



**HONOURABLE OSEA NAIQAMU
MINISTER FOR FORESTRY**

Venue: Parliament

Date: May, 2020

WRITTEN RESPONSE: 64/2020

Hon. Jese Saukuru to ask the Minister for Forestry – Can the Minister inform Parliament how many landowners units were assisted and the type of assistance offered from the 70% of the Lease Security Bonus Payment retained by Fiji Pine Limited.

1. Fiji Pine Limited (FPL) established Lease Security Bonus payment (LSBP) in 2013 where the Pine Landowners get returns based on the profitability of Fiji Pine Group. Since 2013, LSBP payments made is as follows:

Year	LSBP Paid
2013/2014	\$671,995.00
2015	\$1,000,000.00
2016	\$1,500,000.00
2017	\$1,500,000.00
2018	\$7,317,978.00
2019	\$7,263,757.00
TOTAL	\$19.25 million

2. Fiji Pine Limited received concerns from landowners that prior to 2019 when LSBP was paid out to Mataqali or Tokatoka's accounts, money did not reach to all beneficiaries. In some cases, the head of mataqali's kept a large portion of the money among their immediate family members, leaving only a small share for the rest. Further concerns were raised in the manner in which the money was spent by landowners. It was revealed that it was mainly consumption related instead of investment. These concerns were raised directly to the Hon. Prime Minister as well.
3. In 2019, Fiji Pine Limited's Board held discussions on how FPL can assist in ensuring the money reaches to all beneficiaries and also that it is used for projects that benefit the entire landowning communities. Value creation for landowners as opposed to consumption spending. Following extensive discussions, the following decision was taken in consultation with Fiji Pine Trust who is the representatives of Pine Landowners in the Industry:
 - 30% of the LSBP sum to be distributed equally to all mataqali members through iTLTB's equal rent distribution platform.
 - 70% of the LSBP be allocated towards landowner based projects. Different community based project options were provided to the landowners on the day of announcement made by the Hon. Prime Minister.

(a) 70% entitlement applications from Landowners and evaluation criteria:

- All capital projects must be undertaken for the overall good of the Mataqali or landowning units.
- All requests for capital project proposals must be made through general consensus of Mataqali or Tokatoka members and signed by majority members. Any disputes between Mataqali or Tokatoka members will be verified with iTLTB and decision will be taken in accordance to iTLTB's determination on lease beneficiaries.
- Fiji Pine Limited's LSBP Projects Team evaluates all project proposals independently. Projects are only considered if it meets the above criteria.

(b) Landowner based projects:

- Houses (new construction, extensions or renovations).
- Community halls.
- Water supply – bore holes and tanks.
- Farming implements – tractors, etc.
- Boat and engine.
- Vehicles to establish business or for community transportation.
- Trucks for transportation purposes.

- Community drainage projects.
 - Repayment of mataqali based business loans.
 - Livestock business.
 - Investment in Unit trust.
- (c) The total 70% LSBP projects entitlement for 2019 amounted to \$3,489,045.89. Out of this FPL has processed a total of \$2,230,285.83 (77%) which has benefited a total of 75 LOU's out of a total of 98.

FPL continues to have awareness among the landowners to bring their project proposals and any issues that they need to address on their applications (incomplete applications).

- (d) FPL also faced a number of disputes among mataqali members where project applications were made without full consent of the members or when mataqali members have different project preference. In such cases, FPL holds onto further processing to ensure that correct measures are taken. FPL either seeks clarification from iTLTB if it is to do with landownership or to Fiji Pine Trust in cases where there are disputes among the mataqali members.

Complete project applications are processed by FPL within 2 weeks of applications being received.

- (e) In light of COVID-19 where many people have lost jobs, we have also given option to the landowners where they can access their 70% projects entitlement to buy food items. A few landowners have taken this option and have been provided food items.
- (f) Overall 2019 LSBP has been a great success. There has been wider transparency and fairness in the manner in which the distribution was carried out. The process ensured that all mataqali members get their share of returns. We got to see real impact to the livelihood of the landowners through the 70% project mechanism.
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