth certificate and take his or her documentation to the Social Welfare Office. Instead he or she simply needs to provide his basic details online. The Department of Social Welfare will then be able to validate his information against a secured database, the "People Hub" and their staff can then verify his documentation online. And that very same day, that gentleman or lady can complete his or her entire registration process to begin receiving the assistance he or she deserves, all without ever having to leave his or her home in Vuna.

Mr. Speaker, Sir, we are bringing the benefits of reliable and centralised information to our business processes as well. Before registering a business and applying for a business licence can take an unacceptable amount of time. The time of complexity of the registration process is in itself a barrier to entry which is actually scaring off potential businesses before they ever have the chance to even get started. We are not hiding from that reality, we are accepting it with humility. It is a serious problem that we are taking serious actions to solve. We have already undertaken a nation-wide study to streamline the processes for obtaining construction permits and starting a new business, and achieve a 40 percent reduction in turnaround time.

On 10th July this year, we will be rolling out a new information portal called the "BizFiji" Portal, giving business owners a comprehensive one stop reference for all processes associated with starting a new enterprise or obtaining a construction permit. The BizFiji Portal will give users the ability to access and download the application to start a business or obtain a construction permit and provide flow charts and timetables with exactly what they can expect throughout the registration process, including information on which processes can take place simultaneously. Gone will be the days of running around Suva to the different offices or even visiting several different websites just to figure out how to get your new business sorted out. The BizFiji Portal gives users all the information they need to turn a bright idea into a brand new Fijian business. But BizFiji is only the beginning.

Through digitalFiji we are taking the business registration and construction permit approval processes entirely online with extensive work scheduled in the year ahead to prepare for the transition. When these services roll out, someone for example in Ovalau will be able to reserve a company name for a new business and register that company online, all within minutes. She can then track her progress

online from start to finish. She will not need to travel to Suva to begin those processes and then spend her days running around to the different offices and twiddling her thumbs waiting for updates.

We are also looking to streamline business processes by establishing a high-powered committee to urgently evaluate business processes within the Fiji Revenue and Customs Service. With new technologies at our disposal, we are leveraging those advancements for the benefit of Fijian businesses, re-evaluating every service we offer our partners in the private sector to allow them to focus on what they do best; growing the businesses and supporting the economy. And not only the big companies, Mr. Speaker, Sir, this review will be especially focused on ways which can serve the needs of Micro, Small and Medium Enterprises (MSMEs) to grow their contribution to a growing Fijian economy. That commitment to the MSMEs will be carried forward as well by the Ministry of Industry, Trade and Tourism which will soon be home to a new centralised unit that will better coordinate a range of MSME Focus Support Services including training and mentorship programmes which will be more impactful. This unit will replace the National Centre for Small and Micro Enterprises Development or NCSMED.

Mr. Speaker Sir, to take advantage of the new range of support we are offering small enterprises, we will be supporting staff within the Ministry of Infrastructure and Transport including carpenters, plumbers, joiners, electricians for them to open up their own commercial companies that service both public and private sector projects. We are incentivising groups of these specialised employees to join together to operate a private sector level of productivity, earn higher levels of income and harness a more entrepreneurial spirit to grow to larger scale companies.

Mr. Speaker Sir, this year digitalFiji will also embark a nationwide study to lay the ground work for the issuance of a National Identification Card. Right now verifying a Fijian's identity takes a considerable amount of time and energy and even then the results are not always correct. We still have parents pretending to be their own children, teenagers claiming to be their parents and others who are claiming to be people who have been dead for quite some time. Mr. Speaker Sir, that sort of abuse sends shackling complexity to National Planning.

The National ID cards identity verification is a simple matter of showing your card in proving right then and there who you are and who you say you are. It will make Government programmes more efficient, it will curb identity theft and people from trying to assume multiple identities. It will keep our borders secure, it will make sure assistance goes to only those who really deserve to receive it. The study is anticipated to run for six months leading to an implementation date scheduled to be completed by December 2021, after which we will be looking to establish a single centralised national identification office in Fiji that mirrors Singapore's Immigration and eCheck Point Authority.

Mr. Speaker Sir, these new levels of accountability powered by new technology will make our assistant programmes sharper, more targeted and less susceptible to abuse. These efforts reduce leakages and waste by those who do not deserve support, freeing up more resources for those who actually do. This year the total allocation towards transportation assistance stands at \$10 million which includes the subsidisation of bus fares for parents and guardians who travel with their disabled children to school. We are including the parents now in this scheme.

Our targeted assistance for low income families for 100 kilowatt electricity and 91,250 litres of free water will continue. We have actually made an additional allocation of \$1 million to cater for any increase subsidy cost in the case of any tariff increases, if approved by FCCC. We are taking a nuanced approach to this, you would all remember the days when tariff increases were pursued or put off entirely for political reasons; we are not doing that. We want to ensure that prices are set at the right commercial levels but we will never do so at the expense of those on the lower end of the socio-economic spectrum, in other words we will be directly subsidising their tariff rates.

We will be continuing to subsidise the purchase of point of sale machines for small businesses. We will also be making it easier for small businesses to embrace the digital age by subsidising businesses who establish online payment gateways. There is a lot of missed opportunity in the Fijian economy at the moment because these businesses have been slow to make online payments available or indeed it is out of their reach. For example, Mr. Speaker Sir, if you are a soldier serving in our peacekeeping forces or in the British Army and you want to send your mother flowers for her birthday or send her a cake. It really should be just a simple matter of getting online, making electronic payment to the local florist, say at Nabua, but right now, Mr. Speaker Sir, that's rarely ever possible, and it is almost never affordable. Those businesses cannot afford those payment gateways. Through this policy, we will be making it affordable for small businesses like flower shops, delivery services to offer their customers online payment options in a move that is both good for Small and Medium business and of course indeed, good for mothers.

Mr. Speaker Sir, we will also be extending the efficiency and convenience of e-transport now to mini- buses in the new year, as well to ensure more of our people can access the speed and efficiency of electronic transactions when travelling and that we capture revenue and data that assists with transportation planning.

Mr. Speaker Sir, when we speak of innovation, we do not speak only with regards to technological developments. Innovation is also about developing creative policy solutions to give our people's well-being priority in a modernising economy.

When we introduced Family Care Leave, it was because we wanted to give Fijian families the time they needed to care for loved ones in times of crisis. When we extended paid maternity leave for 98 working days, it was because we did not want new mothers to have to choose between caring for the children or keeping their jobs and when we added paid paternity leave for the first time ever, it was because we wanted new fathers to help shoulder the burden of stress that comes with the birth of a child. Mr. Speaker, Sir, there is more that can be done to recognise the challenges that families face in the 21st century workplace.

The International Finance Corporation (IFC) have recently made startling announcements that the lack of quality, affordable, reliable child care services in Fiji are causing public and private employers to lose over 12 work days per employee every year. In response and as laid out in our manifesto, this budget sets out funding for an exploratory committee in cooperation with the UN Women to establish day care centres near major hubs of employment around the country, giving parents the flexibility to focus on their careers while trusting that their children will be cared for in a safe, nurturing and educational environment throughout the work day.

But we will match this commitment to our people's wellbeing with equal priority given to the needs of businesses by monitoring any abuse by employees. We have been made aware of a case, Mr. Speaker, where just this Monday, 45 employees took family care leave from just one single factory, whether they were watching rugby, or whether they all decided to stay home together, grinding operations to a halt. We will be working with businesses to ensure there is no more abuse of these policies and the priority remains on productivity in the workplace.

Mr. Speaker, Sir, there is a lot of talk around the speed and efficiency of adapting new technologies. But what is equally if not of more importance is the technology potential to create greater transparency and accountability.

In Fiji, many employers currently pay employees in cash, particularly in the construction industry but that leaves workers vulnerable to exploitation. Once a cash payment is made there is no record of accountability. Some employers are also getting in the way with short-changing their staff, not paying

overtime, meal allowance, and VAT allowance. So, Mr .Speaker, Sir, we will be introducing new laws in the next few months that mandate the employers to pay the employees electronically, whether by direct deposits in bank accounts or in their mobile wallets like MPaisa, that way, there is an actual record of payments made. When issues arise, we will have an actual list of payments made to settle any or all disputes.

Mr. Speaker, Sir, we have previously announced our joint work with the Singaporean Government for the long term concept Master Plans for Lautoka, Nadi and the greater Suva area. That works remain critical to ensure that our people's essential needs and the health of our natural environment are not put at risk by the strains of growing urbanisation.

In the same vein, Mr. Speaker, Sir, we are allocating \$70,000 to explore the development of new centralised bus stands in Nasinu, Nakasi corridors to increase the direct bus services within these large municipal areas which will do bounds in reducing a carbon footprint and providing convenience for those living in these areas because these are new municipalities, they now have their own market, they have their own shopping centres. If one wants to go to the other end of Nadera, there is no direct bus service. You have to come all the way to Suva to actually catch the bus to go to the other side of Nadera. So, we need to have bus stands in these major areas.

Major FRA capital works have been allocated \$399 million; \$400,000 have been given to construct public rest rooms along highways; the Water Authority of Fiji (WAF) and the Ministry of Waterways and Environment have been allocated a combined total of \$192.9 million for capital expenditures which will include the upgrade of water treatment plants, water reticulation systems, waste water systems, drainage systems, drainage for farm lands and rural water works across the country; \$4.1 million is allocated to complete the Lautoka Municipal Swimming Pool; \$490,000 set aside for the installation of flood lights around Churchill Park; \$1 million is allocated to improve ventilation and lighting in the Lautoka Market; \$545,000 is allocated for the completion of the Namaka Market; \$250,000 is allocated to construct 20 to 25 mini markets across the country which interested vendors can apply to have built in their own communities; and \$3 million has been allocated for the National Gallery of Contemporary Art and ongoing project with the British Council that will transform the Saints Stephens Building in Downtown Suva into a community hub that enriches our urban cultural scene. It serves the platform for Fijian artists to showcase their work to the world and attract tourists to our Capital City.

But, Mr. Speaker, Sir, our master plan for urban development will only carry real impacts if we have stringent adherence to municipal regulations for new developments. For example, people must respect that new bus shelters that are popping up are intended for buses and passengers, not for selling fish. And markets are intended to be spaces for vendors and shoppers to engage freely in commerce.

The reality is, Mr. Speaker, Sir, is that no investment in our new networks of infrastructure and no pan for our future development will count for anything if we do not have a consistent level of respect for our society's rules, assets and regulations. When Government builds a public road, that road does not belong to Government, it belongs to Fiji, it belongs to every Fijian, and we need to treat the shared resources with a shared level of respect, we must have pride in that investment and help maintain its usefulness over the long period. We need trucking companies to follow the rules that limit overloading, we need drivers to obey speed limits and parking restrictions, we need to generally foster more orderly Fijian society where the laws are enforced, where public goods are not abused and where those who break the rules are the ones who pay the price, not those who follow them.

Mr. Speaker, this Government's commitment to socially progressive policies of this nature is not only making us the leader among the emerging economies, it is making us a global leader, period. We have watched, with care as some other major economies have fallen short of truly inclusive growth, often at the expense of those most vulnerable in society. We are avoiding the same pitfalls. We are keeping

all our people's wellbeing front and centred at all times. We are keeping their confidence and their interests, will always take first priority, Mr. Speaker, Sir.

And that, Mr. Speaker, Sir, brings us to the final defining pillar of the 2019-2020 National Budget, building confidence by building certainty in an uncertain world. Mr. Speaker, Sir, the hallmark of the FijiFirst Government if it had to be boiled down to a single word would have to be "consistent". Consistency in vision. We have adhered to the same objectives from day one and we have delivered on what we have promised.

Consistency in policies: we have introduced legislation that logically furthers a transparently progressive agenda. And consistency in execution our achievements, the historic strength of the economy, the job market and our position on the world stage all speak for themselves. But, Mr. Speaker, Sir, none of us can presume to predict what the coming years will bring, but consistency gives us a degree of certainty in what the future holds.

And for businesses, for multilateral organisations and for any Fijian pursuing greater opportunity, certainty is the key to confidence, not blind optimism but well-founded confidence that the future will be more prosperous than the present. This Budget puts our nation in the best possible position to ride the ebbs and flows of international markets to those greater levels of prosperity.

Despite softening global growth, our consistent policies and financial management have secured positive projection for the Fijian economy in the years ahead, but we are also introducing a range of new measures to grant even greater degree of certainty to our partners in the business community and to the Fijian people. We are giving them the assurance of a stable policy environment that unleashes their productive potential. Some of these, Mr. Speaker, are:

- 100 percent of employer contribution to FNPF will now be tax deductible.
- The export income deduction will be extended to a rate of 50 percent backdated to 2018.
- There will be no stamp duty on offshore borrowings.
- The excise on alcohol and tobacco will not be increased.
- Fiji's tourism industry is the strongest in history with new records in visitor arrivals being broken on a near quarterly basis. But softening global growth in developing countries, spells slow and rise in disposable income within our traditional markets which can mean lower growth in tourism. But Fijian tourism is adapting, readying itself to become even more competitive across new and traditional markets around the world.
- Our national carrier, Fiji Airways, has recently announced the purchase of two brand new airbuses A350s, which we take delivery of in November and December this year, bringing a new level of luxury for guests flying into Fiji, opening up new markets and dramatically increasing cargo capacity imports and exports, such as fresh produce and, of course, flying to new destinations further away from Fiji.
- To support our tourism operators adapt alongside us, we are opening a window of opportunity to make some serious investments in Fiji's tourism competitiveness.
- New hotels will be granted zero fiscal and zero excise duty on the import of building materials. While existing hotels will be granted 5 percent fiscal duty on nearly any and everything they need to build their businesses, and other renovations: Plant and machinery

for construction, capital equipment, building materials, furnishings, fittings, room amenities, kitchen and dining essentials, utensils, even specialised water sport equipment, such as water bikes, every item imported will attract only 5 percent fiscal duty. Those items that currently attract 5 percent duty will be dropped to 3 percent.

- The operating cost towards Tourism in Fiji has been decreased to help them sharpen their pencil, but even in this period of fiscal consultation, the marketing grant towards Tourism Fiji will maintain its full strength of \$29.7 million.
- In the ICT industry: we are adding to our existing incentive package by removing the minimal employee and export requirements and we have also done away with the \$1,000 licence fee. We are extending loss carried forward from four years to eight years for all businesses.
- Last year, we introduced 25 percent allowance for building owners who spend at least \$1 million in the refurbishment of their buildings.
- If owners utilise a green technology such as solar panelling, provide access to buildings for Fijians living with disabilities such as a wheel chair ramp to the doorway and install lighting on the exterior of the building to help light up our streets.

This year, we are lowering the investment threshold from \$1 million to \$250,000, giving smaller businesses and owners the chance to make similar investments that beautify the nation and protect our environment while making our businesses more inclusive for all Fijians.

We are reducing the duties on heavy machinery such as cranes, forklift, bulldozers, and excavators. New machinery will now attract zero excise duty and the fiscal duty on secondary machinery will drop from 15 percent to 5 percent. The excise duty of new trucks, vehicles designed for transportation of goods will fall to zero percent and the fiscal duty on used huge trucks will fall from 15 percent to 5 percent as long as they meet the Euro 4 standards.

We are also dropping the import excise duty on new buses from 5 percent to 0 percent. So there is now zero fiscal and zero excise duty on the import of new buses. Used buses will continue to attract a 5 percent fiscal duty, but excise duty on used buses will drop to zero. These reduction will apply to all trucks and buses that meet Euro 4 standards with no age restrictions, sending a clear message to the transportation industry that now is the time to make upgrades to your fleets, and get those older and dirty vehicles off the road which we eventually want to get rid of our roads completely given by way of law, along with a clear message to our people that public transport will become even more comfortable, safer and less damaging to our environment and we are encouraging more people to travel by public transportation in particular at peak periods.

Alongside these duty reductions, there will be an increase in the duties on imported passenger motor vehicles on top of 10 percent ECAL. For all used hybrid vehicles, the specific duty rate is doubling and all non-hybrid vehicles the fiscal duty will increase from 5 percent to 15 percent, while the excise duty on non-hybrid vehicles is dropping to 5 percent, that decrease will be compensated for the addition of ECAL.

But, Mr. Speaker, Sir, at the moment, many brand new vehicles imported into Fiji are only in compliance with Euro 2 fuel standards.

From tonight, no new vehicles will be allowed into Fiji that are not Euro 4 compliant, given the high fuel standards that have already kicked in at the start of this year. Fuel standards have already gone up to Euro 4 and for diesel is Euro 5.

Businesses: individuals and organisations that invest in Government and Fiji Development Bank bonds and Housing Authority bonds and T-bills with the exception of financial institutions, will now receive tax exempt returns on those investments.

To give certainty to the shipping companies who service uneconomical routes to more remote parts of the country we will now be granting longer term 15-year agreements with the Ministry of Infrastructure. But, this long term assurance will come with greater expectations and duties of care. We will be holding national public consultations to develop stronger laws to protect sea-faring passengers from undue delays and unreasonable fares when travelling by sea are something that we had put in our Manifesto.

Additionally, Mr. Speaker, Sir, very important, which will help in the cash flow of these shipping companies, the import of ships and aircraft will now be VAT exempt. Mr. Speaker, Sir, we are paving a path towards economic self-sufficiency by continuing to diversify our economic mix through new incentives for the development of new industries. To support pharmaceutical manufacturers in Fiji, Mr. Speaker, Sir, which we have seen a lot of interest, the import on ethanol will now carry zero duty and we are granting a 13-year tax holiday for investments towards the setup of pharmaceutical manufacturing.

Further incentives will be rolled out for our thriving film industry which has already witnessed major productions coming to our shores and bringing with them hundreds of millions of dollars of economic impact.

Our rebates are already among the most generous in the world, will grow from 47 percent to 75 percent with one critical condition. In order for this rebate to apply, the money must all be spent in Fiji. This will serve a double benefit, infusing international cash flow into our local hotels, restaurants and tourism service providers while also heavily incentivising contracts in Fiji for other stages of production, including pre and post production.

To help meet the heightened demand and continue to grow an industry that is already generating new, interesting, well-paying careers for young Fijians, duty for cameras and AV equipment will be reduced, and a 200 percent tax deduction will be rolled out for production companies that bring the equipment to Fiji to set up shop. And we are introducing a 7-year tax holiday for capital investment above \$2 million for companies who invest in film production facilities in Fiji. But, this business-friendly Budget is not limited to film productions, hotels or larger importers.

Our revenue policy changes will keep more money in the pockets of Fijian businesses, big and small, farmers and ordinary Fijians, to further stimulate Fiji's domestic growing poultry industry. We are imposing a 10 percent duty on imported chicken which will make it more attractive for resorts and international restaurant chains to buy from Fijian farms.

And the import duty on new children's clothing will be drastically cut from 32 percent to 5 percent which will help to fill the retailers' shelves with more affordable garments to the benefit of business owners and parents alike.

And the duty on batteries and power banks for laptops, cell phones, tablets, for hybrid cars will see the same cut from 32 percent to 5 percent to cater for an increasingly tech-savvy society, where personal electronics are fast becoming a staple of business and personal life..

Growing Fijian businesses require greater access to storage. To address the current shortage of warehousing and storage facilities, companies who open new warehousing businesses will be granted five, seven and 13-year tax holidays depending on their level of capital investment. We will also be granting duty exemption on raw materials, plant machinery, equipment and spare parts that support the warehousing industry. We are also granting an attractive 50 percent investment allowance to existing companies who invest in warehouses. If the investment is over \$2 million, that investment allowance will increase to 100 percent. This heightened sense of certainty extends to our produce, livestock and sugarcane farmers, whose livelihoods are particularly vulnerable to the ravages and unpredictability of a changing climate and changing markets.

To instil our sugarcane farmers with peace of mind amidst volatile global price swings, we guaranteed a minimum price of \$85 per tonne last year, with a budgetary allocation in this year's budget of \$30 million through the Sugar Stabilisation Fund. A generous subsidy of nearly \$30 over current market rates. This is in addition to assistance in the forms of fertiliser and weedicide, which was once a very costly burden for our cane farmers and bold investments in mechanisation and innovation that will streamline the way farmers plant, harvest, process and transport their sugarcane, including a \$5.9 million dollar allocation to purchase cane trucks and similarly small changes like a duty reduction on cane knives from five percent to zero, show that we are leaving no stone unturned in our efforts to remove all possible barriers faced by those Fijians who rely on the sugarcane industry. And as we currently do for cane harvesters, we have requested the Fijian Competition & Consumer Commission (FCCC) to regulate prices for cane lorries, giving another layer of certainty to the sugarcane farmers.

Separately, the Ministry of Agriculture is looking at ways to better serve the many Fijians who grow and sell fruits, vegetable and livestock. Programmes in this year's budget include an expansive \$800,000 upgrading of access roads to our farming communities; \$900,000 for land clearing; \$900,000 in support for mechanisation and equipment; and a \$900,000 investment in developing agribusiness in our rural and maritime communities. A \$700,000 initiative will also be rolled out to promote the export of Fijian produce, and other programmes will be targeted at key agricultural growth areas that are primed to take off with proper support with significant investments in the production of Fijian ginger, rice, cocoa, vanilla and other crops, in addition to a million-dollar infusion into our domestic goat meat industry.

And while on the ground support is vital, Mr. Speaker, Sir, to succeed, it needs to be well-informed and reliable data is key. As they say, data is king. That is why Mr. Speaker, Sir, the Ministry of Agriculture will be spending \$4.5 million in the 2019/2020 national agricultural census. A comprehensive accounting of Fiji's rural and peri-urban farming areas that will set Government up to more efficiently and effectively focus the financial and technical support and educational programmes we provide to Fijian farmers in the years ahead.

Mr. Speaker, this Government's programme of civil service reform was undertaken to build a world-class Fijian civil service, plain and simple. A civil service that is responsive, efficient and effective, free of corruption, rid of nepotism, defined by fair remuneration and clear pathways to advancement. A civil service that serves the Fijian people as well as it serves its own employees, where high level of service delivery is matched by high wages that are comparative and even greater to what is offered by the private sector. A civil service that puts the right people with the right qualifications in the best possible position to make a positive impact for their fellow citizens. A civil service that is most rewarding for those who are most passionate about serving the nation, not a social safety net that guarantees even its most incompetent employees a job for life. No business can afford to operate that way and neither can any Government nor should any Government.

Mr. Speaker, Sir, the process has not been easy but we never expected it would be. In the spirit of our reform package, we are measuring our own progress by outcomes. In that regard, we are making serious headway. The road to advancement for civil servants is clearer than ever. Redundancies and waste

are being rooted out, and our civil servants are being treated equally and rewarded equally for producing good results. Our commitment to raising salaries across the civil service has seen personnel costs rise just from over \$620 million in 2013 to over \$1,000,000,000 last year, and as we have said from day one that higher amount must be matched by a higher quality of service delivered to our people. Moving forward, we will be making a big push towards multi-tasking and the new rotational programme for incoming top graduates is only one part of a larger commitment to develop diverse skill sets amongst Civil Servants that can be quickly adapted to new projects and priorities.

Right now the go to instinct across ministries is to make new hires every time a new responsibility arises, that is not how efficient organisations operate. When new tasks emerge it is up to the current team to make the adjustments and fill that gap in capacity. In instances where overtime is required it will be paid, but we will be considering new hires on a case by case basis moving forward. Putting the priority of filling new roles with resources already available.

All civil servant who received pay rises through performance assessment management framework or MyAPA will be paid out throughout this financial year as in 2018-2019, including teachers. But for the 2019-2020, we will be placing MyAPA on hold to conduct a review to ensure the framework carries a consistent focus on outcomes over inputs, that we measure progress based on what is delivered rather than the time and resources put into it. Giving certainty to taxpayers that they are getting a level of service from their Government that merits what they are paying.

Mr. Speaker, Sir, nothing grants greater certainty than the assurance of strong independent institutions. No matter how the economic or even political winds may blow independent institutions guarantee that society is free, fair and our people stand on stable and equal footing.

Mr. Speaker, Sir, strong and independent Judiciary ensures that justice can be sought and obtained. In this financial year, we have allocated \$54.4 million to the Judiciary. Aside from Operational Costs those funds will cover completion and refurbishment works at the Nasinu Court Complex, which will soon include four new Court rooms, including Magistrate's Chambers and other support offices, four Tribunal rooms, Exhibit rooms, witness rooms and eight cellblocks, along with a secured drop off area. We will continue to increase the number of Judges and Magistrates serving in the Judiciary, and the Judiciary will develop an e-filing system that allows litigants to file actions online, track litigation process, receive notices and lodge relevant Court documents.

Mr. Speaker, Sir, independent election bodies ensure that every Fijian's voice matters equally in our democracy. And per the recommendation of the Multilateral Observer Group, the budget for the Electoral Commission will be separated from the Fijian Elections Office.

And, Mr. Speaker, Sir, independent consumer protection agencies ensure that our people's interests are protected in the market place. The Fijian Consumer and Competition Commission (FCCC) operates as a fiercely independent institution, and through this Budget we are fully recognising that independence by shifting their functions from the Ministry of Industry, Trade, Tourism to the Independent Commission head. FCCC will also begin operations as a self-funding entity by charging fees to industries and organisations who hire their services in pursuit of policy reforms or indeed price fluctuations. The financial independence of FCCC is a critical next step for our planned changes to price controls. We are modernising the price control modules to consider changes in the price of different inputs and businesses interested in seeking adjustments of price controls can now pay the FCCC directly to review and recommend changes to the price ceilings on specific items. This new found self-sufficiency will allow the FCCC to continue to build on its many case studies that we have already seen in the headlines from its Lagilagi Housing Project Investigations to its crack down on unethical practices by traders to the lowering of everyday goods like groceries, toothpaste and baby formula.

Mr. Speaker, Sir, this Budget is not only focussed on creating more certainty for businesses. We need our citizens to be equally certain that our nation's progress means that all Fijians share equally in the benefits of our new development. We are strengthening our package of residential housing incentives to encourage more inclusive and affordable housing developments both home ownership and public rental purposes, rewarding developers that includes significant options for affordable housing in the development plans. Making possible for a CEO and a Secretary to potentially live in the same building, access the same amenities and enjoy the same levels of security. This tax exemption applies to buildings where at least 15 percent of units on every floor, below the fifth floor are sold for \$300,000 or less. The full details of these offerings will be available in the Ministry of Economy and the Fiji Revenue & Customs Service (FRCS) websites.

The generous reforms to the first home buyers grant will continue next year. The existing interest rates subsidy of 1 percent to first home buyers and land buyers will also remain in place. On top of these incentives Mr. Speaker, Sir, the Reserve Bank of Fiji has recently announced an increased loan facility of \$60 million to support low income families to buy their first home through approved lenders such as commercial banks and credit institutions families with an annual household income of \$50,000 or less, can receive loans of an extremely concessional nature with a maximum interest rate of 5 per cent over a maximum term of five years.

Mr. Speaker, Sir, our effort to secure our people greater access to affordable housing does not represent some lofty development aspiration. That work is demanded of the government by the mandates enshrined within the Fijian Constitution. It is the constitutional right of every Fijian to be provided accessible and adequate housing. When our people are left without affordable options for housing, they are put at risk by worsening climate impacts. They are left to wallow in the informal settlements that are extremely vulnerable to cyclones and rising seas, and of course, we have sanitation issues.

In recognition of that reality, given the success of the Koroipita Model Town, we are allocating \$2 million to extend a highly engineered and fully serviced subdivision to provide for more than 100 new cyclone proof housing for the disabled and low income families in Koroipita. We have also partnered with the IFC (International Finance Cooperation) to develop six sites with green and climate resilient housing for low and medium income families through a PPP (Public Private Partnership) agreement. The agreement signed this March, Mr. Speaker, Sir, will begin with a competitive tender for a private sector partner to design, build, finance and maintain these housing projects, with work expected to be completed within 18 – 24 months thereafter. We are going to provide an income tax holiday for the entire duration of the PPP arrangement to bring down the cost of the rental apartments.

Mr. Speaker, Sir, throughout the year, we will be undertaking preparation for the 50th Anniversary of our Independence in 2020. This national effort will ensure that Fiji's star shines in its absolute brightness as we welcome that historic celebration.

Our renovations on State House have been completed. We have allocated \$180,000 to fund preparations for the 50th Anniversary celebrations that will live on proudly in the memories of every Fijian and in the pages of our history books for all time, and indeed, there will be some more funding in the next budget cycle or two.

Mr. Speaker, Sir, this 2019-2020 Budget is defined by the same basic economic fundamentals that have underpinned Fiji's economic success over the past decade. We are back on track to reducing our debt levels, following the rebuilding efforts from Cyclones *Winston*, *Josie*, *Keni*, and *Gita*. We are prioritising the most critical tenants of our citizen's well-being, further strengthening public safety, health, education, and the protection of our natural environment while also keeping our nation on the cutting edge of innovation.

And we are refuelling the economic engine of business confidence proving that we are a Government who recognises the importance of a productive private sector in sustaining economic momentum. We are a Government who considers the concerns of businesses at all levels, and takes real concrete actions to create opportunities for greater private sector participation. But above all, we are a government that knows how to harness the collective potential of businesses, development organisations, banks, financial institutions and ordinary people, to not only grow our GDP but to translate those gains into greater opportunity for all of our people.

Mr. Speaker, Sir, this budget will ensure the Fijian economy remains a beacon of sustainability in an increasingly uncertain world. Not only in the cause of climate action, environmental protection and oceans preservation, but for sustained and enduring economic progress.

Mr. Speaker, Sir, the next chapter of Fiji's economic evolution will be guided by the same steady hand of responsible economic management that has defined our achievement over the past decade. But going forward, Fiji's fate will boil down to something more fundamental; each person's individual accountability and the sense of personal ownership they have of our nation's very character.

The Quality of Fiji's tomorrow will be determined by the pride, the unity and the patriotism we demonstrate today. This Budget puts Fiji on a rock solid foundation of economic sustainability, but we cannot let that opportunity go to waste Mr. Speaker, Sir. Because Mr. Speaker, while we can work to grow our economy, we need the active participation of each and every Fijian watching tonight to cement our progress at the societal level. When a politician tries to undermine our progress with baseless speculation and unfounded fear, we as a society must rise up and drown them out with a chorus of truth, facts and faith in our future. When someone trashes our environment by throwing rubbish by the roadside or illegally uprooting our mangroves, we must say to them "No, not in Fiji". In Fiji, Mr. Speaker, that blatant disrespect will never be tolerated. When a student skips out on school or a co-worker ditches work or someone posts a racist remark on *Facebook*, we must call out their behaviour as damaging and we must demand better of them all.

All throughout Fiji, we must raise the bar of personal responsibility. We must hold ourselves and our neighbours to a higher standard. When our children look to us they must be inspired. Inspired with an ethos of responsibility and of goodness that they can continue to build upon throughout their lives. That, Mr. Speaker, is how Fiji will continue our progress for years to come.

Mr. Speaker, from everything that we have heard today from curbing abuse to instituting new tax policies, this is clearly a business friendly budget. We are incentivising and encouraging domestic businesses while attracting investment from around the world to allow new industries to take root and existing ones to flourish. We are streamlining business processes and we are liberalising the economy, we are enforcing the right pricing models and we are instilling confidence among Fijian businesses. Fiji is open for business and there has never been a better time than today to be part of this ongoing Fijian success story. All of us are working side by side to make our dreams, a dream for ourselves, our families and our nation a reality. Dreams of a Fiji where all our people have absolute assurance in their safety and security. A Fiji whose productive capacity rises at an exponential pace year after year, after year. A Fiji home to pristine oceans, beaches free of trash, reefs full of fish, communities powered with a cleaner mix of energy, infrastructure strong enough to withstand climate impacts and developments that exist in harmony with our natural worlds. A Fiji home to young people whose talented and limitless potential is matched by equally unlimited opportunities. A Fijian economy, Mr. Speaker, Sir, that embraces the efficiency, security and innovation of the digital age and a Fiji where every Fijian has every confidence that the coming years will be better and brighter than what we know today.

Mr. Speaker, Sir, in pursuit of that tremendous future, I wholeheartedly recommend this Budget. Thank you.

SECRETARY-GENERAL.- A Bill for an Act to appropriate a sum of Three Billion, Four Hundred and Thirty Four Million, Four Hundred and Seven Thousand and Eight Hundred and Ninety Two Dollars for the ordinary services of Government for the year ending 31st July, 2020 (Bill No. 7 of 2019).

HON. SPEAKER.- Honourable Members, in accordance with Standing Order 84(2), the 2019-2020 Appropriation Bill 2019 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.

2019-2020 BUDGET CONSEQUENTIAL BILLS 2019

HON. SPEAKER.- Honourable Members, I now call upon the Attorney-General and Minister for Economy, Civil Service and Communications, the Honourable Aiyaz Sayed-Khaiyum to move his motion. You have the floor, Sir.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. Pursuant to Standing Order 51, I move that the following Consequential Bills for 2019-2020 National Budget be considered by Parliament without delay:

1. Tax Administration (Budget Amendment) Bill 2019;
2. Income Tax (Budget Amendment) Bill 2019;
3. Value Added Tax (Budget Amendment) Bill 2019;
4. Environment and Climate Adaptation Levy (Budget Amendment) Bill 2019;
5. Stamp Duties (Budget Amendment) Bill 2019;
6. Excise (Budget Amendment) Bill 2019;
7. Customs (Budget Amendment) Bill 2019;
8. Customs Tariff (Budget Amendment) Bill 2019;
9. Financial Management (Budget Amendment) Bill 2019;
10. Tertiary Scholarship and Loans (Budget Amendment) Bill 2019;
11. Fijian Competition and Consumer Commission (Budget Amendment) Bill 2019;
12. Environment Management (Budget Amendment) Bill 2019;
13. Climate Action Trust Fund (Budget Amendment) Bill 2019;
14. Climate Relocation of Communities Trust Fund Bill 2019; and
15. Small and Micro Enterprise (Repeal) Bill 2019

Mr. Speaker, Sir, pursuant to the Standing Orders, I move that the Consequential Bill:

- (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 2019-2020 Appropriation Bill, 2019; 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, 17th June, 2019. Thank you.

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Honourable Speaker, Sir, I beg to second the motion.

HON. SPEAKER.- Honourable Members, I now call on the Attorney-General and Minister for Economy, Civil Service and Communications, the Honourable Aiyaz Sayed-Khaiyum.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. Mr. Speaker, Sir, as per practice, these Bills relate to the Budget Announcements and therefore, they are obviously Consequential Bills as far as giving effect to the Budget itself is concerned and, of course, it is discussed that the other Bills will follow in the next sitting of the 17th but these are the ones that directly relate to that because we will debate at the end of the consideration of the Appropriation Bill itself, Mr. Speaker, Sir. Thank you.

HON. SPEAKER.- Honourable Members, the Parliament will now vote. The question is:

Pursuant to Standing Orders 51 that the following Consequential Bills for the 2019-2020 National Budget, be considered by Parliament without delay:

1. Tax Administration (Budget Amendment) Bill 2019;
2. Income Tax (Budget Amendment) Bill 2019;
3. Value Added Tax (Budget Amendment) Bill 2019;
4. Environment and Climate Adaptation Levy (Budget Amendment) Bill 2019;
5. Stamp Duties (Budget Amendment) Bill 2019;
6. Excise (Budget Amendment) Bill 2019;
7. Customs (Budget Amendment) Bill 2019;
8. Customs Tariff (Budget Amendment) Bill 2019;
9. Financial Management (Budget Amendment) Bill 2019;
10. Tertiary Scholarship and Loans (Budget Amendment) Bill 2019;
11. Fijian Competition and Consumer Commission (Budget Amendment) Bill 2019;
12. Environment Management (Budget Amendment) Bill 2019;
13. Climate Action Trust Fund (Budget Amendment) Bill 2019;
14. Climate Relocation of Communities Trust Fund Bill 2019; and
15. Small and Micro Enterprises (Repeal) Bill 2019.

Honourable Members, that pursuant to the Standing Orders, the Consequential Bills –

- (a) must pass through stage one 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 2019–2020 Appropriation Bill 2019; 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, 17 June 2019.

Does any Member oppose the motion?

(Chorus of “Noes”)

As no Member opposes, the motion is agreed to unanimously.

ADJOURNMENT

HON. SPEAKER.- Honourable Members, I now call on the Leader of the Government in Parliament to move the adjournment motion. You have the floor, Sir.

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

That Parliament adjourns until Monday, 17th June, 2019, at 9.30 a.m.

HON. A.A. MAHARAJ.- Mr. Speaker, Sir, I second the motion.

HON. SPEAKER.- Honourable Members, the Parliament will now vote and the Question is that Parliament adjourns until Monday, 17th June, 2019, at 9.30 a.m.

Does any Member oppose?

(Chorus of “Noes”)

HON. SPEAKER.- Since no Member opposes, Parliament is now adjourned until Monday, 17th June 2019 at 9.30 a.m.

And that, Honourable Members, brings us to the end of our sitting tonight. I take this opportunity to thank all Honourable Members and guests present to witness the presentation of the National Budget.

When we next meet, the Parliament will commence with the second reading of the 2019–2020 Appropriation Bill 2019, therefore I take this time to wish all Honourable Members the best in their upcoming workshops and preparations for the Budget debate’s week.

For the information of all, the Ministry of Economy, courtesy of the Minister for Economy, has organised light refreshments and I invite all Honourable Members and guests to partake in the refreshments provided in the marquee in the carpark.

Thank you, Parliament is now adjourned until Monday, 17th June, 2019, at 9.30 a.m.

The Parliament adjourned at 10.02 p.m.