

PARLIAMENT OF THE REPUBLIC OF FIJI



PARLIAMENTARY DEBATES

DAILY HANSARD

WEDNESDAY, 2ND SEPTEMBER, 2020

[CORRECTED COPY]

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WEDNESDAY, 2ND SEPTEMBER, 2020

The Parliament met at 9.35 a.m., pursuant to adjournment.

HONOURABLE SPEAKER took the Chair and read the Prayer.

PRESENT

All Members were present, except the Honourable J.N. Nand.

MINUTES

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

That the Minutes of the sitting of Parliament held on Tuesday, 1st September, 2020, as previously circulated, be taken as read and be confirmed.

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

Question put.

Motion agreed to.

COMMUNICATIONS FROM THE CHAIR

HON. SPEAKER.- I welcome all Honourable Members to today's sitting of Parliament. I also welcome all those watching the live broadcast and the live streaming of today's proceedings from the comforts of their home, offices and mobile phones. Thank you for taking an interest in your Parliament.

Honourable Members, I have been advised that there are no papers for presentation today.

PRESENTATION OF REPORTS OF COMMITTEES

HON. SPEAKER.- I now call on the Chairperson of the Standing Committee on Social Affairs, the Honourable Viam Pillay, to table his Report. You have the floor, Sir.

Review Report on the Fiji Airports 2017 Annual Report

HON. V. PILLAY.- Mr. Speaker, Sir, I am pleased to present the Report of the Standing Committee on Social Affairs on the Annual Review of Fiji Airports for the year ended 31st December, 2017.

The review was undertaken in accordance with Standing Order 109(2)(b), which mandates the Committee to look into issues related to health, education, social services, labour, culture and media. The review looked at nine key areas covering the period from January to December 2017, conducted into Fiji Airports' administration, structure, budgetary allocation, programmes and activities, policies, challenges, highlights, priorities for the coming years and its implementation of the Sustainable Development Goals (SDGs).

The Committee first met on 25th and 26th April, 2020, to deliberate on and formulate questions pertaining to the 2017 Annual Report of Fiji Airports. We were unable to conduct a public hearing with Fiji Airports due to COVID-19 restrictions put in place around the country when the hearing was scheduled to take place. In order to comply with health directives and social distancing measures in place, the Committee requested for a written response from Fiji Airports in lieu of an annual review hearing.

Following our deliberations on its written response, we wrote to Fiji Airports requesting for further clarifications on other related matters. Upon receipt of all relevant information from Fiji Airports on the Committee's queries, the Committee compiled its finding on the Annual Report and subsequently endorsed its report in the latter part of August.

At this juncture, I would also like to thank the former Chief Executive Officer of Fiji Airports, a very dedicated and hardworking person, the late Mr. Faiz Khan, and his staff for their assistance in this review process. I also extend my gratitude to my Committee colleagues, namely: Honourable George Vegnathan (Deputy Chairperson); Honourable Alipate Nagata; Honourable Salote Radrodro; and Honourable Ratu Atonio Lalabalavu for their contributions. Finally, I thank the Secretariat for providing support to the Committee.

On behalf of the Standing Committee on Social Affairs, I commend the Report on the Fiji Airports 2017 Annual Report to Parliament and request Honourable Members of this august House to take note of the Report. Thank you Mr. Speaker, Sir.

HON. SPEAKER.- Please, hand the Report to the Secretary-General.

(Report handed to Secretary-General)

HON. V. PILLAY.- Mr. Speaker, Sir, pursuant to Standing Order 121(5), I hereby move a motion without notice:

That a debate on the content of the Report is initiated at a future sitting.

HON. G. VEGNATHAN.- Mr. Speaker, Sir, I second the motion.

HON. SPEAKER.- Parliament will now vote.

Question put.

Motion agreed to.

Honourable Members, I now call on the Chairperson of the Standing Committee on Justice, Law and Human Rights, the Honourable Alvick Maharaj, to table his Report. You have the floor, Sir.

Review Report on the Fiji Human Rights and
Anti-Discrimination Commission Annual Report 2017

HON. A.A. MAHARAJ.- Mr. Speaker, Sir, the Standing Committee on Justice, Law and Human Rights was referred the Fiji Human Rights and Anti-Discrimination Commission Annual Report 2017. The Committee was mandated to review the Annual Report and table its findings back to Parliament.

This Report will provide the findings and recommendations of the Committee with respect to the issues noted from the contents of the Fiji Human Rights and Anti-Discrimination Commission Annual Report 2017. This Report is divided into three main parts as follows, the:

- (1) introduction;
- (2) Committee's observation and findings; and
- (3) recommendations.

The Committee reviewed the Annual Report and identified a few pertinent issues, which were then brought to the attention of the Commission and discussed extensively.

Some of the main areas of discussion, which were noted by the Committee are as follows, the:

- work of the Commission in looking into matters concerning human rights and it is worth noting the Commission's efforts in standing up for the people of Fiji who have had their rights abused;
- Commissions' work and collaboration with the United Nations Development Programme (UNDP), the European Union and civil society organisations on awareness on the 'First Hour Procedure' for persons detained by the Police;
- work by the Commission in partnering with other statutory authorities, to ensure that there is no gender discrimination when it comes to registration and investigation of complaints;
- Commission's recommendation of adopting and implementing a monitoring framework, such as the National Mechanism for Implementation, Reporting and Follow-Up (NMIRF) and a fully integrated National Recommendations Tracking Database (NRTD);
- concerns noted in respect of prejudicial activities being carried out by certain landlords, especially those living in squatter settlements;
- issue regarding persons seeking refugee status and the Commission's role and efforts in intervening in such matters, for example, the case concerning an Iranian refugee seeking refugee status in Fiji;
- Commission's work on awareness and advocacy programmes on human rights related issues;
- need for easy access to human rights services for the people of Fiji in all four Divisions, and the commendable step taken by the Commission in looking to decentralise the Commission's Office beginning from the Western Division;
- Commission's work which relates to the United Nations 2030 Global Agenda and the monitoring of these goals, specifically with regards to human rights institutions in Fiji; and furthermore
- concerns on the delay in furnishing the accounts for audits as required under the Financial Management Act.

At the conclusion of the review, the Committee commends the great work carried out by the Fiji Human Rights and Anti-Discrimination Commission, but also recommends the following for consideration by the Commission, as it believes it would assist the Commission in its work:

- The Committee notes the need for accessibility of the service provided by the Commission to the people of Fiji and appreciates the efforts in setting up an office in the Western Division. The Committee thus recommends that there be more decentralisation of the Commission's Office.
- The Committee notes and commends the Commission's recommendation for the implementation and adoption of the National Mechanism for Implementing, Reporting and Follow-Up (NMIRF), which is a monitoring tool for human rights.
- Additionally, the Committee notes the endeavour of the Commission in improving its Strategic Plan, thus recommends that support be given to ensure the realisation of the Strategic Plan at the earliest possible time.

At this juncture, I would like to acknowledge and thank the Honourable Members of the Standing Committee on Justice, Law and Human Rights: Honourable Rohit Sharma (Deputy Chairperson); Honourable Ratu Suliano Matanitobua; Honourable Dr. Salik Govind; and Honourable Mosese Bulitavu, for their deliberations and input; the Secretariat and the officers of the Fiji Human Rights Commission, who made themselves available to make a submission and for taking an interest in the proceedings of the Committee and Parliament.

On behalf of the Committee, I commend the Committee's Report on the Fiji Human Rights and Anti-Discrimination Commission Annual Report 2017 to Parliament and seek support of all Honourable Members of this august House for the recommendations by the Committee. Thank you.

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

(Report handed to the Secretary-General)

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

HON. M.D. BULITAVU.- Mr. Speaker, Sir, I beg to second the motion.

HON. SPEAKER.- Parliament will now vote.

Question put.

Motion agreed to.

HON. SPEAKER.- I now call upon the Chairperson on the Standing Committee on Economic Affairs to table his Report. You have the floor, Sir.

Consolidated Review Report on the Sugar Industry Tribunal 2011-2015 Annual Report

HON. V. NATH.- Thank you, Mr. Speaker, Sir. Mr. Speaker, Sir, the Standing Committee on Economic Affairs is pleased to report to Parliament the Consolidated Review of the Sugar Industry Tribunal 2011 to 2015 Annual Reports.

The Committee visited the Sugar Industry Tribunal Headquarters earlier this year to be able to better understand the functions and operations of the Tribunal.

The Committee noted the number of disputes that were brought to the Industrial Commissioner and commends him for his unwavering commitment in ensuring that all disputes reported to his Office are dealt with efficiently.

After scrutinising the Reports and understanding the functions and operations of the Tribunal, the Committee believes that a review of the components of the Master Award be considered where necessary. Furthermore, the Committee agreed that the Annual Reports could be inclusive of a more comprehensive assessment of the Sugar Industry Tribunal's performance against its objectives as this would enable the Committee to analyse their performance more effectively.

Finally, I would like to thank the Committee Members who were part of the team that produced this Report: the Deputy Chairperson, Hon. Veena Bhatnagar; Hon. George Vegnathan; Hon. Inosi Kuridrani; and Hon. Ro Filipe Tuisawau. I also take this opportunity to thank Mr. Tim Brown of the Sugar Industry Tribunal and his team for their input during the site visit. I also acknowledge the support rendered by the Secretariat during this process.

On behalf of the Standing Committee on Economic Affairs, I commend the Committee's Consolidated Review Report on the Sugar Industry Tribunal 2011-2015 Annual Report to Parliament.

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

(Reports handed to the Secretary-General)

HON. V. NATH.- Mr. Speaker, Sir, pursuant to Standing Order 121(5), I hereby move a motion without notice:

That the debate on the content of the Reports is initiated at a future sitting.

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

HON. SPEAKER.- Parliament will now vote on the motion.

Question put.

Motion agreed to.

Honourable Members, I now call on the Chairperson of the Standing Committee on Social Affairs, the Honourable Viam Pillay, to table his Report. You have the floor, Sir.

Annual Review of the Fiji Museum 2015, January-July 2016 and 2016-2017 Annual Reports

HON. V. PILLAY.- Mr. Speaker, Sir, I am pleased to present the Report of the Standing Committee on Social Affairs on the Annual Review of the Fiji Museum for the period 2016-2017, January-July 2016, and 2015.

This review was undertaken in accordance with Standing Order 109(2)(b), which mandates the Committee to look into issues related to health, education, social services, labour, culture and media. The review looked at nine key areas covering the period from January 2015 to July 2017, conducted into the Fiji Museum's administration, structure, budgetary allocation, programmes and

activities, policies, challenges, highlights, priorities for the coming years and its implementation of the Sustainable Development Goals.

The Committee first met from 2nd March, 2020 to 4th March, 2020, to deliberate on and formulate questions pertaining to the three Annual Reports of Fiji Museum. We were unable to conduct a public hearing with the Fiji Museum due to COVID-19 restrictions put in place around the country when the hearing was scheduled to take place. In order to comply with health directives and social distancing measures in place, the Committee requested for a written response from the Fiji Museum in lieu of an annual review hearing.

Following our deliberations on its written response, we wrote to Fiji Museum requesting for further clarification on other related matters. Upon receipt of all relevant information from Fiji Museum on the Committee's queries, the Committee compiled its findings on the Annual Report and subsequently endorsed its Report in the latter part of August.

Mr. Speaker, Sir, at this juncture, I also wish to thank the Director of the Fiji Museum, Mr. Sipiriano Nemani, and his staff for their assistance in this review process. I also extend my gratitude to my Committee colleagues, namely: Hon. George Vegnathan (Deputy Chairperson); Hon. Alipate Nagata; Hon. Salote Radrodro; and Hon. Dr. Ratu Atonio Lalabalavu for their contributions. Finally, I thank the Secretariat for the support provided during the Committee's deliberations.

On behalf of the Standing Committee on Social Affairs, I commend the Committee's Review Report on the Fiji Museum 2015, 2016-2017 and January-July 2016 Annual Reports to Parliament and request all Honourable Members of this august House to take note of the Report. Thank you, Mr. Speaker, Sir.

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

(Report handed to the Secretary-General)

HON. V. NATH.- Mr. Speaker, Sir, pursuant to Standing Order 121(5), I hereby move a motion without notice:

That the debate on the content of the Report is initiated at a future sitting.

HON. G.VEGNATHAN.- Mr. Speaker, Sir, I second the motion.

HON. SPEAKER.- Parliament will now vote.

Question put.

Motion agreed to.

I now call on the Chairperson of the Standing Committee on Public Accounts, the Honourable Alvick Maharaj, to table his Report. You have the floor, Sir.

Review Report on the Performance Audit Report of the Office of the Auditor-General

HON. A.A. MAHARAJ.- Mr. Speaker, Sir, on behalf of the Committee, I am pleased to present the Review Report on the Performance Audit Report of the Office of the Auditor-General on the following:

- (1) Management of the Rural Electrification Programme; and
- (2) Progress of implementation of policies and strategies in the Fiji Forest Policy Statement 2007.

For information purposes, the Management of the Rural Electrification Programme is coordinated by the Ministry of Infrastructure and Meteorological Services and Energy Fiji Limited. The Ministry of Forests oversees the progress of implementation of policies and strategies in the Fiji Forest Policy Statement.

The review of these performance audits were conducted through interviews, collection of evidences and information from the respective line Ministry and Department. The scope of scrutiny made by the Committee is aligned to the audit objectives, as outlined in the Audit Report.

It should be noted that this Report is a follow-up audit that was conducted by the Auditor-General's Office to examine whether the Department of Energy and the Ministry of Forestry have effectively implemented the recommendations that were made in the initial Audit Report titled, "Management of Rural Electrification Programme and the Progress of Implementation of Policies and Strategies in the Fiji Forest Policy Statement 2007" (Parliamentary Paper No. 7 of 2015).

The Committee's oversight functions to scrutinise and examine this Audit Report was possible through the assistance of the Office of the Auditor-General and the support of respective Ministries and Departments, in providing detailed responses on the audit issues highlighted by Honourable Members.

The Report covers two very important sectors. Firstly, through the Rural Electrification Programme, hundreds and thousands of households around Fiji finally have power supply at their residence, a dream of thousands of Fijians which they never hope would become a reality.

With the above statement, the Committee has two recommendations which are as follows:

- (1) Rural Electrification Revised Policy should be finalised and submitted to Cabinet for consideration and approval, together with necessary budgetary provisions for its implementation.
- (2) Review the staff structure and training needs for its officers to ensure continuing efficient and effective administration of the Rural Electrification Programme.

The second part of this Report is about implementation of policies and strategies in the Fiji Forest Policy, which would have a huge impact on climate change. Therefore, the Committee has provided the following recommendations, the:

- (1) Land Use Plan should be finalised in consultation with the Ministry of Economy's Strategic Planning Unit.
- (2) Committee notes that the efforts of the Ministry of Forests in mitigating climate change resilience by ensuring no deforestation in areas with an elevation of not more than 30 degrees incline.
- (3) Committee notes the efforts of the Ministry in collaborating with the various CSOs, namely; Nature Fiji/Mareqeti Viti, Conservation International, Wild Life Conservation Society, National Trust of Fiji, Soqosoqo Vakamarama, International Union for Conservation of Nature (IUCN) and Grace TRI FAM. The Committee recommends that

the Ministry should facilitate the signing of the Memorandum of Understanding between Nature Fiji, Conservation International, Wild Life Conservation Society and International Union for Conservation of Nature (IUCN).

- (4) Ministry needs to formulate a digital platform through the digitalFiji Programme, to ensure all relevant data is safely uploaded for proper records management.
- (5) Committee commends the work of the Ministry of Forestry, for coming up with Management Plans for conserving the forest in areas, such as Bouma Forest Park, Colo-i-Suva and Sovi Basin. The Committee, therefore, recommends that the Ministry considers engaging with relevant stakeholders for additional conservation and preservation of forest parks.

The Standing Committee on Public Accounts has conducted the review of this Performance Audit Report and recommends that Parliament takes note of the Recommendation highlighted in each of the compliance audit that was carried out.

Furthermore, I wish to extend my appreciation to all the Honourable Members of the Committee who were part of the successful compilation of this bipartisan report, namely: Honourable Joseph Nand, Honourable Aseri Radrodro, Honourable Vijendra Prakash and Honourable Ro Teimumu Kepa. I also extend my appreciation to the Secretariat for their support during this process.

With those few words, I commend this Report to Parliament.

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

(Report handed to the Secretary-General)

HON. A.A. MAHARAJ.- Mr. Speaker, Sir, pursuant to Standing Order 121(5), I hereby move a motion without notice:

That the debate on the content of the Report is initiated at a future sitting.

HON. A.M. RADRODRO.- Mr. Speaker, Sir, I beg to second the motion.

HON. SPEAKER.- Parliament will now vote.

Question put

Motion agreed to.

Honourable Members, I now call on the Chairperson of the Standing Committee of Social Affairs, the Honourable Viam Pillay, to table his Report. You have the floor, Sir.

Review Report on the Fiji National Sports Commission August 2017- July 2018 Annual Report

HON. V. PILLAY.- Mr. Speaker, Sir, I am pleased to present the Report of the Standing Committee on Social Affairs on the Review of the Fiji National Sports Commission August 2017– July 2018 Annual Report.

In accordance with its established Annual Report review process, the Committee examines Annual Reports of agencies in order to investigate, inquire into and make recommendations relating to the agencies' administration, legislative or proposed legislative programmes, budget, functions, organisational structure and policy formulation.

As part of this process, the Committee received written and supplementary responses from the Fiji National Sports Commission to gather additional information. The process has proven to be an effective means of gauging its progress and maintaining a high level of scrutiny of the agencies under review.

The Committee undertook this review in accordance with Standing Order 109(2)(b) which mandates it to look into issues related to health, education, social services, labour, culture and media. The review looked at nine key areas covering the period 1st August, 2017 to 31st July, 2018, conducted into the Commission's administration, structure, budgetary allocation, programmes and activities, policies, challenges, highlights, priorities for the coming years and its implementation of the Sustainable Development Goals.

At this juncture, I wish to thank the Executive Chairman, Mr. Peter Mazey, and his staff for their assistance in this review process. I also extend my gratitude to my Committee colleagues; Honourable George Vegnathan (Deputy Chairperson); Honourable Alipate Nagata; Honourable Salote Radrodro; and Honourable Dr. Ratu Antonio Lalabalavu, for their contributions. Finally, I thank the Secretariat for their support during this process.

On behalf of the Standing Committee on Social Affairs, I commend the Review Report on the Fiji National Sports Commission August 2017-July 2018 Annual Report to Parliament, and request all Honourable Members of this House to take note of the Committee's Report.

Thank you, Mr. Speaker, Sir.

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

(Reported handed to the Secretary-General)

HON. V. PILLAY.- Mr. Speaker, Sir, pursuant to Standing Order 121(5), I hereby move a motion without notice:

That the debate on the content of the Report is initiated at a future sitting.

HON. G. VEGNATHAN.- Mr. Speaker, Sir, I beg to second the motion.

HON. SPEAKER.- Parliament will now vote.

Question put

Motion agreed to.

Honourable Members, I now call on the Chairperson of the Standing Committee on Natural Resources, the Honourable Sanjay Kirpal, to table his Report. You have the floor, Sir.

Review Report on the Petition - Government to Provide Safe and Affordable Shipping Services to Lau Group

HON. S.S. KIRPAL.- Mr. Speaker, Sir, I stand to present the Review Report of the Standing Committee on Natural Resources on the Petition, “Government to Provide Reliable, Safe and Affordable Shipping Services for the Lau Group”.

The Committee conducted a public consultation with the people of Lau for four days in July 2019 and collected evidences to quantify its findings on the grievances stated in the Petition. Upon the tour, village communities gathered in numbers at the demarcated village halls to share their views in regards to the shipping services provided in the Lau Group.

Stakeholders and individual submissions were also received by the Committee in Parliament as evidences. Mr. Speaker, Sir, two public consultations were held in the populated Lau communities, in the Lami and Nasinu areas, where a large number attended.

Areas of concern have been identified by the Committee during the review process that vessel owners and the relevant stakeholders needed to address in order to improve the shipping services in the Lau Group. However, it is noted that the Government of the day has been comprehensive and diligent in providing and supporting private entities in providing the transportation services as per the Constitution.

The limitations to provision of an efficient, safe and comfortable services are some failures on the part of the passenger boat owners. In this Report, the Committee has articulated other factors related to the shipping services in the Lau Group.

The Committee further aligned its Report to the respective Sustainable Development Goals (SDGs) in its effort to be inclusive in achieving the targets as set out in the 5-Year and 20-Year National Development Plans for Fiji, including the Lau Group and the maritime islands. The target is to improve transport and digital connectivity throughout the country, including the maritime zone, that will support human capital development, commerce and trade, hence leaving no one behind.

The Committee appreciates the Government’s initiative in increasing the Shipping Franchise Scheme to 15 years and coastal licence to 20 years.

Government’s advocacy for the “Look North Policy” has been very successful. The Committee suggests that Government advocates a “Look East Policy”.

I extend my appreciation to the Honourable Members of the Committee, namely: Hon. Jale Sigarara (Deputy Chairperson); Hon. Alexander O’Connor; Hon. Peceli Vosanibola; and Hon. Mitieli Bulanauca; as well as Alternate Members – Hon. Jese Saukuru; Hon. Selai Adimaitoga and Hon. Mikaele Leawere. I also thank the support rendered by the Secretariat during this process.

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

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

(Report handed to the Secretary-General)

HON. S.S. KIRPAL.- Mr. Speaker, Sir, pursuant to Standing Order 121(5), I hereby move a motion, without notice:

That the debate on the content of the Report is initiated at a future sitting.

HON. M. BULANAUCA.- Mr. Speaker, Sir, I beg to second the motion.

Question put.

Motion agreed to.

MINISTERIAL STATEMENTS

HON. SPEAKER.- Honourable Members, the following Ministers have given notice to make Ministerial Statements under Standing Orders 40, the:

- (1) Attorney-General and Minister for Economy, Civil Service and Communications; and
- (2) Minister for Education, Heritage and Arts.

Honourable Members, the Ministers may speak for up to 20 minutes. After each Minister, I will then invite the Leader of the Opposition or his designate to speak on the statement for no more than five minutes. There will also be a response from the Leader of the NFP or his designate to also speak for five minutes. There will be no other debates.

Honourable Members, I now call on the Attorney-General and Minister for Economy, Civil Service and Communications to deliver his statement. You have the floor, Sir.

Devastating Impact of COVID-19 to Fiji Airways' Financial Position

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, I rise to make a ministerial statement on the financial position for our national carrier, Fiji Airways, given the devastating impact of the global COVID-19 pandemic.

Mr. Speaker, Sir, please, let me begin with the badly needed reality check. We are living through the worst crisis in the aviation sector since the start of commercial air travel. Every airline on earth is steering at the cliff's edge, jobs are being cut by the tens of thousands and governments are stepping in to keep their national carriers afloat. No one is thinking about expansion. No one is thinking about profits. Airlines are focused on survival and without drastic financial interventions, most airlines will not survive.

Fiji Airways is an award winning carrier with steady growth in passengers and revenue over the past five years, but no airline can lean on its pre-pandemic success to weather the storm. Look no further than our neighbourhood. Last week, the New Zealand Government stepped in to prop up Air New Zealand with a two-year loan of up to NZ\$900 million of direct taxpayers funds. Upon announcement of the loan, the New Zealand Finance Minister said, and I quote, "Without this intervention, New Zealand was at risk of not having a national carrier."

Around the world, that same recognition is obvious to every government and every Opposition, that even an ounce of strategic nous, as this historic crisis has been met with historic levels of support:

- (a) Finnair received a government guarantee of a loan of €600 million.
- (b) SAS Scandinavian received from the government of Sweden and Denmark a guaranteed loan of US\$300 million.

- (c) Air France KLM received the government guarantee of a loan of Euro €4 billion, plus a government loan of €3 billion.
- (d) Lufthansa received a government loan of €9 billion.
- (e) Korean Air and Asiana Airlines have been granted a bailout of US\$2.35 billion from State-backed lenders.
- (f) US carriers like American Airlines, Delta Air Lines, United Airlines and others, shared a US\$25 billion bailout from the US Federal Government, and has also made an extra US\$30 billion available in unsecured loans and tax breaks.

With Fiji Airways fleet mostly grounded and monthly fixed cost needing to be paid, Mr. Speaker, Sir, we stepped in to save our carrier. Following the necessary Parliamentary approval, Government granted guarantees to Fiji Airways in the sum of FJ\$455 million.

When we presented that package to Parliament, all the financials were clearly laid out. The motion was approved unanimously and for one brief moment, it appeared we had bipartisan commitment to the future of our carrier and the future of our country at a time when unity was clearly the best option available to us. But what has happened since then, Mr. Speaker, Sir?

Several Honourable Members of the Opposition and a few self-appointed aviation experts outside of this Chamber, have pulled a complete 180-degrees, back tracking on their support to our airline, choosing instead to undermine it by taking pot-shots through their rag newspaper. Now Fiji's national carrier is the only airline on the planet, forced to contend with two crises - a pandemic overseas and an all-out campaign of devious lies led by Opposition politicians. It is malicious. It is unpatriotic, Mr. Speaker, Sir. It is unforgiveable and, indeed, it should never be forgotten.

Mr. Speaker, Sir, we have seen absurd allegations about Waqavuka Financing Limited, a company whose purpose, we clearly explained numerous times, including back in February. You can google it. There are articles dating back seven years ago, explaining what this company is and what purpose it serves.

We have Honourable Professor Prasad asking for Fiji Airways financials. If you bothered to scrounge up \$10.90, he could easily obtain Fiji Airways Financial Statements dating back to its date of incorporation, as required by the Companies Act. Opposition supporters are demanding to know how we are able to share profits with Fiji Airways staff when the fleet is currently grounded. Of course, they were last year's profits, had anyone actually bothered to check the financial year - January to December.

Mr. Speaker, Sir, we have politicians claiming our carrier is technically insolvent and bankrupt, both wrong! If it was, it would not be able to access outside financing which it has.

Honourable Professor Prasad has said that because the company had deferred loan repayments, it is technically insolvent. As I have explained to Honourable Professor Prasad, many companies, including some large companies that he is familiar with and we are familiar with, have deferred loan repayments. They no longer have a cash flow. They are operating Prouds, Tappoos and their sales are down, and a lot of companies. They go to the bank and say, "Please, defer by principle repayments". That does not mean, Mr. Speaker, Sir that they are technically insolvent. Of course, if your source of revenue has withered away, cash flow will be affected. That does not mean, again, that you are insolvent.

In fact, Prouds and Tappoos at the airport, because they get duty free access to all those goods, for example, chocolates, they said, “We no longer can sell because no one is coming through, can you make it duty free for us if we sold it within Fiji?” We agreed to that. Does that mean they are technically insolvent?

Mr. Speaker, Sir, we even have some people claiming that Fiji Airways was overly expensive and overly ambitious in the lead up to this unpredictable pandemic. But they were quiet when they saw the new A350s arrived. They were quiet when we reopened Japan, when we went to Singapore, when we increased scheduled flights for San Francisco.

Those new routes and acquisitions added new jobs for pilots, flight attendants, caterers, ATS workers, as more catering was required. They brought more tourists and more revenue into the country. The truth is, due to competition from Qantas on its bread and butter routes, the airline intended to invest in its competitiveness to seize a greater share of our traditional markets and opened, flows of new arrivals from other parts of the world. Otherwise COVID-19 or not, its viability could be in jeopardy.

So, Mr. Speaker, Sir, I want those who have spent the past few weeks attacking Fiji Airways to take a good look at themselves in the mirror and ask, why are we doing this? They should ask, why are we undermining a Fijian company so critical to our economic comeback and who possibly gains from our attacks?

Mr. Speaker, Sir, right now, we should be a united front, ready to defend our carrier through thick and thin. We should all be doing everything possible to protect the future jobs that it will bring back and the future activity it will generate for our economy.

Mr. Speaker, Sir, I want those attacking our national airline to put their egos aside and imagine a Fiji without Fiji Airways, with air travel into and out of Fiji at the mercy of a foreign carrier. Fare to get in and out of Fiji would shoot through the roof. We have no control. We would depend entirely on overseas airlines who may only run regular routes in the peak season, unlike Fiji Airways which operates on a daily basis generating much needed foreign exchange.

Mr. Speaker, Sir, Fiji would not see a cent of that foreign exchange, should we see the demise of Fiji Airways. All of that economic activity would be shipped offshore. The crew in every flight will be foreign, taking jobs from our people. The catering would be done overseas, no more ATS catering. The engineering would occur overseas, shipping ATS jobs offshore, along with every ancillary business to the airline industry.

As we have highlighted the other day, there are many people who actually live off the industry, even in the informal sector - Fijian farmers who supply vegetables or *yaqona* to Los Angeles, San Francisco, Sydney and Brisbane. They would potentially lose out their market because they would be beholden to a foreign carrier. Our farmers who export rootcrops overseas on a weekly basis, some of them do it three times a week, would be subject to the whims of a foreign company.

Mr. Speaker, Sir, it is clear that some of the Honourable Members on the opposite side have not thought any of this through. They can barely see past their own noses, much less through to the next month or next year. They will not see the suffering that will come from our national carrier going under, until that very moment is upon us.

But some of our critics know exactly what they are doing. They are looking past this crisis all the way to 2022. They are intentionally being hypocrites, and their sights are set on crippling our carrier, crippling our recovery and crippling our economy. Also, they can point the finger at

Government in the next elections. One of those dishonest hypocrites used to serve as a Minister for Finance and, indeed, was once the Prime Minister of Fiji. Now, he is claiming that Fiji Airways was overly ambitious pre-COVID.

But 12 years ago he was singing to a very different tune as he called on the then Air Pacific to modernise its fleet, explore new destinations, in his own words from a press release dated 27th May, 2008 (some of you are now singing the same mantra of Mahendra Chaudhary) he said then, and I quote:

“Air Pacific is a stagnating airline. Its profit is declining, it is not expanding, no new major international destinations have been added to its flight network in the past two decades.”

He said again, and I quote:

“It is ridiculous for anyone to say that as a major shareholder the Fiji Government should sit back and not take timely action to set things right.”

He then says, and I quote:

“As Fiji’s flagship carrier, it is expected to contribute to a vibrant tourism industry by exploring expansion into new markets and destinations. But we have not seen the national airline embark on new initiatives in the past two decades.”

All of this, Mr. Speaker, Sir, what he claimed then should have been done, actually has been done. But now, Mr. Speaker, Sir, when Fiji Airways has gone on to realise that objective, which he himself would never have implemented, he may be bitter about that. But there is no excuse to start arguing against the very points he made 12 years ago and some of you are actually now saying those same things.”

Mr. Speaker, Sir, let us again look at New Zealand. Despite the fact that they are heading into an election next month, the Government’s loan to the airline has not turned ugly and become some hotly contested political issue.

The CEO of Air New Zealand is not having to defend the airline from being turned into a political football. Lucky for him, he operates in a country where the Opposition understands how a globally integrated economy works. Sadly, it is becoming clear that we cannot say the same for Fiji. And we ask the critics who have spent this global pandemic sniping at Fiji Airways, do you seriously think the Kiwis should be handling things differently, or is supporting a national carrier only a problem when Fiji does it?

Mr. Speaker, Sir, while they think on that, every Fijian should be asking, why only in Fiji does the Opposition fight us on doing what must be done to save our national airline?

In truth our people should be more committed to our national carrier than most. We do not live in a country where people can simply hop into a car and drive across the border, we are an island nation. Our national carrier is an essential part of our economic infrastructure. We cannot give such a critical piece of our economy away to foreign interest.

Just look at Qantas! They have an interest in Fiji Airways but they have not contributed a single cent, not a single cent during this crisis. Now, we have Opposition Members seriously saying we should sell to Qantas, or bring back Qantas or Air New Zealand. I heard one of their supporters

the other day on social media saying, “Sell it to Air New Zealand!” It is shameful. These people are lackeys for foreign companies with no pride in their carrier or their country and not a shred of foresight.

They want to tear down our national carrier, burn down Fiji’s one bridge to the rest of the world, because that is what Fiji Airways means for Fijians - our bridge to the world. It is how:

- visitors come to us;
- we visit friends and families and relatives in other countries;
- our farmers and exporters deliver their goods to foreign markets; and
- many of our citizens have returned to Fiji during this global pandemic.

Yes, today, the world may be closed, but it will not always be closed, and if we do not support our carrier through this crisis, the world will never open up to us in the same way again. There will be no full recovery for tourism. The jobs will not come back. There will be no future economic comeback. There will be no returning to life as it was, instead we will cement ourselves in economic purgatory and leave our children in an economic worse position than what we inherited.

Mr. Speaker, Sir, no one is doubting the future is uncertain. We would have better luck forecasting a coin flip than predicting the full return of normalised passenger air travel. It could be months, it could be years, no one knows. But, Mr. Speaker, Sir, we know without a doubt that when borders re-open, we must be in a position to seize on that opportunity. Until that day arrives, we need support from all quarters to ensure that Fiji Airways weathers the present storm.

There is Plan A, B and C, there is no alternative. We will continue doing everything possible to see that our national carrier survives all the way until the day our borders re-open. Today, our commitment to the Fijian carrier and to the Fijian economy demands we defend Fiji Airways - the pride of our people, from the faithless and from those who cannot see further than their own political future.

Mr. Speaker, Sir, late February 2020, we have taken steps to reduce costs, preserve cash and bolster the cash reserves with many financing activities to ensure Fiji Airways survives the COVID-19 pandemic, and thrives once again when border restrictions actually ease up. Since the execution of Government guarantees, Fiji Airways has continued to take concrete steps to ensure its sustainability. We have explained some of that today and put a definitive end to the unfounded political speculation on the airline’s financial position.

The Fiji Airways Group, Mr. Speaker, Sir, which includes Fiji Airways the national carrier, our domestic operator subsidiary - Fiji Link, and a 38.75 percent stake in Sofitel Fiji Resort, earned a profit before tax for the year ended 31st December, 2019 of FJ\$61.2 million in the 2019 financial year, compared to the FJ\$55.3 million in the previous financial year.

In July, 2019 Fiji Airways faced a forecasted fully operating loss of around FJ\$100 million, compared with a fully operating profit in 2018 of FJ\$50 million. This dramatic decline in forecasted financial results was caused by the impact for the year of further fuel price increases (FJ\$29 million), impact of the stronger US\$ exchange rates on all US\$ cost (FJ\$11 million) and most importantly, the expected negative impacts on profits, resulting from Qantas commencing direct flights in direct competition with Fiji Airways from Sydney to Nadi from 31st July, 2019 (FJ\$65 million).

The significance, Mr. Speaker, Sir, of turning a full year of forecasted operating loss of FJ\$100 million in five months and operating profit of FJ\$61.2 million, is way more than just being profitable. It speaks volumes about Fiji Airways’ and Fiji Link’s leadership and the Board. Were it

not for Qantas reducing the number of code share passengers placed on Fiji Airways in 2019 by 99,000 compared to 2018, the growth for 2019 would have actually been 8 percent as opposed to 2 percent.

Mr. Speaker, Sir, with the closure of the borders of the core markets Australia, New Zealand, USA, Hong Kong and Singapore, and the resulted drop in travel, Fiji Airways suspended all international passenger services from 1st April, 2020, that is, grounded 95 percent of its aircraft fleet. This resulted in the monthly revenue earned dropping to almost zero whilst grounding these fleets saves variable operating costs; it still has to pay recurrent fixed cost close to FJ\$38 million per month.

The Fiji Airways recurring monthly fixed cost on 1st April, 2020 was FJ\$38 million comprising primarily of aircraft ownership and lease cost of FJ\$24.5 million, employee payroll cost of FJ\$7.5 million and insurances, property rentals, et cetera, of FJ\$6 million. The ongoing cost savings and cash preservation initiatives, including aircraft loan and rental payment deferrals, have progressively reduced the monthly recurring fixed cost by August, 2020 to around FJ\$20 million until June 2021.

Urgent ongoing steps and measures were taken from early March, 2020 to save cost and preserve cash. Further steps were implemented regarding employees on 25th March, 2020 and these include, Mr. Speaker, Sir:

- (1) The early return of leased aircraft - negotiations are in the process with the lessors for the early return of the two Airbus A330-200 aircrafts as well as one Boeing 737-800 aircraft.
- (2) Insurance premium adjustment and deferral - as most of the fleet is currently grounded Fiji Airways has negotiated with the insurers for ground risk cover only because the planes are not flying which comes at a discounted rate of 35 percent with a full all risk premium.
- (3) Reduction and deferral of property rentals - Fiji Airways has arranged a deferral of all property rentals until December 2020 including some recurring reductions. You must remember that they actually have properties offshore that they are renting.
- (4) Supplier payment deferrals and reduction in charges - all key suppliers have been requested to agree to payment deferral arrangements as well as negotiations are in progress for reduction in future fees and charges and non-essential projects frozen. All non-essential projects have been stopped to prevent future cash outlays.
- (5) Reduction of employee costs - eight expatriate executives had their employment terminated with only five remaining and the CEO. All 79 expatriate pilots had their contracts terminated, 51 percent of the employees from across the airline who did not have work on 25th May, 2020 had their employment terminated. A 20 percent permanent salary reduction was implemented for all retained employees from 1st June, 2020. Expatriates executives had their salaries reduced by 30 percent and lastly, the retained employees are rostered to work between two days to five days per week and are only paid for actual days worked.

Fiji Airways in March 2020, Mr. Speaker, Sir, prepared a wide range of worst case and best case detailed monthly cash receipts and payment forecasts. For the years 2020 until 2027, the management and board have used a worst case as the base case which assumes no flying until January 2021 with a very slow ramp-up to only 70 percent of past normal by the end of 2021.

Fiji Airways base case of cash forecast for 2020 until 2027 have been independently validated by BNP Paribas. Those of you who know, in the finance market BNP Paribas is actually an international merchant bank, a leading international aviation consultancy too, which ADB has actually hired to assess Fiji Airways cash base to ensure that they are able to lend to a company that actually can pay their loans.

The Fijian \$60 million recovery rebate package will provide a further FJ\$400 stipend per passenger for the first 150 passengers who book, travel and stay in Fiji using a holiday package. We are happy that Fiji Airways has agreed to be entrusted to lead and administer the Recovery Repay Package Programme where the stipend will be shared between Fiji Airways and the hotels for the enticing holiday packages developed and sold. Some people have said we should use that money to pay workers but Mr. Speaker, Sir, we are trying to get them employed by actually getting more tourist in.

If we are going to simply do that for unemployment benefit, for which we already have \$100 million, we will still not be generating employment, and generation of employment will mean that other people also get employed, and not only those who are directly employed by the tourism sector or the airline. Again, Mr. Speaker, Sir, that type of thinking exhibits a fundamental lack of understanding about how an economy works. By supporting tourism we support actual jobs, which is what we need for our recovery - jobs, economic activity and investments.

Mr. Speaker, Sir, last but not least I have got only one page left. It has introduced and grown freight flights to 10 a week to Sydney, Auckland, LA, Hong Kong and Port Vila to provide a vital service to our exporters and to bring urgent supplies to Fiji. These freight flights cover a variable operating cost with a very small margin.

Mr. Speaker, Sir, I have received text messages from people who are exporting *yaqona* and various other agricultural produce saying that it is great that Fiji Airways is here because no one is actually going to take their *yaqona* to LA. Air New Zealand is not going to come specifically to Fiji to take our agricultural produce to LA or San Francisco or Brisbane. Fiji Airways' growth in the past years, have been around 8 percent per year on average. That is the target they have set and announced publicly for years. We have been struggling to understand why the measures we have taken have become so political when the facts are so clear.

Mr. Speaker, Sir, the Fijian Government and the Fijian people stand firmly with Fiji Airways. We will see our national carrier ride out this difficult chapter for the global aviation industry and that it is travel ready to bring back visitors to our shores as soon our borders open. Thank you Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Attorney-General for his Ministerial Statement. The Leader of the Opposition has given his apologies that he is attending a funeral today and I now call on his designated speaker, the Honourable Tuisawau. You have the floor.

HON. RO F. TUISAWAU.- Thank you, Mr. Speaker, Sir. There has been a lot of hype from Government since 2013 on Fiji Airways, especially, on its finances and the acquisition of new aircraft by our national air carrier in relation also to its financial position.

Debts and profits dos not add up, especially, on the issue of aircraft acquisition. It is not clear to the public whether the aircraft has been purchased or leased. It seems that Government continues to claim that Fiji Airways owns these new aircrafts - three airbus A330, three Boeing 737 MAX 8, two A350s. This gives a wrong picture to the nation, of national prosperity and progress.

The Waqavuka Financing Limited has been mentioned as some kind of intermediary between the purchaser, vendor and lender. Based on desktop research, the following observations can be made:

- (1) Waqavuka Financing Limited is a private company limited, by shares, registered in Ireland.
- (2) The lone shareholder of Waqavuka Financing Limited is Vistra Capital Market (Ireland) Limited and has the same registered address as Waqavuka Financing Limited.
- (3) The company directors of Waqavuka Financing Limited are also Directors of 139 other Irish companies and 32 of those companies are now closed.
- (4) Vistra Capital Market (Ireland) Limited has one shareholder which is Vistra Alternative Investments (Ireland) Limited.
- (5) The Director of Waqavuka Financing Limited since 2016 is one Ms. Hardiman, also listed as Director of 132 other Irish companies.
- (6) No information can be obtained online about Ms. Hardiman, she seems to be a ghost investor.

(Honourable Members interject)

HON. SPEAKER.- Order, order!

HON. RO F. TUISAWAU.- This sounds like the Panama Papers scandal involving the Panama company, Mossack Fonseca, which sets up rogue offshore companies for prominent figures to hide assets and avoid tax.

Based on an announcement in 2013 by the CEO, David Pflieger, FNPF lent about \$200 million (US\$113 million) for the purchase of three A330-200 aircrafts. Mr. Pflieger confirmed the total price of the planes were \$US200 million each and that 85 percent of the funding would be provided by offshore banks.

The CEO of FNPF, Jaoji Koroi, had stated publicly that he cannot disclose details of FNPF loan to Fiji Airways. Why? Fiji Airways is 51 percent owned by the people, so why can he not disclose that?

We are not aware of these offshore banks, nor the bridging financing they provided. Three airbus A330s have announced that they are owned by Waqavuka Financing Limited. In 2015, Fiji Airways acquired a fourth airbus A330-200. Mr. Pflieger also announced the aircraft was financed through Commercial Investment Trust (CIT) Group, which has headquarters in New York and is listed on the New York Stock Exchange. My question is, why was this loan not brought to Parliament for loan guarantee?

With regard to the recent acquisition of two A350-900 leased from Dubai Aerospace Enterprise (DAE) which is a globally recognised aerospace operator and one of the largest aircraft leasing companies in the world, it is difficult to get the leasing arrangement details because according to the Honourable Minister for Economy, when he answered our question in Parliament earlier this year, he said that that was a private commercial agreement. However, it is guaranteed by

Government, therefore, the people of Fiji as shareholders, must be informed to ensure transparency and accountability.

Fiji Airways is 51 percent owned by the people which is the subsidiary of Air Pacific. We need to know the facts. The need for clarity on the terms of financing or leasing arrangements and the cost must be disclosed. The whole thing adds to national debt, a threat to national security, financially, economically and credibility. We need to find out more information on the acquisition and modality of payments and its impact on the contingent liability. There is a need to review Air Pacific, Fiji Airways profitability in the short term and the acquisition of the seven aircrafts as mentioned.

On Annual Reports, Fiji Ports Corporation is 41 percent owned by Government, while Fiji Airways is 51 percent, so why are those annual reports not presented here? He said that we should access it through *google*, why? If it is 51 percent owned by Government, it needs to be presented as a form of a report to Parliament. What is the Honourable Minister for Economy and Fiji Airways hiding from the people of Fiji? If Fiji Airways situation is not addressed urgently....

HON. A. SAYED-KHAIYUM.- A Point of Order, Mr. Speaker, Sir. I did not say that he should get the annual report from *google*. I said a google search will tell you about Waqavuka. The annual report, I said, is in the Companies Office for \$10.90. I did not say *google* for annual report.

HON. RO F. TUISAWAU.- I withdraw that. If Fiji Airways is not addressed urgently, honestly and transparently, it will bankrupt the nation. Do not mislead the nation, Honourable Minister for Economy! We want Fiji Airways to survive, we do not want it to go down. It is a strategic asset with prudent financial management, transparency, good governance and accountability. That is how we want it to survive. Thank you.

HON. SPEAKER.- I now give the floor to the Honourable leader of the National Federation Party. You have the floor.

HON. PROFESSOR B.C. PRASAD.- Thank you, Mr. Speaker. It is rather unfortunate that our good colleague, the Honourable Attorney-General, spent quite a bit of time attacking the Opposition and attacking people who have raised legitimate questions, including the former Prime Minister, Mahendra Chaudhary, who is not here to defend himself.

(Honourable Members interject)

HON. SPEAKER.- Order, order!

HON. PROFESSOR B.C. PRASAD.- But let me say this, Mr. Speaker, the Honourable Minister said that the facts are clear, but the fact of the matter is that, the facts are not clear. That is the problem - the facts are not clear.

HON. A. SAYED-KHAIYUM.- Shame on you!

HON. PROFESSOR B.C. PRASAD.- When the Opposition decided to support the guarantee of \$451 million, Mr. Speaker, we did that with good intentions. We wanted to support the Airline, we wanted to support the workers, but immediately after that, they kicked the guts of the workers. They did not even respect the agreement.

Let me say this about the facts, let me say this as well, there was an e-mail from the Fiji Airways Chief Executive Officer to one of the senior managers, where he was actually expressing

concern about the leakage of disclosed information with respect to the agreement between the German bank and Waqavuka. The point is, Mr. Speaker, the facts are not clear, there is no transparency and the Honourable Minister for Economy should explain that.

Again, all that created perception that there is some kind of shady dealing, not a secrecy and this is the reason, Mr. Speaker, for the last four or five years, we have asked this Government to bring Fiji Airways' Annual Reports and table them in Parliament, so that the Reports go to the appropriate Committee and Parliament discuss those, and that the people of this country know every detail because we are the major shareholders.

Mr. Speaker, it is quite illogical for this Government to keep saying, "No past Government can do that." Of course, you are here to correct past Government's mistakes and now, you are saying that because the past Governments did not produce the Reports, you do not want to do that as well.

Mr. Speaker, last week, I sent one of my staff members to the Companies Office and this time, he actually spent four hours and found only three copies of Annual Financial Statements. Four hours, Mr. Speaker! Two copies of Annual Financial Statements cost about \$10 for the first 10 pages and 50 cents per page thereafter.

I want to know from the Honourable Attorney-General, if all copies of financial statements are available in the Companies Office, why were we only able to access three copies? We were told that the others were not there. So the question is, where are the other financial statements? Is there a Fiji Airways Group filing in the Office? If, yes, why are only three years of financial statements in the Air Pacific file? Things do not just add up.

This is another confusion. Last month, when speaking at the Nadi Chamber of Commerce Meeting, the CEO of Fiji Airways who is also now suddenly the Chairman of the Fiji Development Bank (FDB), said that the lease and loan agreement that bound Fiji Airways were the noose around the Airline's neck, he said that. He also said that the deferment of lease repayments were not an option for the Airline, as defaulting lease arrangement payment would mean losing all, in other words, every other asset. That was what he said at that meeting. That was in total contradiction to what the Honourable Minister said on 25th May in Parliament so naturally, there would be serious questions about what had happened. If that is what the CEO was saying, then technically it meant that Fiji Airways was insolvent.

Mr. Speaker, instead of coming here and blaming every Tom, Dick and Harry as he calls it, that we are trying to derail the Airline, what he should do is present to Parliament all the Financial Statements, a detailed plan of how Fiji Airways is going to ride this through and we need to discuss it.

The Standing Committee on Economic Affairs needs to look at all those Annual Reports and that is when we will have clarity, when the facts will be clear. That is where we can move ahead, Mr. Speaker, Sir. There is no point blaming the Opposition of being unpatriotic and trying to get the Airline up. We all understand the economics of it - how it is related to the economy, what it is going to do, et cetera. So, there is no point coming here and explaining all that to us, we all know that. Thank you, Mr. Speaker.

HON. SPEAKER.- I thank the Honourable Professor Prasad for his statement. Honourable Members, on that note, we will suspend proceedings for refreshments. Parliament will resume in half-an-hour.

The Parliament adjourned at 10.48 a.m.

The Parliament resumed at 11.22 a.m.

HON. SPEAKER.- Honourable Members, I now call on the Minister for Education, Heritage and Arts, to deliver her statement. You have the floor, Madam.

Free Education Grant

HON. R.S. AKBAR.- Mr. Speaker, Sir, the Honourable Prime Minister, the Honourable Leader of the Opposition, Honourable Cabinet colleagues, Honourable Members of Parliament and to the thousands of Fijians watching this on the Fijian Government *Facebook* page, the Ministry of Education *Facebook* page and other medium across the country; *Ni Sa Bula Vinaka, As-Salaam-Alaikum*, and a very good morning to you all. I rise to talk about how the Ministry of Education is taking on the challenge that COVID-19 has presented, and also to correct some misinformation from the other side.

Mr. Speaker, Sir, when COVID-19 first hit our shores, it triggered a protective instinct for our young ones, at least, for this side of the House. We knew we needed to protect them from the virus but we also knew we had to find ways to ensure a minimum impact on education. Of course, it took a lot of planning and hard work, led by the Honourable Prime Minister, to keep Fiji COVID-19-contained and finally, we were able to safely send our young ones back to school. Mr. Speaker, Sir, I wish to take this opportunity to urge parents and students, to ensure that our efforts to get you back to school does not go in vain.

Mr. Speaker, Sir, the 2020-2021 National Budget enabled us to continue with the many initiatives that directly benefit Fijian children from all backgrounds - initiatives such as free tuition fees and free textbooks continue to ensure that hundreds of thousands of Fijian children get an education. Subsidised bus fare further ensures that children from low income families get the opportunity to reach school and back home and, of course, this will continue.

Mr. Speaker, Sir, a total of 151,692 primary school students and a total of 64,019 secondary school students and thousands of EC students were assisted through the Free Education Grant in the last financial year alone, and this will also continue. Of course, this also includes the Toppers and the Tertiary Education Loans Scheme (TELS), to enable our students to also reach tertiary education.

Mr. Speaker, Sir, let me remind everyone watching that before the Bainimarama and FijiFirst Government, we all know the hardships that parents have to face in sending their children to school. Many of our own parents and grandparents know this very well and we also know that, and we must not forget the challenges and sacrifices they made, to ensure that we are where we are today, and the government of the day has taken a lot of responsibilities off the shoulders of parents to ensure their children continue to reach our schools.

Mr. Speaker, Sir, the least we could do as Honourable Members of the House, is to ensure that our children are responsible. We ensure that we teach discipline in our home and ensure that all children who are supposed to be in school reach our schools, utilising the assistance provided by the Government.

Mr. Speaker, Sir, all schools have received Free Education Grant from the Ministry of Education which is commonly known as FEG. These are provided to the schools after they submit their audited financial accounts, a requirement that every School Management and every School Head is very well aware of.

This Grant that we call FEG is for the general management of the school premises and it has to be used on things, such as science lab equipment, computer lab equipment, PEMAC equipment, building and other assets maintenance. It is also to pay for non-teaching staff, such as librarians, caretakers, bursars and administration staff. As I have said, schools must submit their audited financial accounts before the deadline and this is on 31st March, to ensure efficient and timely release of their termly grants.

Mr. Speaker, Sir, those audited financial accounts provide transparency on how FEG is being utilised. Schools also provide updates on their monthly spending details. Mr. Speaker, Sir, the reason we require schools to be compliant and provide accountability is that, we want to know whether the funds are spent efficiently, especially in this case because the future of our young ones is at stake.

Mr. Speaker, Sir, 100 percent of Term 1 2020 Grant was released to 706 primary schools out of the 735 primary schools, as these schools were the only compliant schools. The Ministry's Audit Team works very closely with those schools which have non-compliance issues, to ensure that we do not centralise that grant. When cases of non-compliance are received by the Ministry, in many cases they are resolved but in some cases when accounts are not in order, the Ministry centralises the grant, but we still ensure that the grant is released from Headquarters for the school's operation.

Mr. Speaker, Sir, 100 percent of Term 1 2020 Grant was released to 171 compliant secondary schools out of the 172 secondary schools. So we have seen an increase in compliance from our schools and management, so I would like to thank them for that.

Mr. Speaker, Sir, when we talk about FEG, the amount that is given to individual students depends on the classification of their schools. For EC schools FEG per year is \$150 and for primary schools, the allocation ranges from \$157 to \$232, with small schools that have numbers less than 200, receiving a base grant. So if a school has a roll of 51 students to 100, we give them an additional base grant of \$10,000 to assist them with their operations.

In terms of secondary schools' FEG allocation, Mr. Speaker, Sir, per capita grant per child per year ranges from \$367 to \$852. Obviously, schools have to give us an updated account on the number of students per stream and then we can release the grants to them. Other than the primary education grant, we have special schools which are provided with special education grant, which is \$500 per child, apart from the FEG that is used to assist children needing assistance in our special schools.

Mr. Speaker, Sir, apart from that, we also have the boat and the outboard motor engine grant, the printing of textbooks that we do for primary boarding and secondary boarding schools. These are boarding schools that are run by school managements, those are not Government boarding schools. Most of those schools are management-run boarding schools where parents contribute to the students but we give them a supplementary grant. To date, we have about 49 schools that are managed by school managements and the Government gives them a per capita grant per student per term for their boarding expenses.

We have Government boarding schools ration grant that is about \$2.8 million, to ensure that our children are fed well in Government schools. Of course, we mentioned the tuition subsidy grant for ECE. This year we have been given close to \$2.5 million. The transport assistance that we had talked about yesterday comes to a total of \$21.4 million. So all those contribute to ensuring that our children remain in schools.

Apart from that, Mr. Speaker, Sir, we have per capita grant for our vocational students. You are all aware that the Technical Colleges of Fiji have now been transferred to Fiji National University

(FNU), but we have 39 secondary schools that continue to have vocational classes for our students and they get a per capita grant of \$610. They are engaged in Certificate I and Certificate II vocational level courses. As I had mentioned, the special education children get \$500.

Mr. Speaker, Sir, because of the amount of money that is given towards free education, we do not condone any forms of abuse, mismanagement and unnecessary expenditures carried out and, of course, non-compliance issues, such as reporting on deadline, submission of financial accounts, spending details that are not updated, class audits that are not conducted and, therefore, we sometimes stop schools from receiving grants until they become compliant. But, again, if I can say that we have noted an improvement in schools on these issues. This is because the School Audit Team goes out and talks to school managements and heads of schools about the usage of these grants.

Mr. Speaker, Sir, all the payment processes for the particular school will be controlled by the Ministry for non-compliance for that term only until the school becomes compliant. We do understand that sometimes it causes inconvenience for the operation of schools but we want to ensure that schools comply with that.

Mr. Speaker, Sir, if a particular school has unused amount, then this becomes savings for them and they accumulate it over the years and when the management and the school requests the Ministry, through the Permanent Secretary, if that savings could be utilised for other development works within the school, we accommodate that.

Mr. Speaker, Sir, for schools that are run by management, like I said, we also provide supplementary hostel grants and these managements' work is coordinated through the School Management Handbook.

Mr. Speaker, Sir, there is a separate allocation for text books and since the Ministry has started to provide textbooks to the students, we have spent a substantial amount in ensuring that children receive textbooks on time. However, we have also noted irresponsibility on the part of some students and actually parents not keeping those books in the condition that the books have been given to the children. Every year the Ministry utilises the funds allocated for textbooks to top up the book scheme in the schools.

So, from 2021, Mr. Speaker, Sir, there is going to be a textbook policy where we are going to hold the children and parents more responsible. We want to ensure that the books given to them are returned for those children who will be using those in the following years.

Mr. Speaker, Sir, school heads and school managements in managing the Free Education Grant have the guidance of the School Management Handbook 2020, and for the financial management arrangement school policies.

The Ministry, in conjunction with the Ministry of Economy and the Solicitor-General's Office, is also working on a Draft Grant Agreement for schools. Unfortunately, we never had any Grant Agreements for schools since the time the FEG started, so we are now working on that. We are in the final stages of the Grant Agreement, together with the handbook and our policies which will form the framework for prudent management in schools regarding the FEG and assistance that is provided.

We urge those responsible for guiding our young ones to utilise these funds prudently and minimise unnecessary expenditure, especially when we have had our FEG reduced. This is just to ensure we use our taxpayers' dollar efficiently and also set an example to the very students that we are looking at.

Mr. Speaker, Sir, the current fiscal year budget for the FEG is \$60.7 million, \$31.5 million for Primary Schools, \$29.2 million for Secondary Schools and \$2.59 million for ECE Subsidy.

Mr. Speaker, Sir, talking about grants, I would like to continue from where I left off yesterday during the question session, again, on the Government provision of school lunches. I made it clear yesterday that Heads of Schools had been advised, we have spoken to them, and we have consulted with them on the way they need to approach this in their own schools because they are in a better position to know the assistance that their children need.

The line of attack that has come against the Government and the Ministry of Education, as well as personally to me, Mr. Speaker, and I am referring to you Honourable Professor Prasad, you probably, have no idea about how reality works and completely lacks the understanding of how school systems work. Providing nutritious lunch has always been a parental responsibility for decades, and Honourable Kepa will agree with me.

Mr. Speaker, Sir, there are more than 1,000 schools across the country with more than 250,000 children and close to 13,000 teachers. The Government already provides relief assistance to families affected by COVID-19 in the form of unemployment benefit every fortnight and, again, it has been mentioned in the House that \$100 million has been set aside further for unemployment benefits.

Mr. Speaker, Sir, the Ministry cannot dictate what food parents want to give to their child. We need to understand:

- food allergies;
- dietary preferences;
- faith-based schools with restrictions;
- religious beliefs which do not allow certain foods to be consumed by children; and
- food safety and storage.

We also need to ensure OHS standards are met, as well as the need to look at what happens in the case of food contamination and who will take responsibility?

I suggest we let that be a parental responsibility. These are the choices we leave to the parents, while we assist them with many other incentives, like free education, water subsidies, other grants and benefits including those who have lost out on employment with the unemployment benefits.

Heads of schools, again, I will put this to Parliament, have been briefed and will act accordingly to look after the interests of the children in their care. The participation of parents in the educational process means that teachers and parents share the responsibility to teach students and work together to achieve our educational goals.

This is the time for us to come together and help each other, Mr. Speaker, Sir, instead of criticising Government's initiatives for the sake of politics. I would like to thank everyone and the many religious groups, youth groups, NGOs, entities, individuals, donors, sponsors and corporate bodies, who have taken action to provide help to our young Fijians during this pandemic, including our school children. Thank you very much for all your helping hands.

Mr. Speaker, Sir, in what can only be deemed as a crazy rant, the Honourable Leader of the NFP, Honourable Professor Prasad, launched a video on his *Facebook* page, attacking me and making all kinds of allegations. We, as Honourable Members of this House are being watched by children and must set a good example in all and everything that we do. I was disappointed that the learned

Professor appeared on a video and used such terrible grammar, setting the worst examples for aspiring students who may have come across the video.

Mr. Speaker, Sir, I would like to remind Honourable Professor Prasad, that I am a Minister, Politician, mother, sister, daughter, so I was disgusted at the level of disrespect shown by the NFP Leader to me as a woman, when he called me a motor-mouth. Honourable Professor Prasad, you do not have to look far to tell yourself who a motor-mouth is. So I would rather you look behind you, do not get me wrong. I was not disgusted for myself, I was disgusted for every individual who must have watched that. And believe me, it is not right for them to think it is acceptable for a man to disrespect and insult any woman. Please, do not set

HON. L.S. QEREQERETABUA.- A point of order, Mr. Speaker, Sir.

Mr. Speaker, Sir, I just have to say, I am sorry. After listening to Honourable Pillay talk about me the way he did in this august House, with no help from the ladies on the other side, I think it is rich that the Honourable Minister for Education comes here and talks about respect for women.

HON. A. SAYED-KHAIYUM.- What is your point of order?

HON. L.S. QEREQERETABUA.- That is my point of order. If you want respect, you have to learn to give it as well. Thank you, Mr. Speaker, Sir.

(Honourable Members interject)

HON. SPEAKER.- Order, order!

HON. R.S. AKBAR.- Thank you, Mr. Speaker, Sir. I think by now the Honourable Members of this House and the women in this House have learnt, we need to fight our own battles. We will fight our own battles, like it or not.

(Honourable Members interject)

HON. SPEAKER.- Order, order!

HON. R.S. AKBAR.- Mr. Speaker, Sir, again let me put it straight, disgusted at the precedence set by the Honourable Professor Prasad for all those men and boys watching who might think it is alright to insult women in this a manner, instead of debating on the points.

Honourable Professor Prasad, what happened when you used to call me, when you used to write to me and when you used to text me about issues? I used to deal with those. What happened, because you might not have got those political scoring points when you were writing to me and asking, "Minister can this be done? Minister please look into that." It was not in the public space so suddenly you wanted to go into public space and clear it or score more political points. Stop that! You can still call me, you can still write to me, you still have my number and I will deal with the issues, but stop your ranting, please. In fact, Honourable Professor Prasad, I think you are misguided and you need a reality check.

Mr. Speaker, Sir, he said that I completely lost the plot when it comes to looking after welfare of the teachers and students. Honourable Professor Prasad, you can benefit from education. While you were making your nonsense videos, approximately 151,000 school students in primary and 64,000 secondary school students were assisted through free education last year alone and it will continue. That is 24 percent of our total population, almost a quarter of the population has been

helped and continue to be helped which Honourable Professor Prasad does not seem to see; for what reasons, I do not know. He said I lost the plot. I wanted to say something else but I will say it in a nice manner - I think you have just lost the cause.

Mr. Speaker, Sir, I lack human values, understanding and compassion according to Honourable Professor Prasad. I wonder, Mr. Speaker, Sir, where Honourable Professor Prasad's human values, understanding and compassion were when he openly called for civil servants to get a pay cut, in the *Fiji Times* and on their website.

(Honourable Members interject)

HON. SPEAKER.- Order, order!

HON. R.S. AKBAR.- Was the welfare of the people not important then?

(Hon. Professor Prasad interjects)

HON. R.S. AKBAR.- No, no, I have a screenshot of it!

HON. SPEAKER.- Order, order!

HON. R.S. AKBAR.- Mr. Speaker, Sir, it was the FijiFirst government which ensured that all civil servants including teachers have their welfare looked after.

(Hon. Professor Prasad interjects)

HON. R.S. AKBAR.- No, I have a screenshot, Honourable Professor Prasad! We did not listen to him.

No amount of misinformation and insult by the learned Professor will ever change the truth about the FijiFirst Government.

Mr. Speaker, Sir, coming to another issue, when Honourable Salote Radrodro claimed

HON. S.V. RADRODRO.- You worry about RKS.

HON. R.S. AKBAR.- Oh, let it be! Let me come to you.

(Hon. S.V. Radrodro interjects)

HON. SPEAKER.- Order!

HON. R.S. AKBAR.- When Honourable Salote Radrodro claimed that she was denied entry into a school in Labasa, that was also false, Honourable Radrodro, and you know that!

(Hon. S.V. Radrodro interjects)

HON. SPEAKER.- Order, order!

HON. R.S. AKBAR.- Honourable Professor Prasad, you jumped on the bandwagon and said, "the Minister must stop this nonsense." There is no nonsense!

Let me clarify this, you took it to the media for clarification, so let me use my parliamentary privileges too. I have a written explanation from the teacher about what happened. She advised you to write for permission, not to the Minister, to the Permanent Secretary. You did not do that, but you went to your favourite newspaper.

(Honourable Members interject)

HON. R.S. AKBAR.- Lies, lies, lies!

HON. SPEAKER.- Order, order!

HON. R.S. AKBAR.- Mr. Speaker, Sir.

HON. SPEAKER.- Honourable Minister, you started off well, but then you started to go astray. You started going this way, this way and that way, so I hope you stick to what you were originally saying.

HON. R.S. AKBAR.- Thank you, Mr. Speaker, Sir, I take note of that.

HON. SPEAKER.- You have the floor.

HON. R.S. AKBAR.- Mr. Speaker, Sir, there never has been a Government like this one and everyone knows that, including the Opposition, that they cannot form anything close to this. All you are doing is throwing obstacles in our path. We have done so much and we will continue to do so, Mr. Speaker, Sir. We care about our people, we respect each other and we will continue to be tolerant to your misinformation.

HON. S.V. RADRODRO.- Let's talk about it. Your action speaks louder than words.

HON. A. SAYED-KHAIYUM.- Yes, your actions.

HON. SPEAKER.- Order, order!

HON. R.S. AKBAR.- Mr. Speaker, Sir, many of these Fijians recognise the enormous task at hand and they appreciate our never ending efforts to keep our children in schools, even in these trying times. They know that teachers and other civil servants are true Fijian heroes who are striving to continue to serve the nation. We may come from many different backgrounds, but we want the best for our people - security for ourselves and our families, education and health for our children, opportunities for most of all, Fijian people want peace and a better Fiji for everyone.

They know that with the FijiFirst Government, they are cared for. And they know that the Honourable Prime Minister will do whatever it takes to keep Fiji and all Fijians safe, because they have seen it time and again through actions and not words.

I would like to once again sincerely thank the thousands of healthcare workers, teachers and civil servants, religious groups, youth groups, NGOs and Fijians, who are ensuring our Fiji is safe every single day. Thank you, Mr. Speaker.

HON. SPEAKER.- I thank the Honourable Minister for her Ministerial Statement and I now give the floor to the designated speaker for the Opposition, the Honourable Leawere.

HON. M.R. LEAWARE.- Thank you, Mr. Speaker. I would like to thank the Honourable Minister for her Ministerial Statement but with due respect, instead of her concentrating on facts, she started casting aspersions on Honourable Professor Prasad. She should have concentrated only on what she was supposed to talk about this morning, but she went meandering all over the place. That is why we do not know how to respond to your Ministerial Statement.

Mr. Speaker, Sir, in her statement, she mentioned about the Handbook which is a good initiative by the Ministry of Education but that Handbook alone cannot work by itself. It has to be taken out to the schools, especially for school managements to be trained, especially on the acquittal of funds, especially on FEG because when it comes to the release of these funds, it takes quite a while for these funds to reach their schools, taking into consideration, Mr. Speaker, Sir, the location of the schools. Some are maritime schools, rural schools and their reach is very difficult, so in that regards the Ministry should be more affordable in terms of getting to these schools to know what they should do in terms of acquittal.

I am very concerned about the release of funds, especially on the allocation of funds as per student population. The distribution of grants depends on student population as was introduced in those years by the Soqosoqo ni Vakavulewa ni Taukei (SVT) Government and now taken on board by the FijiFirst Government. It is an initiative that has been set for us, from those years until now.

But the issue here, Mr. Speaker, Sir, is how it is distributed because in some schools, as the Honourable Minister has mentioned, the number of students will determine the amount of grant that is given to them. Unequal distribution is not very good, for example, in comparing a remote school in Naitasiri and an urban school, the disparity is there because of the number of students or student population. They should work out a formula for the equal distribution of grants because some of those schools, especially those that need the grants for their school buildings, IT and electricity. The smaller the grants, the amount of work a school will do will not help them in terms of them moving forward.

The other issue I would like to raise here, Mr. Speaker, Sir, is the condition of Government schools in terms of the school buildings. There is a need for the Ministry of Education to look more into this. We look at Ratu Kadavulevu School (RKS), Queen Victoria School (QVS), Adi Cakobau School (ACS), they need more rehabilitation in terms of the school buildings because they are falling into pieces. I am sure that with the funds available under Head 50, the Ministry could use some of that to rehabilitate some of those schools.

On another note, Mr. Speaker, Sir, I would like to ask the Honourable Minister, where is school zoning? Where is it now, is it in force or has it died or what has happened to it? There needs to be some information coming from the Honourable Minister on how the school zoning is monitored.

Just yesterday, Mr. Speaker, Sir, the Honourable Minister spoke at length about RKS. That should have come in her Ministerial Statement instead of wasting question time, so that everyone and even the nation should know what is happening at RKS. At least, some work is done to make sure that students can go back to RKS.

The Government is saying that all children have a right to education because of free education and whether they pass or fail, they still go up to higher levels. There is no quality education there, Mr. Speaker, Sir. What is the Ministry doing about this? Thank you, Mr Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Member for his statement. I now give the floor to the Leader of the National Federation Party. You have the floor, Sir.

HON. PROFESSOR B.C. PRASAD.- Thank you, Mr. Speaker. Mr. Speaker, you rightly observed that the Honourable Minister started on a right note but then meandered into her personal diatribe and attack. I hope she feels better after what she said today, but what I want to tell the people of this country, Mr. Speaker, and to her as well and to all the teachers and students in this country, when I referred to 'Minister for Education', I do not refer to Rosy Akbar as a woman.

HON. R.S. AKBAR.- Then who?

HON. PROFESSOR B.C. PRASAD.- I refer to her as Minister for Education responsible for the work of the Ministry of Education.

HON. R.S. AKBAR.- No!

HON. PROFESSOR B.C. PRASAD.- That is what I referred to, so with all those ridiculous insinuation that I am insulting women and all that, is a whole lot of rubbish.

The other thing, Mr. Speaker, this lie that has been perpetuated and I see that it is continuing, if they go and look at my video on NFP *Facebook* on 16th March, 2020, they will see exactly what I said about the civil servants pay cut and what we need to do. I am glad that after that suggestion, we, Members of Parliament, actually took that.

But the important thing, Mr. Speaker, is this, when I raised this issue in the budget process and I asked the Honourable Minister a very pointed question whether there would be any room within the Ministry's budget to ensure that some of those grants could be diverted for providing lunches to students, but she said there was no money.

Essentially when she goes to a school and says, "Oh! We are not providing grants for lunches or whatever because we do not want teachers to pound garlic and onions and all that", I thought that was a ridiculous statement. That is not the reason why she said in Parliament that the grant is not being diverted for lunches.

Now, Mr. Speaker, I want to thank again many of those parents, community workers, the NGOs, religious organisations, who are working hard and volunteering, they are not involving any teachers and that is what I was saying in Parliament that the Government should provide funds to these NGOs and religious bodies so that they can help.

Mr. Speaker, I have been around the place and talking to those people, in fact, they are telling me that the situation in some parts of the West is actually easing. I want to mention this because they want to actually thank the Honourable Minister for Agriculture because some of them are saying that seeds, et cetera, that were supplied, actually helped some of the parents to actually raise food and raise a little bit of income. So that is a real, sort of, contribution coming from the Ministry of Agriculture and this is what people are saying. I want to say 'thank you' to the Honourable Minister and the Ministry for actually doing that.

But let me also get this thing that this Government, Mr. Speaker, keeps bragging about but before I go on to that, when Honourable Salote Radrodro was talking about being stopped, Mr. Speaker, let me give you an example. We went to a Rakiraki school because we also provide donations for that organisation and they wanted to visit them. We went there, we thanked the people, we saw none of the teachers were involved, the parents, community and then after we left, there was an email from the Ministry of Education saying, "What was Biman Prasad doing here. Can you explain that?" I mean, this is the kind of fear somehow that Honourable Members on the other side

have that if an Opposition Member goes to a school, that somehow they are going to talk about the Government. They are so worried about us, and this is their agenda.

Right now in the middle of the pandemic, this is a Government which is more worried about how they look. They are thinking about 2022 and blaming the Opposition of playing politics. We are not, Mr. Speaker. This is the trouble - they will put everything, they will use the State apparatus and State institutions to get at the Opposition wherever they can and this is the politics that they are playing, stopping an Honourable Member of Parliament to go to a school and speak to the students. What is wrong with that? She does not want to explain that, Mr. Speaker.

(Honourable Government Members interject)

HON. SPEAKER.- Order, order!

HON. PROFESSOR B.C. PRASAD.- And yet when I talked about the Honourable Minister for Education, saying something which is irrelevant, Mr. Speaker, she takes it personally. She is accusing me of insulting women in this country. What a load of crap!

Every woman in this country, Mr. Speaker, what I stand for. So let us not get into that cheap politics coming into this House and abusing the time that the Honourable Minister had, in explaining to the people of this country, the parents and the students, but she went on a personal attack. But I hope, Mr. Speaker, that tonight, she will sleep well because she has been able to use that attack on me and I want to thank her.

(Honourable Member interjects)

HON. PROFESSOR B.C. PRASAD.- Prime Minister, you are not the Speaker, I am talking with the Mr. Speaker.

(Laughter)

Tell the Speaker or don't tell the Speaker. The Speaker, will tell me what to do. Thank you, Mr. Speaker.

HON. SPEAKER.- We will move on. Honourable Members, I have been advised that there are no Bills for Consideration today.

I now call on the Honourable Attorney-General and Minister for Economy, Civil Service and Communications, to move his motion. You have the floor, Sir.

**REPUBLIC OF FIJI-SOLOMON ISLANDS MARITIME BOUNDARIES –
REVIEW OF THE DELIMITATION AGREEMENT**

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, I move:

That the Standing Committee on Foreign Affairs and Defence review the Agreement between the Republic of Fiji and the Solomon Islands concerning their Maritime Boundaries.

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

HON. SPEAKER.- Honourable Members, the Honourable Attorney-General has moved a motion to refer the Treaty to the Standing Committee on Foreign Affairs and Defence. I confirm that

the Honourable Attorney-General has provided me with copies of the Treaty and the Written Analysis, as required by Standing Order 130(2).

Therefore, pursuant to Standing Order 130(3), the Treaty and Analysis stand referred to the Standing Committee on Foreign Affairs and Defence for consideration and review. The Committee may table a Report to Parliament no later than 30 days from today.

We move on. I now call on the Attorney-General and Minister for Economy, Civil Service and Communications, to move his motion. You have the floor, Sir.

REVIEW OF THE AMENDMENTS TO THE ISA FRAMEWORK AGREEMENT

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, I move:

That the Standing Committee on Foreign Affairs and Defence review the Amendments to the Framework Agreement of the Paris Declaration on the International Solar Alliance of 30th November, 2015.

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

HON. SPEAKER.- Honourable Members, the Honourable Attorney-General has moved a motion to refer the Treaty to the Standing Committee on Foreign Affairs and Defence. I confirm that the Honourable Attorney-General has provided me with copies of the Treaty and Written Analysis, as required by Standing Order 130(2).

Therefore, pursuant to Standing Order 130(3), the Treaty and Analysis stand referred to the Standing Committee on Foreign Affairs and Defence for consideration and review. The Committee may table a Report to Parliament no later than 30 days from today.

We move on. I call on the Attorney-General and Minister for Economy, Civil Service and Communications, to move his motion. You have the floor, Sir.

REVIEW OF THE OPTIONAL PROTOCOL ON THE SALE OF CHILDREN, CHILD PROSTITUTION AND CHILD PORNOGRAPHY

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, I move:

That the Standing Committee on Foreign Affairs and Defence review the Optional Protocol to the Convention on the Rights of the Child on the Sale of Children, Child Prostitution and Child Pornography.

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

HON. SPEAKER.- Honourable Members, the Honourable Attorney-General has moved a motion to refer the Treaty to the Standing Committee on Foreign Affairs and Defence. I confirm that the Honourable Attorney-General has provided me with copies of the Treaty and Written Analysis, as required by Standing Order 130(2).

Therefore, pursuant to Standing Order 130(3), the Treaty and Analysis stand referred to the Standing Committee on Foreign Affairs and Defence for consideration and review. The Committee may table a report to Parliament no later than 30 days from today.

We move on. I now call upon the Honourable Attorney-General and Minister for Economy, Civil Service and Communications to move his motion. You have the floor, Sir.

**REVIEW REPORT ON THE MADRID AGREEMENT,
MADRID PROTOCOL AND PARIS CONVENTION**

HON. A. SAYED-KHAIYUM.- Mr Speaker, I move:

That Parliament approves that Fiji accede to the:

- (a) Madrid Agreement Concerning the International Registration of Marks 1981 (Madrid Agreement);
- (b) Protocol Relating to the Madrid Agreement (Madrid Protocol), (together known as the Madrid System); and
- (c) Paris Convention for the Protection of the Industrial Property.

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

HON. SPEAKER.- Honourable Members, I now invite the Honourable Attorney-General to speak on his motion. You have the floor Sir.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, I seek parliamentary approval for Fiji to accede to these Conventions.

The Standing Committee on Foreign Affairs and Defence on 31st August, 2020, tabled its Report on the following Treaties:

- (a) Madrid Agreement Concerning the International Registration of Marks 1981 (Madrid Agreement);
- (b) Protocol Relating to the Madrid Agreement (Madrid Protocol), (together known as the Madrid System); and
- (c) Paris Convention for the Protection of the Industrial Property 1883.

Mr. Speaker, Sir, the Committee Report provides a summary and examinations and submissions made to the Committee.

Very briefly, the Madrid Agreement came into force in 1893. The Madrid Agreement was established to provide a single and inexpensive system of international trademark. The Madrid Protocol came into force in 1989 and was created to correct deficiencies in the Madrid Agreement, to make the international system of registration of marks more flexible and compatible with the domestic legislation of individual States.

The Paris Convention came into force in 1883. The intent of the Paris Convention was to provide protection for creators of industrial property, including patents, trademarks, industrial designs, utility models, service marks, trade names, geographical indications and to repress unfair competition. In other words, the core aim of the Treaty is to protect intellectual property rights.

In the interest of time, Mr. Speaker, Sir, I will not be providing a complete summary of the Treaties by each Article. The complete summary has been provided in the Written Analysis that was provided to Parliament earlier on.

Mr. Speaker, Sir, we note that the Committee has made two recommendations with respect to the accession of the Treaties. These recommendations are outlined on page 7 of the Report which actually states, and I quote:

- “1. Fiji accedes to the Convention and adopts without reservation after passing the following Bills in Parliament:
 - a) Trademarks Bill 2020;
 - b) Patents Bill 2020;
 - c) Designs Bill 2020; and
 - d) WIPO certifies that FIPO is compliant to implement the requirements of the Madrid Systems.
2. Government direct and strengthen resources to the Fiji Performing Rights Association (FPRA) to protect Copyrights and pass the Traditional Knowledge and Traditional Culture laws.”

Mr. Speaker, Sir, in response to the first recommendation of the Committee that Fiji passes various Intellectual Property Laws before acceding to the Treaties, it is misconceived and flawed by this Committee. The absence of a legislative framework that ensures compliance with our obligation with Treaties is no impediment to Fiji’s accession to the Treaties.

Furthermore, WIPO has confirmed that domestic legislation is not a prerequisite to the accession of the Madrid System. In fact, with the Paris Convention, WIPO has confirmed that we must accede to the Convention before we ratify the Bills. This is because the Bills particularly, the Trademarks Bill, seeks to domesticate international law and the obligations under international law. Therefore, logically, a State must enter the international framework before we can domesticate those requirements. For example, Mr. Speaker, Sir, the Paris Convention allows countries to protect certain marks, which are of significance to them, such as State emblems and State flags. Because Fiji is a party to the TRIPS Agreement, we are automatically obligated to apply Articles 1 to 12 and 19 of the Paris Convention, despite the fact that we are not a party to the Paris Convention itself.

However, under Article 6 of the Paris Convention, we are still unable to object to the marks that other States register for protection. We are thus, at a disadvantage in the sense that we must protect the marks these States register, but we are not able to object to them in the case of another State registering a mark of particular significance to us. So, we have people, for example, in USA, opening up various outlets, using our names that we will not allow anyone else to register. Once we are party to the Paris Convention, we will have this right to object and then we will enact the Trademarks Bill to domesticate this process. We cannot do this backwards, or we will have a law in Fiji applying rights they do not even have.

Mr. Speaker, Sir, this advice, in fact, was provided by the Solicitor-General’s Office to the Committee and yet, they have made this recommendation, which is actually contrary to the legal advice given by the Solicitor-General’s Office. We find this very baffling.

Mr. Speaker, Sir, this recommendation is also a complete departure from how this Committee has made its recommendations in the past. I will refer to just three Treaties that show this Committee’s inconsistency. This very same Committee made a recommendation for the ratification of the United Nations Convention on International Settlement Agreements resulting from Mediation, despite stating on page 31 of the Report, and I quote, “It is envisaged that an international mediation law incorporating the relevant provisions of the Convention will need to be enacted in Fiji.”

This very same Committee, Mr. Speaker, Sir, also recommended that Fiji ratify the Kigali Amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer, despite listing as a challenge on page 12 of the Report, and I quote; “Adapting existing laws and introducing new ones to achieve the HFC phase out.” Mr. Speaker, Sir, actually they recommended that we ratify with immediate effect, even though there were no domestic laws.

The third one, Mr. Speaker, Sir, is the Committee under one of the former Members of Parliament in the 2014 Parliament recommended the ratification of the International Convention on Civil and Political Rights. He was stating that we must expedite the ratification, despite stating on page 11 of the Report that there are aspects of our laws that need to be changed, and here we have this Committee saying, “Do not ratify the Convention unless you have domestic laws in place”, despite being given advice to the contrary.

Mr. Speaker, Sir, this Committee has always understood how Treaties work under this Parliament, so why have they suddenly done a u-turn on established practice? Why are they suddenly unable to understand the logic behind the processes for Treaty ratification and domestic legislation?

Mr. Speaker, Sir, several law firms have expressed (according to them) about the loss of revenue to Fiji, including loss of jobs, taxes, customs duty et cetera. In fact, Mr. Speaker, Sir, I am astounded. If you read the Report, Mr. Speaker, Sir, we are astounded that the Committee has shown concern about the so-called potential loss of jobs from Munro Leys, specifically in the Report. I believe, Honourable Tikoduadua, had raised very strong objections on behalf of Munro Leys. Clearly, Honourable Tikoduadua has a vested interest in promoting Munro Leys, they are also the lawyers for NFP, Munro Leys, as stated in their annual accounts, which I can come to later on too.

Mr. Speaker, Sir, Munro Leys is one the few firms in Fiji that acts as an agent for international companies and corporations on the registration of marks at the Fiji Intellectual Property Office (FIPO). So, if Fiji accedes to the Treaties, clearly, Munro Leys will lose revenue. This is the actual issue, so they are now pontificating for individual firms.

The crux of the matter, Mr. Speaker, Sir, is that should Fiji accede to the Treaties, a few private law firms may lose out on revenue. Yes! This issue raised by the private law firms is purely self-serving. This is not about Government revenue, it is about revenue earned by a few private law firms, who specifically act as agents for international companies and corporations. This is the reason the Committee has made this recommendation, despite past practice and obvious logic.

Mr. Speaker, Sir, addressing other concerns in relation to the procedures to be adopted. During the period from the deposit of the Instrument of Accession (this Treaty) until the entry into force of the Treaty, the International Registration of Marks will continue to be processed in accordance with the current legislation.

The WIPO has, in fact, pledged technical support to Fiji to help us strengthen our intellectual property legislation to ensure compliance with the obligations set out under the Treaties. We are already in discussions with them. As such, the Committee is also misguided in recommending that WIPO certifies that FIPO is compliant to implement the requirements in the Madrid System. Given that WIPO is providing assistance in relation to intellectual property legislation, there is also no need for WIPO to give any sort of compliance certification, it does not do that.

Mr. Speaker, Sir, the Committee also noted that some law firms have also questioned FIPO’s capacity to implement the Madrid system. I understand the Committee went down to the Solicitor-General’s Office, including the lack of capacity to digitise the current applications to deliver timely

outcome under the Madrid System. Also, it raises concern in relation to the costs associated with training highly qualified human resources.

Mr. Speaker, Sir, these are just simply presumptions made by the private law firms which are outrageous. While there are deadlines to be met under the Treaty, just like any other application process, in this case, the private law firms are assuming that FIPO will fail, even before we implement the system. Here, we are talking about building local and national capacity, we are already assuming that our people will not be able to do the job, even though they may be trained by WIPO.

There have been many times, Mr. Speaker, Sir, that Honourable Members from the other side have said that the FijiFirst Government will fail and will not be able to do this and that, but we have proved them wrong time and time again. We are trying to invest in our locals, we continue to thrive and our people continue to benefit from our strong and unprecedented initiatives.

Mr. Speaker, Sir, in fact, WIPO has assured and made an undertaking to the Fijian Government that once Fiji accedes to the Treaties, it will provide the necessary training and capacity building to FIPO with respect to the software programme used under the Madrid system in order to implement the international registration system of trademarks in Fiji. This assistance will be provided free of cost by WIPO to the Fijian Government.

The conjecture that the accession to the Treaties will reduce demand for Intellectual Property (IP) services in Fiji by 50 to 70 percent seems to be a static that has been pulled out of thin air. There is no evidence adduced in the Committee's Report to support this conjecture. The Committee should not have supported this conjecture. How does the Committee or even Munro Leys come with a figure, such as a reduction of 50 to 70 percent for the demand of IP services?

Mr. Speaker, Sir, the Fijian Government has embarked on digital transformation of Government services called the ease of doing business. Through digitalFiji, it makes it easier for Fijian entrepreneurs to register their businesses and companies online. As Fiji embarks on adopting international best practices and standards and removing old, imperial, archaic systems, our progress cannot be held ransom based on the perceived fears of some private law firms that will supposedly suffer loss of revenue.

Honourable Professor Prasad is going on about the ease of doing of business, this is what actually goes to the heart of it, one of the key areas. But also it gives us the ability to register our trademarks offshore from Fiji. It is prudent to know, Mr. Speaker, Sir, that this concern raised by private law firms is specific to clients who may be multinational companies and corporations who solicit private firms to register their trademarks. So, therefore, any revenue loss would, in fact, be minimal.

With respect to the second recommendation, Mr. Speaker, Sir, that Government, and I quote: "Strengthens resources to the Fiji Performing Rights Association (FPRA) to protect copyrights and pass the traditional knowledge and traditional culture laws", once again the Committee's recommendation is misconceived. The Madrid System deals with the international registration of trademarks, it has nothing to do with copyright. Copyright is different. There is no nexus between the Madrid System and FPRA or Copyrights which incidentally do not need to be registered. When you get a motion on a treaty, you look at the treaty and not ancillary things or your own agenda.

The Honourable Members' understanding of the Treaties is completely wrong. The recommendation of Fiji to enact laws in relation to traditional knowledge and traditional culture and strengthen resources available to FPRA has absolutely no bearing on Fiji's accession to the Treaties.

The Committee is also incorrect in its reference to the law on traditional culture and traditional knowledge. The correct term is actually traditional knowledge and cultural expression. They have even got that wrong - TKCE. The Committee has completely misunderstood that the trademarks and other similar intellectual property are instruments for commercial gain, while TKCE, as the Honourable Nawaikula will tell you, is entirely different. Its purpose is for the protection of cultural and folklore creation.

Mr. Speaker, Sir, I also note with concern that the Committee, whilst it went out of its way to consult the New Zealand Intellectual Property Office, the Committee did not see it necessary to have consultation with the World Intellectual Property Office (WIPO), given that WIPO itself could have provided clarity to any of the concerns the Committee had, in relation to the accession of the Treaties.

Mr. Speaker, Sir, accession to the Treaties will demonstrate Fiji's commitment to the development of its legal framework with the respect to Intellectual Property. Acceding to the Treaties also reinforces Fiji's intend to uplift its business climate by enhancing the ease of doing business and the digitalFiji initiatives.

Mr. Speaker, Sir, therefore, for those reasons, I urge Honourable Members to discard the recommendation of the Committee with the proviso they have got, and essentially that Parliament approves that Fiji accede to these Conventions without reservations.

HON. SPEAKER.- I thank the Honourable Attorney-General. Honourable Members, the floor is now open for debate on this motion. Anyone wishing to take the floor? Honourable Tikoduadua, you have the floor.

HON. LT. COL. P. TIKODUADUA.- Mr. Speaker, Sir, thank you for the opportunity to contribute to the motion before the House and I thank the Honourable Attorney-General for his contribution to the motion.

The Madrid Convention and the Madrid Protocol, as the Honourable Attorney-General rightfully referred to as the Madrid System, together with the Paris Convention have been tabled in Parliament and the Committee was given the responsibility by Parliament to review it. I am not going to go through the recommendations of the Committee again but I might cover that later on. That has already been referred to the House by the Honourable Attorney-General but it is unfortunate, Mr. Speaker, that the Honourable Attorney-General has recommended to the House that he does not support the recommendation of the Committee.

Mr. Speaker, Sir, I am going to stand here today and speak for the Committee because when we deliberated on this matter, we looked at the substance of the matter before the Committee as it is referred to by Parliament, so as we did for every other Convention that we have had a look at, on the substance of it and make the recommendations to the House as the Committee sees fit for the benefit of the House and what it believes to be in the best interest of the Fijian people. That is the guiding principle of why the Committee makes the recommendation as it does. It bases its recommendation on what it believes to be the best recommendation to the House, given the matter that has been placed before it and I would elaborate a little bit on that.

Now, on that matter also, Mr. Speaker, let me assure the House that the Committee is not misguided. But I will talk about this a little bit later in terms of the guidance that was given to the Committee by the people, by the Government Departments that came to present on which basis we have objectively reached our conclusion and the recommendations that we have made. We have not made these recommendations in isolation, nor have we made these recommendations in trying to follow within the recommendations that we have made for other treaties and conventions that were

put to the Committee because those conventions and treaties are matters that have to be considered on their own merit, in terms of the laws that exist in the country right now and the laws that have to be made. Now, I want to correct that, we are not misguided, Mr. Speaker, and I will tell you that in a moment.

Now, I want to correct also an issue here that the Honourable Attorney-General has noted about the World Intellectual Property Organisation (WIPO). That WIPO has made this recommendation about not needing to have the legislations in place and be able to accede to this treaty because this is new. You have a written opinion, Mr. Speaker, Sir, in the report by the Office of the Solicitor-General and their submissions to the Committee is in verbatim report. Never did they say for a single moment that WIPO said, "Yes, we can accede without having to have the relevant laws in place." That is why we made these recommendations to the House and I will tell you more about it because I believe it is not supposed to mislead the House, it is not. We were never told because if we did, we would have included it.

Also, Mr. Speaker, I want to note at this stage what the Honourable Attorney-General has referred to me and Munro Leys. For the information of the House, Mr. Speaker, and for the information of the nation, Munro Leys is a law firm that currently deals with 50 percent of intellectual property, trademark, patents applications that are made to FIPO. The Committee saw it fit that they should be invited and it was not only Munro Leys, it was Sloan as well, we also invited Sherani.

We invited Fiji Performing Rights Association Limited (FPRA). We understand that copyright is not included under Madrid, of course, we know, but because FPRA was invited, they came and they presented like any other person would come to the Committee, so it is fair for the Committee to bring their issues to Parliament and include it in their report. So because Munro Leys was there, you will note in the verbatim report that we asked a lot of questions, we raised issues in the discussions of the Committee on what Munro Leys had presented. It is actually got nothing to do with me and Munro Leys. Now, I want to correct that misconception here, Mr. Speaker, and I think the Honourable Attorney-General should withdraw that statement, making false allegations and allusions.

Mr. Speaker, the recommendations of the Committee are there for you and there is a reason for that. Now, I said earlier, and I am not going to talk about the benefits because it is there before the House and also the Honourable Attorney-General had already alluded to it, but what I would like to note though that in terms of these recommendations, why did the Committee come up with these recommendations? The simple reason is this, the Committee was appointed by the Solicitor-General's Office and also for the FIPO of the examples of the Intellectual Property Office of New Zealand (IPONZ). We never knew about them and there is the reason we went there.

Mr. Speaker, let me tell you and also tell this House on how the Committee was rather surprised at the presentation that was made to the Committee by IPONZ on how they acceded to the Madrid System. This was very, very revealing. Mr. Speaker, we are not experts - the Honourable O'Connor is not an expert, I am not an expert, Honourable Jale is not an expert, Honourable Dr. Govind is not an expert nor is Honourable Adimaitoga. We need to look the example of a jurisdiction and we just did not go there on our own, we were pointed to it. By who? By the Solicitor-General and by FIPO. We went there and you know what we found out, Mr. Speaker, the Committee, and I am being led to believe this, we were misguided. We were misled by the Office of the Solicitor-General and FIPO, and I have it right here. I will read it to you right now and I will.

The whole issue why we recommended that we should adopt this legislation first, and like I said earlier, Mr. Speaker, we take every convention on its merit. We do not take a precedence from another one, only its merit, objectively, for the purpose of this House, that we do not mislead this

House. Our responsibility is to this House. We are not experts, so people who come before the Committee tell us what they believe the Committee must do and we, as lay people, need to present to the House what we believe is best. The House does not have to pass it but this is the deliberation of the Committee, so I am going to tell you now.

There is one thing that is absolutely clear, Mr. Speaker, should Fiji accede to this Convention? The short answer is, 'yes'. The question is, are we ready to accede to Madrid now? The short answer is, 'no', and I will tell you why.

Mr. Speaker, as part of the submission made to us, the submission from FIPO tells us about the roadmap or what New Zealand did for them to accede to Madrid. In here it says in the table, I quote:

Date	Activity
May 2012	Regulations consultation – subject to Cabinet approval
June, July, August, September 2012	System testing
	Regulations consultation
	Regulations drafting
September 2012	Deposit instrument of accession
October-November 2012	User training including presentations from WIPO
December 2012	IPONZ ready to process under the Madrid Protocol

When you are talking about regulation, I am referring to what the Committee is putting to the House as the recommendation here, Mr. Speaker, trademark, patents and another one.

It continues; "September 2012", was when they deposited in Geneva. "October-November 2012. User training including presentation from WIPO. December 2012. IPONZ ready to process under the Madrid Protocol."

Mr. Speaker, like I said earlier, we are not experts. Because we had done it that way, we had to go there, it was the example that they were going to follow. They said that they will do it in six months. Mr. Speaker, this is the presentation and this is available on IPONZ website and this where we got it from. This was part of their presentation to us. I will read from the verbatim of their presentation to the Committee so that I am not seen to be misleading the House.

Mr. Speaker, Sir, the presentation, as you will see it in the verbatim report before you, was by Mr. Steffen Gezley, one of the Managers from IPONZ and stated there on page 48, I quote: "Overall to our path to join the Madrid Protocol, the decision was made back in 2006 for the New Zealand Government's decision to join Madrid Protocol." Yet, they passed all their laws in between and let me tell you Mr. Speaker, Sir, and the House, the different laws that we are recommending here, and when New Zealand did it.

Mr. Speaker, Sir, they did not do it in six months, they did not. Their trademark laws were done in 2002, Mr. Speaker, their trademark regulations was done in 2003, their patent laws were passed in 2013, copyright is not included, geographical indications in 2006 but that is not being enforced at the moment, Plant Variety in 1987 and Design is the same laws that was in 1954.

The point that I am making here, Mr. Speaker, Sir, that the Committee can only make proper recommendation to the House and the people, if it is given the correct information here, now. I was very suspicious in terms of why there was such a big push to have Madrid now. I know that we have been contemplating it for a very, very long time. Everyone wants Madrid, it is just that we are not ready and have the capacity to have Madrid.

Mr. Speaker, Sir, the Committee was told that the Trademarks Bill, the Patents Bill and the Design Bill have already gone through Cabinet. It has not seen the House. I am not going to go through that. And in our discussions with IPONZ, they clearly stated to the Committee that:

- (1) They have almost all of their laws ready, except part of the trademark regulations, well before 2012.
- (2) They did all their consultations with all of their stakeholders. It is in the Verbatim Report you can read it. That includes all their accounting firms, all the law firms, the people that own trademarks and patents in New Zealand.

The consequences of going there, yes, there were opposition, like here in Fiji there were opposition from some law firms but that is alright. Everyone is presenting to the Committee of what their view of the law should be. There is nothing wrong with objecting because that is a fair thing to do but that does not mean that when people object, that we should take their objection, we should put it to the House. That is in the best interest of the House and the people, which is why we are recommending here, as laypeople and as Members of Parliament, the precedence of New Zealand as we were told they would follow.

Mr. Speaker, Sir, I am led to believe that we were being misled. Now, you will also read, Mr. Speaker, Sir, that we were getting suspicious of this. When we discussed this in the Committee, I told the Honourable Members of our Committee, let us not put this recommendation in terms of part of the reason why we have to achieve, because if you read, I cannot find it here at the moment. But if you look at the Analysis Report by the Office of the Solicitor-General, it started off with, "If we happen to accede, as part of the policy base known to the Fijian Government, the Asian Development Bank required Fiji to seek Cabinet approval to obtain Fiji's Trademark, Patents and Designs legislation."

That was the beginning of the Written Analysis, Mr. Speaker, Sir. Why did that have to come right at the beginning? Why did it not have to speak about the benefits of those to the people of Fiji? There has to be the reason for it. Government has not shown its intentions, but that aside, looking at our weakness, looking at our capacity, if you look at the laws, it is under threat.

I think it is not fair for Parliament to try and accede to this legislation without even understanding what is in the law. We were told that this is an intent, but Mr. Speaker, Sir, in New Zealand the intent was given six years prior. They went through the whole of New Zealand and held consultations before they wrote the laws, before they gave consents, and deposited in Geneva. After depositing in Geneva, you have 90 days to get ready.

As I have said earlier, we were never told that FIPO said that we could accede without having the laws in place. But practically, Mr. Speaker, Sir, for the benefit of Fiji and its people for whom this law is for, I know it is going to benefit a lot of people from abroad who want to register their mark here and it will also benefit a few Fijian businesses here that want to register their marks overseas, because most of the marks that are registered here belong to people who have businesses here.

I think you would know that for Parliament to try and make this decision to accede to this Convention without the laws, FIPO is not ready. They said they were going to ask businesses who own trademarks and also patents to re-register their trademarks. That is alright, but what we are saying is that the House does not have the full information to be able to accede to this.

Mr. Speaker, Sir, as far as the Committee is concerned and let me reiterate that again, we should accede to this Convention, yes. Are we ready? No. We should build the capacity, we should get these laws before the House and let the House read them, let the House scrutinise them, make sure that the House is happy and it is consistent with the Convention and then the Committee and the House could then say, "Yes we should accede." Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Member.

HON. N. NAWAIKULA.- I wish to raise a point of order. It is very simple the way this has come in order for the Government to qualify for an AIDAB loan and in the same process, to disrespect the Chairman. Totally out of order!

Under Standing Order 121(5), and I will seek a ruling in relation to this, Mr. Speaker, Sir, this Report was tabled by the Chairman, Honourable O'Connor. He is the person who should move the motion. Standing Order 121(5) says, and I quote: "When Report of a Standing Committee has been tabled in Parliament, the Member tabling the Report (in this case, Honourable O'Connor) must move a motion without a notice to initiate the debate." So it is totally out of order that the Honourable Attorney-General should be bringing this into the House. That is the responsibility, under Standing Order 121(5), of the Chairman. I seek a ruling in relation to that. It is totally out of order, Mr. Speaker, Sir, and again Standing Order 121(5) very clearly says that.

HON. SPEAKER.- Honourable Member, this was moved under Standing Order 130, not Standing Order 121.

HON. N. NAWAIKULA.- I understand that, but this is what Standing Order 121 says. They cannot interfere with Standing Order 121 because this is in relation to the tabling of report, irrespective of whether it comes under Standing Order 130 or Standing Order 140. It should not interfere with the requirements which are set and are not even discretionary. It is imperative.

HON. SPEAKER.- This is Standing Order 130 on International Treaties and this is being moved under Standing Order 130, not Standing Order 121.

HON. N. NAWAIKULA.- Mr. Speaker, you can make your ruling because it is contentious, Mr. Speaker. The point is contentious. He brought that to the House, he must move the motion. It is a report, even so, Mr. Speaker, it is their report.

HON. SPEAKER.- Honourable Member, you have had your say and I pointed out to you, it is under Standing Order 130. If you go through Standing Order 130 carefully, it is very clear there. It is the Honourable Attorney-General who moves the motion. Standing Order 130(4) states, and I quote:

"The Attorney General may move a motion that the treaty be approved by Parliament if the Standing Committee on Foreign Affairs and Defence –

- (a) tables a report on the treaty; or
- (b) does not table a report on the treaty within the required 30-day period referred to in clause (3)."

HON. N. NAWAIKULA.- It is contentious!

HON. SPEAKER.- Now, you say one thing and then now, you want to say another thing, but it is there. It is clear.

Honourable Anare Jale, you have the floor.

HON. A. JALE.- Thank you, Mr. Speaker, Sir, for giving me the opportunity to say a few words about the work of the Committee. I am a member of the Standing Committee on Foreign Affairs and Defence that put together the Report and the recommendations regarding the Madrid Agreement, the Madrid Protocol and also the Paris Agreement.

The motion that we tabled before the House differed from what was recommended by the Committee. The Committee did not only recommend acceding to these Treaties or Conventions, but went forth to recommend certain actions and recommended to Parliament to agree to the enactment of such legislations that are consequential to the adoption of the Treaties, and also processes that need to be put in place before ratification.

But there is a difference from what was recommended by the Committee to what is being put before the House. I might say, Mr. Speaker, that I was involved in the actioning of conventions in some of the works I did in the past. In the Ministry of Labour, I used to be responsible for consideration and putting to Cabinet the recommendation with regards to ILO Conventions. I had mentioned that there are processes that had been taken in the past with regards to ratification of conventions.

From my understanding, conventions have been ratified, even before laws are put in place. The ratification of conventions is an indication that the Government is ready to embark on that role to see the fulfilment of the requirements of the convention. So, the recommendation that will be put before the House, is only to help Parliament or help the Government see to the full implementation of these Conventions, so that we fully comply with the requirements under those Conventions.

There are benefits and some concerns that need to be taken on board by Parliament. As has been alluded to by Honourable Tikoduadua, the issue about putting in place some of the laws, I think I have already mentioned that. In my experience in the past, we can ratify but put in the laws soon after. There have been some ratifications that will take years and now, from my recollection, the Government has not put in place the relevant laws to support the ratification of those Conventions and that should be a concern for this Parliament.

(Honourable Government Member interjects)

HON. A. JALE.- ILO169. He knows that. There are a few others, not only this. There are no laws that support the full requirements under those Conventions.

The issue about what New Zealand did, I think it has already been alluded to by the Honourable Tikoduadua. New Zealand took a different path putting the laws first before ratification. I think that should be also in due consideration.

I am pleased that the Government has already indicated what to do. There are certain Bills that they have already in process through Cabinet and if those are put in place, certainly it will quicken the process for us observe the full requirements of the Madrid Convention and Paris Agreement.

Those laws are interrelated, Mr. Speaker, Sir. You need to ratify the Paris Agreement before adhering to the other two. So, I am glad if the Government is going to do that together, certainly it will meet the requirements of those people that put those Conventions in place.

I might say that from experience, nothing stops a Government ratifying the convention and then putting into laws what needs to be done, to fulfil the requirements of those Conventions or Treaties. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Jale. I give the floor to the Honourable Minister for Commerce, Trade, Tourism and Transport. You have the floor, Sir.

HON. F.S. KOYA.- Thank you, Mr. Speaker, Sir. I rise to support the motion. Any Treaty and the lead organisation of that Treaty, Sir, gives countries time and resources to implement the Treaty, provided the country actually commenced. I think Honourable Tikoduadua needs to understand that, Sir.

I rise to contribute to the debate on Fiji's accession to the Madrid Agreement and Madrid Protocol and the Paris Convention for the Protection of Industrial Properties. Mr. Speaker, Sir as the world is working towards economic recovery to the post-COVID period, innovation is actually the mainstay for every business that leads to the development of Intellectual Property.

Globalisation and technological developments have actually provided even the smallest of enterprises with unprecedented access to the export markets. In a competitive market, a strong trademark or a strong brand is the best commercial asset for businesses in helping them to build consumer loyalty and command premium prices.

Mr. Speaker, Sir, Fiji Airways, Fiji Mahogany, Pure Fiji, Fiji Kava, J. Hunter Pearls, are examples that product branding can actually elevate the simplest of commodities. Having a trademark mainly protects the brand and also the consumers from being misled.

Mr. Speaker, Sir, the demand of consumer goods and services has also created an ever-increasing supply of similar, often illegally-copied products and services, so registering a mark internationally to protect and differentiate products and services from those of competitors is both, the first step for businesses in protecting their commercial interest abroad and an integral part of any successful global business strategy.

Similarly, the protection of intellectual property is important and valuable, Mr. Speaker, Sir, for every business which actually invests huge sums of money into research and development, and creating their original products and services, and innovations are crucial for the success of these businesses and can be patented to exclude competitors from exploiting the invention during that period. Now, without the protection of such ideas, Sir, innovators cannot reap the benefits of their inventions and would focus less on research and development. Intellectual property rights help innovators in every stage of business development, competition and expansion strategy.

In today's economy, Mr. Speaker, Sir, Fijian businesses must be attuned not only to their trademark protection rights in Fiji but also to protecting their trademarks in foreign countries. Through the Madrid System, Sir, and the Paris Convention, there are international processes of seeking and receiving international trademark protection.

The Madrid System is a convenient and a cost-effective solution for registering and managing trademarks worldwide, Sir. All you have to do is file a single application, pay one set of fees and apply for protection in up to 122 countries - modify, review or actually expand a global trademark portfolio through one centralised system. For instance, Sir, if South Pacific Elixirs (Fiji) Limited registers a new trademark such, as Fiji Kava with Fiji Intellectual Property Office (FIPO) then through FIPO, this company can file an international application which will be certified and forwarded to World Intellectual Property Organisation (WIPO) for international registration. Again,

this company is able to protect its trademark of Fiji Kava internationally without registering in separate jurisdictions.

Mr. Speaker, Sir, the companies that are most affected by the considerable cost involved in registering and maintaining marks abroad are Micro, Small and Medium Enterprises (MSMEs). We have many creative people and many creative companies in Fiji. While a large company may afford or may be able to afford to devote considerable funds to actually protect these marks abroad, these SMEs cannot afford the same, due to the high procedural cost. And the Madrid System is actually used, Mr. Speaker, Sir, by a third of worldwide applicants seeking protection of their marks and of these, about 80 percent is categorised as an MSME, having a small portfolio of simply one or two marks, Sir.

The Fijian Government, Mr. Speaker, Sir, has a strong focus on nurturing and growing the MSMEs and, therefore, Fiji being a party to the Madrid System, will provide impetus for MSMEs to actively protect their trademarks internationally. In the current economic context also, the possibility of providing easy, low cost protection for marks provides a welcomed advantage for companies and individuals and the fact that that will favour exports.

It is important to note also, Mr. Speaker, Sir, that trademarking products and services can also protect businesses and consumers from counterfeit products. This facility also helps to strengthen the climate for foreign investment in Fiji as foreign businesses will have confidence in investing with easier access in terms of protection of their marks.

Mr. Speaker, Sir, in addition to this, the Paris Convention also offers widespread protection for individuals and businesses that own trademarks, patents, utility models, industrial designs and geographical indications. It was the first major step in ensuring that creators are given protections for their work, even in their countries. The Convention lays down a few common rules that all contracting States must follow in relation to patent marks, industrial designs, trade names, indication of sources and unfair competition, Sir.

The indication of source, Mr. Speaker, Sir, is one of the common rules that is important to Fiji. Article 10 of the Paris Convention provides protection against any direct or indirect use of a force indication of source or identity of the producer, manufacturer or merchant. Article 10bis also provides protection against any act of unfair competition through the use of indications, Sir.

We have seen, Mr. Speaker, and received numerous complaints in relation to trademarks registered in international jurisdictions that contain the word "Fiji", despite the fact that they do not originate from Fiji. The use of the word "Fiji" in such products misleads consumers to believe that the product, in fact, originates from Fiji and not only do these businesses benefit unfairly from the use of the word "Fiji" as a brand name, they can even tarnish it, Sir, if it does not uphold the standards of the actual Fijian brand known for its quality, organic and pristine characteristics. Therefore, acceding to the Paris Convention will provide a long term solution to this issue in Fiji.

Mr. Speaker, Sir, Fiji's accession to the Madrid System and the Paris Convention will offer unique benefits to all domestic companies and entrepreneurs to protect their trademark and industrial property portfolios across the world, and this is expected to provide tremendous boost also, Sir, with scientific research and innovative activity in the country. I, therefore, offer support to Fiji's accession to the Madrid System and the Paris Convention. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Minister. Honourable Bulitavu, you have the floor.

HON. M.D. BULITAVU.- Thank you, Mr. Speaker. I rise to make a short contribution in support of Fiji's accession to the Madrid System and also the Paris Convention because it will ensure that Fiji is in compliance with international obligations for protection of international property.

I was one of the Members of the Standing Committee on Foreign Affairs and Defence back in 2015 when the Fiji Parliament acceded to the WTO TRIPS agreement on trade aspect of intellectual property rights. We also had recommended that we accede without reservation. I think that it is already in place and also the messes that will come into place, once we start the domestication of these Treaties on how we are going to provide the framework and the proper legislations that will come in.

The argument put forward this morning by the Honourable Attorney-General in terms of the recommendation, I think that too did not happen in our time, given the understanding that the Committee only recommends for Parliament to accede and the domestication will be done by the Government or the centralised agency as they call, in international treaties and conventions on providing the frameworks on how that will trickle down, to how we can use those international treaties.

However, it is quite interesting on how the Committee ended up in getting the example from New Zealand, given the advice that was provided by those who had advised them, in looking into other options of other jurisdictions on their embarked into reaching to accede to this particular treaty. But, again, the onus now after acceding, will be on the Honourable Attorney-General and the Solicitor-General's Office in bringing the Bills that are listed there – the Trademarks Bill, Patent and Designs Bills that will follow the accession, according to Government's legislative programme that will probably come in the next Parliamentary year.

If you peruse through the Committee Report and I would like to thank the Chairman of the Committee, Honourable Alexander O'Connor, Honourable Selai Adimaitoga, Honourable Dr. Salik Govind and the two Opposition Members of the Committee – Honourable Anare Jale and Honourable Pio Tikoduadua, for compiling this Report and bringing up the various issues, both those that had negative views on the Madrid System and also the Convention, and the views of the Government, saying that they are ready, given the systems in place.

One of the good things about this particular Convention is that, it will uplift our business investment climate in Fiji, enhancing the ease of doing business and also our digitalFiji initiatives that are already in place, given what we call in business, Just in Time (JIT) approvals. These are some of the things that our MSMEs who are exporters, normally investors who come from overseas into Fiji, are always concerned about - the red tapes in our system, and this system will allow the fast-tracking of that process.

One of the things too that we might need is the updating of the digitised system at the Fiji Intellectual Property Office (FIPO) here in Suva so that applications are done here and also the monitoring of the protection of our trademarks across the globe on other jurisdictions where Fiji-made products end up in.

One of the other good aspects of this particular Convention is that, contracting parties, who do business and are partnering here in Fiji, it also gives the contracting partners in overseas to protect the interest of their local partners here in Fiji. So, that is an advantage of the whole system.

The other recommendation that I probably will have reservation on is on Fiji Intellectual Property Rights Association (FIPRA), given that in 1971, Fiji had signed up to the Berne Convention that was signed in Switzerland and that Convention falls into the ambit of what FIPRA does to offices,

musicians and artists. Probably, it is just the system that should be in place or now depending on the Convention and the Framework that operates in our jurisdiction.

The other concern too, Honourable Attorney-General, probably the other stakeholders had brought up to the Committee is the sitting of a tribunal. Those who might query for trades or marks, probably the sitting of the tribunal on how they bring up some of their objections that they might want to raise.

One of the biggest things that the Government will need to do is the capacity building for MSMEs on public consultations and awareness to stakeholders after we have acceded, so a process where people will learn of how the system works, how they can participate in the system and also the various incentives that will be in the system.

Those are a few things I would like to share. I thank the Committee for the work that they have done and also their recommendations. Probably, in the next time, there could be better consultation amongst Government Members and Opposition Members on how to agree on the wordings because the wording says that Fiji accedes to the Convention and adopts without reservation after passing the following Bills, so it is just the word “after”, if that could be better the next time.

However, I have no further comments to make but to fully support the Convention and also Fiji acceding to the Convention, and I also support the motion that is before the House.

HON. SPEAKER.- I thank the Honourable Member. No one else is wishing to take the floor, I give the floor to the Honourable Attorney-General for your right of reply. You have the floor Sir.

HON. A. SAYED-KHAIYUM.- Thank you Mr. Speaker, Sir.

Mr. Speaker, Sir, I will be very brief in my comments and I would like to acknowledge Honourable Jale’s comments. He hit the nail on the head, unfortunately, he brought in Section 169 of the Constitution but the nail on the head being that you do ratify Conventions before you domesticate the Conventions, should there be a need to make any domestic law because sometimes you already may have laws or a Constitution that is already compliant with the principles set out in the Convention.

Mr. Speaker, Sir, just very quickly, this brings me to this point. The Honourable Tikoduadua had raised a number of matters. Even the New Zealand example that is used on page 17 of the Report, it says that on 10th September, there was a Trademark (Amendment) Act internal domestic amendment.

On 10th September, 2012, New Zealand deposited the Instrument of Accession. In other words, they approved the Treaty and then only after they deposited the Instrument of Accession, only then did they then draft the Trademarks Law. Even in New Zealand, Mr. Speaker, Sir, the draft in the regulations completed post the deposit of the accession of the actual instrument itself. Again, Mr. Speaker, Sir, he has not necessarily presented it correctly.

Mr. Speaker, Sir, I do not know whether the Committee actually questioned the Solicitor-General’s Office on whether WIPO will provide support or not. In fact, I got a message from the Solicitor-General because he is the Permanent Secretary equivalent of this particular area, and he said that in his meeting with the Committee, “I had expressly told them that the laws do not need to be amended before ratification. I had told them clearly that ratification must happen first before WIPO will provide assistance to Fiji.”

I think one of the Members talked about the three Bills - the Trademarks Bill, Patents Bill and Designs Bill, that have not been tabled in Parliament. In fact, they have been approved by Cabinet but with the proviso from Cabinet that upon Cabinet's approval of the principle of it, we will get further input from WIPO, so when we actually bring the Bill into Parliament, it has already got WIPO's input.

I also wanted to point out on that note, Mr. Speaker, Sir, if the Committee saw it fit to consult so deeply with the New Zealand equivalent office, they had the full opportunity to go to WIPO themselves directly. In fact, the Solicitor-General's Office would have facilitated their discussion. The question is, why did the Committee not go directly to WIPO? They could have gone directly to WIPO.

Honourable Tikoduadua claims that Munro Leys does 50 percent of the work, and that is the data and information received from Munro Leys. There is absolutely no official database that says which law firm does how much work or which percentage of work. He is simply relying on the information they provided him and take it as the truth. Obviously, it is very subjective, Mr. Speaker, Sir.

The other point that I wanted to very briefly highlight, they had touched on the copyright issues pertaining to FPRA. Honourable Tikoduadua at one point in time in his career was also Permanent Secretary for Justice. I think that he was still there and he knows we had met with FPRA and the copyright issues were dealt with. We had a gentleman from New Zealand and he also know that, his name escapes me.

In fact, at that point in time, we actually amended the burden of proof regarding copyright, we reversed the burden so that the person actually claiming copyright had to prove they actually had the copyright as opposed to the original copyright owner having to prove that there was actually a breach of the copyright. It is a very substantive change and Honourable Tikoduadua does know that. This is why, Mr. Speaker, Sir, I cannot understand why this was being brought about in this particular forum.

The other point, Mr. Speaker, Sir, I would like to highlight to Honourable Nawaikula, unfortunately he is not here, as he rightly pointed out, Standing Order 31 relates to all Treaties and Honourable Members who had been here since 2014 will know that all Treaties have always been brought under Standing Order 130 since 2014. Unfortunately, we kind of got distracted on this very important Convention that we need to ratify. I urge the Honourable Members to support the full ratification of this Convention without any reservations. We can also assure Parliament that Conventions need to be put in place before the domestication of any laws pertaining to the Convention themselves. Secondly, we are working with WIPO, they are providing us with full support.

Mr. Speaker, Sir, I think the last point that I want to make before I forget and I think Honourable Bultavu and the Honourable Minister for Commerce, Trade, Tourism and Transport had touched on this, that there seems to be this sense by some of the law firms and there are three law firms - Siwatibau and Sloan, Sherani and Munro Leys. They obviously made representation, but the way Honourable Tikoduadua spoke was as if trademark registration is only one way. I would like to think that Fijians themselves can actually develop original trademarks, that Fiji is a good brand.

Our companies need to be able to register and indeed, we need to protect certain peculiar specific trademarks that emanate from Fiji, Fijian trademarks that will actually help propagate our brand offshore. That is what we need to be mindful of. We have had people complain and saying that they have set up a kava bar in Florida and if they can use the word 'kava'. It is our own word.

They use the word 'Fiji' there. Can they use the word 'Fiji'? Of course, if your brand is good, people will try and use your name and capitalise on that. We need to be able to protect that.

In fact, as a Government, I can tell you, we have actually been thinking to reserve certain names for ourselves and have that internationally registered and we can then licence people. For example, there are people who want to market, say ginger. Now, we cannot allow one company to market and say, Fiji ginger or Fijian ginger. In fact, that is something unique to the country, so if the Government actually registered that, immediately through the system, we have 170 odd countries that will recognise our trademark. Then the Ministry of Commerce and Trade and the Minister for Agriculture can license people, subject to them meeting their requirements, to use the name.

If you go overseas, you see certain products that have got the Fijian brand or logo or that country's logo. We need to start doing that. We can only do that once we come into this kind of system, so there is nothing sinister about this. In fact, it is actually protecting our economy and protecting our own intellectual property, so please do not think it is only about overseas companies registering their trademarks in Fiji. It is us registering or having the ability to register our trademark to the rest of the world. Mr. Speaker, Sir, thank you very much.

HON. SPEAKER.- Honourable Members, Parliament will now vote.

Question put.

Motion agreed to.

Honourable Members, I thank you for your forbearance. Time has moved on, we will now adjourn for lunch, but we will resume at 2.30 p.m.

The Parliament adjourned at 1.13 p.m.

The Parliament resumes at 2.31 p.m.

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

**OPTIONAL PROTOCOL TO THE CONVENTION ON THE RIGHTS OF THE CHILD
ON THE INVOLVEMENT OF CHILDREN IN ARMED CONFLICT**

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, I move:

That Parliament approves that Fiji accedes to the Optional Protocol to the Convention on the Rights of the Child on the Involvement of Children in Armed Conflict.

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

HON. SPEAKER.- I now invite the Honourable Attorney-General to speak to his motion. You have the floor, Sir.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, this motion is in respect of the Committee Report that was tabled in Parliament on 31st August, 2020. The Report is on the Optional Protocol to the Convention on the Rights of the Child on the Involvement of Children in Armed Conflict.

Mr. Speaker, Sir, very quickly in respect of the summary, Fiji signed the Optional Protocol on 16th September, 2005, but has yet to ratify the Optional Protocol. The Optional Protocol, also known as the Child Soldier Treaty, is a multilateral treaty whereby a State agrees to:

- a) Prohibit the conscription into the military of children under the age of 18;
- b) Ensure that military recruits are no younger than 16;
- c) Prevents recruits aged 16 or 17 from taking a direct part in hostilities; and
- d) Prevents non-State armed groups from recruiting anyone under the age of 18 for any purpose.

The Option Protocol came into force on 12th February, 2002, and as at 1st September, 2020, 117 States are party to the Optional Protocol.

Mr. Speaker, Sir, Article 3 of the Optional Protocol provides, “that States Parties must raise the minimum age for the voluntary recruitment of persons into their national armed forces ... and recognise that persons under the age of 18 years are entitled to special protection.” In other words, persons under the age of 18 years can also be recruited into the military but with certain conditions.

Mr. Speaker, Sir, Article 3 also provides “that States Parties that permit voluntary recruitment into their national armed forces under the age of 18 shall maintain safeguards to ensure, as a minimum, that –

- a) such recruitment is genuinely voluntary;
- b) such recruitment is done with the informed consent of the person’s parents or legal guardians;
- c) such persons are fully informed of the duties involved in such military service; and
- d) such persons provide reliable proof of age prior to acceptance into the national military service.”

Mr. Speaker, Sir, Article 4 recognises the difference between armed groups being distinct from the armed forces of a State.

Article 6 provides that each party shall take all necessary legal, administrative and other measures, to ensure the effective implementation and enforcement of the provisions of this Optional Protocol.

Mr. Speaker, Sir, Article 7 very briefly provides that State Parties must cooperate in the implementation of the present Optional Protocol, including the prevention of any activity contrary to the Optional Protocol and in the rehabilitation and social reintegration of persons who are victims of acts contrary to the Optional Protocol.

Mr. Speaker, Sir, Article 8 of the Optional Protocol provides that each State Party shall submit, within two years following the entry into force of the Optional Protocol for that State Party.

Articles 9 to 13 of the Optional Protocol outline administrative matters, including procedures for ratification or accession, entry into force, denunciation and amendments to the Optional Protocol.

Mr. Speaker, Sir, somewhat similar to the previous recommendations of this particular committee, the Standing Committee has made three recommendations with respect to the ratification of the Optional Protocol. These recommendations, Mr. Speaker, Sir, are outlined on page six of the Standing Committee's Report and essentially states that:

- (a) Fiji accedes to the Optional Protocol without reservation, given that ratification of the Optional Protocol is a step to strengthening our commitment to the Convention on the Rights of a Child.

That we must definitely agree with. But it goes ahead and makes a second Recommendation.

- (b) Parliament amends Section 7(3) of the RFMF Act to remove the discretionary powers of the Commander of the RFMF, to enlist Fijian citizens between the ages of 16 and 18 into the RFMF.

This would make Fiji, they say, consistent with the objectives of the Optional Protocol and the requirement of the United Nations to restrict the recruitment of children into the armed forces till 18 years.

- (c) recommend to Parliament that the relevance of cadet training in schools be reviewed, in particular the value of the use of arms in drills.

Mr. Speaker, Sir, I would like to respond specifically to Recommendations two and three in the Standing Committee's Report. Once again, it is rather unfortunate that these recommendations are misconceived and legally flawed.

With respect to the Standing Committee's second Recommendation, I draw your attention, Mr. Speaker, Sir, to Article 3 of the Optional Protocol which allows for the voluntary recruitment of persons under the age of 18 years, provided that such recruitment is voluntary. Recruitment is done with the informed consent of persons, parents or legal guardians. The recruit is fully informed about the duties in military service and the recruit has provided reliable proof of age. The actual Protocol provides for that because as we have seen, Mr. Speaker, Sir, sometimes we have students finishing Year 13 and want to join the military but they may be a couple of months shy of the age of 18.

Mr. Speaker, Sir, the RFMF Act Section 7(3) says, and I quote:

“No person shall be enlisted in the Force, who is under the age of 18 years provided that the commander may permit the enlistment of such a person or a number of persons of above the age of 16 years and under the age of 18 years as he or she may from time to time determine.”

Mr. Speaker, Sir, any recruitment of persons to the RFMF under the age of 18 years, that is, at the age of 16 years or 17 years, in practice is done so voluntarily and upon written consent of his or her legal guardian. This is part of the standard operating procedures of the RFMF.

Mr. Speaker, Sir, I note from the verbatim reports appended to the Standing Committee’s Report that the Commander of the RFMF, during his presentation, stated and I quote:

“Honourable Chairman and Honourable Members of the Committee, the RFMF recruits on a voluntary platform and we, as a nation, do not have compulsory military or national service as a requirement by law.

The minimum recruitment age for RFMF is 18 years and this also dovetails nicely with our general minimum benchmark qualification standard, which is Form 7 or pass in Year 13. The minimum age of a Year 13 student is 18 years, unless the student is up classed for some reason.”

According to institutional regulations and in this case, the RFMF Internal Administration Instruction No. 29 on Recruiting, Paragraph 8(a) reads and I quote: “Applicants should be no younger than the attained age of 18 years.”

When the RFMF receives applications for recruitment from persons who are, at the time of the applications 17 years of age, these applicants are usually just shy or just turning 18 by four or five months and are in Year 13. In such cases, the respective applications must also be accompanied with the written consent of the applicant’s parent or legal guardian, consenting that the applicant may apply for recruitment as a soldier in the RFMF.

In fact, when the RFMF advertises for recruitment, the advertisement also states that the applicant must be 18 years of age. It is also prudent to note, Mr. Speaker, Sir, that the RFMF has not recruited any person of 16 years of age or younger. Therefore, in compliance with the provision outlined in Article 3 of the Optional Protocol, when persons under the age of 18 years are recruited, that is at the age of 17, pursuant to section 7(3) of the RFMF Act, the recruitment of such persons is voluntary, done so with the written informed consent of the person’s parent or legal guardian.

The recruit is fully informed about the duties and military service and the recruit has provided reliable proof of age in his or her application. Therefore, Mr. Speaker, Sir, there is absolutely no need to amend the RFMF Act in any way, shape or form, as the RFMF Act and the Standard Operating Procedures with respect to recruitment of persons with RFMF complies with the provisions set out under Article 3 of the Optional Protocol.

Mr. Speaker, it is also prudent to note that Fiji also takes part in UN Peacekeeping duties and peacekeeping missions were done so in Syria, Sudan, Egypt, Sinai, Iraq, Lebanon and Jerusalem. United Nations unequivocally stated that troops in national contingents must not be less than 18 years of age. Fiji has never deployed peacekeepers under the age of 18 years and the minimum age requirements set by the United Nations have always been respected and fully complied with.

With respect to the Standing Committee's third recommendation, Mr. Speaker, Sir, there is no nexus between cadet training in schools and the Optional Protocol. The Optional Protocol does not, in any of its Articles, refer to cadet training in schools. It is prudent to note that section 18 of the RFMF Act establishes cadet units that are affiliated to the RFMF and regarded as a training unit but do not form part of the military forces.

Furthermore, Regulation 4 of the Cadet Regulation 1949 in relation to enrolment also provides that, and I quote:

“Enrolment of students as cadet in a unit shall be voluntary and subject to the student obtaining a medical certificate of fitness and the consent of his or her parent or guardian.”

Mr. Speaker, Sir, cadet training in school is not compulsory, it is voluntary enrolment with the consent of the student's parent or guardian. The student must also have a medical certificate of fitness to enrol as a cadet. Once again, Mr. Speaker, Sir, I draw your attention to the Verbatim Notes appended to the Standing Committee's Report that the Commander of the RFMF in his presentation stated, and I quote:

“Thank you, Mr. Chairman. Let me just state that cadet training is not for any form of recruitment for RFMF. Cadet training does not give you an advantage, if you like, over those who do not take up cadet, if they want to join the Military.

Cadet training is just an extracurricular activity that we provide for free to those schools that want to take up cadet. It is really just an activity where we try and impart in the children the virtues that are good for them now and good for them into the future, that is, discipline, having right way of life and it helps in the school.”

Mr. Speaker, Sir, if anything is good for our students, cadet training instils discipline, builds character and with leadership skills given, students can be appointed as platoon or company commander and sergeants. It also ensures physical fitness and so much more. But more essentially, Mr. Speaker, Sir, some students actually decide to become soldiers and police officers after high school, so cadet training is a stepping stone into their future career as an officer in the Military or Police or even in Corrections Service.

Therefore, the recommendation by the Standing Committee for Parliament to review the relevance of cadet training in schools is factually misconceived. Moreover, this policy decision between the Ministry of Education and the respective schools that carry out cadet training in the RFMF, such policy decisions are not under the purview of the Standing Committee. The Standing Committee should not be making irrelevant recommendations that have nothing to do with the Optional Protocol itself.

Mr. Speaker, Sir, given that our national laws are fully compliant with the Optional Protocol, we urge Parliament to vote in favour of this motion, that Parliament approves that Fiji accedes to the Optional Protocol to the Convention on the Rights of the Child on the Involvement of Children in Armed Conflict. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Attorney-General. Honourable Members, the floor is open for debate on this motion. Honourable Prime Minister, you have the floor.

HON. J.V. BAINIMARAMA.- Thank you, Mr. Speaker, Sir. I rise to speak on the motion by the Honourable Attorney-General. Mr. Speaker, Sir, unlike other countries ridden by armed

conflict, Fijian children do not live with fear of being conscripted into the military service. Our ratification of this Optional Protocol is not born from any domestic concern, this is about doing our duty as a member of the Community of Nations, who is committed to seeing our children live in peace everywhere in the world.

Mr. Speaker, Sir, I do not agree with Recommendations 2 and 3 of the Committee but do so with Recommendation 1 and in acceding to the Optional Protocol, Fiji is not only complying with the laws, we are committed to carrying out our value system of the world. Mr. Speaker, Sir, I therefore, support this motion. Thank you.

HON. SPEAKER.- I thank the Honourable Prime Minister. Honourable Minister for Women, you have the floor.

HON. M.R. VUNIWAQA.- Mr. Speaker, Sir, I stand to make a short contribution in support of the motion before the House. The Fijian Government is committed to ensuring that all children grow up in a safe and loving family, and are supported to reach their full potential. Through pronouncements in the Fijian Constitution and our commitments under the Convention on the Rights of the Child (CRC), we, as a nation, remain dedicated to protecting children from all forms of violence, abuse, neglect and exploitation.

Fiji ratified the CRC in 1993, which sets out standards and protocols to safeguard the rights and welfare of our children. As a signatory to the CRC, Fiji is obligated to submit State Reports to the Committee on the Rights of the Child. These Reports map out how Government is fairing in meeting obligations under the relevant Convention.

The Fijian Government at the 2019 Universal Periodic Review (UPR), also accepted the recommendation to ratify the two Optional Protocols to the Convention on the Rights of the Child signed by Fiji in 2005. One is the subject of the motion being debated currently, and the second was referred to the Standing Committee earlier this morning. At the UPR, Fiji was also asked to consider becoming a party to the third Optional Protocol to the Convention on the Rights of the Child on a Communications Procedure. Therefore, by agreeing to the motion, this Optional Protocol, Fiji will also fulfil its UPR commitment.

The Honourable Attorney-General has articulated, setting out the provisions of the Optional Protocol and its relationship vis-a-vis, the RFMF Act. I do not intend to repeat that, except to re-emphasise that the laws that we currently have, the RFMF Act comply with the minimum standards under the Convention of the Rights of the Child, the Optional Protocol that is being debated.

Mr. Speaker, Sir, signing up to this Optional Protocol will augur well for our State reporting obligations under the CRC and more importantly, for the protection and welfare of our Fijian children. Thank you, Sir.

HON. SPEAKER.- I thank the Honourable Minister. Honourable Leawere, you have the floor.

HON. M.R. LEAWERE.- Thank you, Mr. Speaker, Sir. I would like to speak on the motion before the House in terms of Fiji acceding to the Optional Protocol to the Convention on the Rights of the Child and the Involvement of Children in Armed Conflict. I was part of the Committee that made that recommendation and we came up with those Recommendations in the belief on what the United Nations has stated for those who are under 18 years of age.

Those Recommendations, especially the recruitment into the armed forces which should be 18 years, are also policies that are followed by the Fiji Police Force, Civil Service and Corrections, like other private organisations, they also follow that, where youths who would like to be employed or want to be engaged in employment, should be 18 years and over.

The United Nations and other international agencies are advocating that 18 years is the international benchmark which is also emphasized by the international Red Cross Society and we were at their base in Canberra when they did online submission to the Committee. Failing that, Mr. Speaker, Sir, that the age of employing our youths can be construed as child labour. As legislators and leaders, we owe our children and grandchildren, a future that they will enjoy here in Fiji.

I would like to reiterate that those recommendations are important, but the issue here is that in terms of the age involvement, they are underage with their involvement in military, especially when they are below 18 years of age. I would like to reiterate, Mr. Speaker, Sir, that that will be construed as child labour. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Leawere. Honourable Qereqeretabua, you have the floor.

HON. L.S. QEREQERETABUA.- Thank you very much, Mr. Speaker, Sir. I rise in support of the motion before the House. However, I would just like to draw our attention to Recommendation 3 by the Committee, and I repeat what the Honourable Attorney-General said that the recommendation needs to recommend to Parliament that the relevance of cadet training in schools be reviewed. And I ask that we keep this in mind, in light of a recent newspaper article that was published on 26th August, 2020, in the *Fiji Sun* titled, “Shine a Light - I was inappropriately touched in Year 13”. And it talks about the complaints of students who had undergone cadet training in their schools and how they alleged that they had been inappropriately touched by those who were commanding them.

This is why I just take heed of Honourable Attorney-General, he could be right, that it has nothing to do with the Convention but the recommendation, I think, Mr. Speaker, Sir, is really important for the Ministry of Education, the Ministry of Women, Children and Poverty Alleviation and in fact, for all for us that we keep this as top of mind, that the relevance of cadet training in schools be reviewed in light of allegations such as this. Thank you very much, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Member. Honourable Bilitavu, you have the floor.

HON. M.D. BULITAVU.- Thank you, Mr. Speaker, Sir. I rise to make my contribution to the motion which is before the House, in my capacity as the Opposition spokesman on Defence, given that this Protocol borders into national security and also children. We have no issues with regards to Parliament acceding to the Optional Protocol to the Convention on the Rights of the Child and the Involvement of Children in Armed Conflict.

We note that there are challenges. I have noted that on page 11 of the Report and some consultations are also on capacity building that will be done that should reflect our acceding to this particular Protocol in its domestication process, that we have the right processes. Also, at the implementation stage, I understand from the challenges faced on page 11 that the Ministry of Women is the central agency to look into this particular Protocol and also reporting to the UN body that this Protocol falls into.

Mr. Speaker, Sir, I thank the Committee for their commitment in also carrying out consultations: Honourable Alex O'Connor as the Chairman of the Committee; the Deputy Chairperson of the Committee, Honourable Dr. Salik Govind; Honourable Selai Adimaitoga; Honourable Anare Jale and Honourable Lt. Col. Pio Tikoduadua for their deliberations. They are the ones who were tasked by you, Sir, and this Parliament to look into this Protocol and after their consultations and also committed deliberations, they have come up with their findings and also form the Committee's opinion, which they have all signed.

If you see on page 14, the Members all signed to support the collective view of the Committee and also the recommendations that were suggested in there. The two Honourable Members from the Government side had signed this too, but I will beg to differ on Recommendations 2 and 3, given that the current Act allows the Commander of RFMF to make exceptional grounds to recruit those but the age bar is already set there at 18 years and the Standard Operating Procedures that the Honourable Attorney-General has already alluded to.

On Recommendation 3 regarding cadet training in schools, most of us came through this system. It builds leadership qualities and the ability of those who would want to pursue a career in the military, especially *iTaukeis* in various villages and provinces. The RFMF is seen as one of the biggest employers for the *iTaukeis*, who are registered in the Vola ni Kawa Bula.

In their capacity as the disciplined forces representing Fiji in peacekeeping missions abroad, they have become good peacekeepers and also great advocates of Fiji and the culture that we are known for. The friendly smile, even in war torn areas, which you, Mr. Speaker, will very well know, being a former Commander of the RFMF and also as leader of the first battalion to Lebanon.

In supporting this, we acknowledge the presence of two former Commanders, Sir, the Honourable Leader of the Opposition and also the Honourable Prime Minister. You too, Mr. Speaker, a former Commander of RFMF, we all know how this cadet training really helped those who want to pursue their career as professional soldiers.

With that, Mr. Speaker, Sir, I would like to support the motion that is before the House. I hope that the Committee would look into other Acts and during committee consultation with the stakeholders that their interview is clear so that they could formulate their opinion properly when finalising their recommendations. *Vinaka vakalevu*, Sir.

HON. SPEAKER.- I thank Honourable Bulitavu. Honourable Leader of the Opposition, you have the floor.

HON. MAJOR GENERAL (RET'D) S.L. RABUKA.- Mr. Speaker, Sir, thank you very much for allowing me time off this morning to farewell one of our former colleagues, former peacekeeper and former *Talatala Qase* Wesley, Reverend Tuilawalawa.

You will recall, Sir, he was one of the young soldiers who served in your battalion in 1978 and he went back for his second tour during my term. It was during that term that we had a choir competition in Qana and while we were having lunch, I had invited the PLO officer responsible for Southern Lebanon (their geography is not as good as the international understanding of geography and as you know, Northern Lebanon for PLO, took in half of Israel), there was a scuffle at the roadblock immediately in front of the Officers' Mess, when the sentries refused to let a vehicle go past and had to fire a warning shot.

When we looked out, the occupants of the car were crying and wailing and carrying a wounded young boy. What happened was that two young boys were fighting. One of the bystanders

gave his weapon to one of them who shot the other one. That is the one they were trying to take to Saida. But, who is answerable for that sort of thing, Honourable Attorney-General, when de facto forces use underage children in conflict; is it the nation of Lebanon? Who takes them to court? Are they taken to the Lebanese Court or the international court? These are the things that perhaps, we do not know. It happens but it is not offered at training but it is from conflict and the lack of observance of law and order where these conflicts happen.

I believe that cadet training, contrary to what the Honourable Attorney-General had said, is not an extracurricular activity. I think the Honourable Minister for Education may clarify whether it is an extra curriculum or it is part of the curriculum. But I believe that it is the Protocol to be supported by all right-thinking law-makers all over the world. We have had cases in the past where the army recruited soldiers under the age of 18, they were called Band Boys (16 years old) when they joined in those years until we started enforcing the 18 years age and it is all voluntary with the concurrence and approval of parents.

So, it is a very good Protocol to support and that we should accede to it and I support the motion. Thank you, Mr. Speaker.

HON. SPEAKER.- I thank the Honourable Leader of the Opposition. Honourable Attorney-General, you have the floor for your Right of Reply.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. Mr. Speaker, Sir, just a clarification because I saw some people looking a bit concerned.

This Protocol, Mr. Speaker, Sir, is the Optional Protocol to the Convention on the Rights of the Child on the involvement of Children in Armed Conflict. If you look at Article 38 of the Convention on the Rights of the Child, Mr. Speaker, Sir, with your indulgence, if I can read that out:

- (1) State Parties undertake to respect and to ensure respect for rules of international humanitarian law applicable to them in armed conflicts which are relevant to the child;
- (2) State Parties shall take all feasible measures to ensure that persons who have not attained the age of fifteen years do not take a direct part in hostilities. In other words what it does say is that is envisages that. He will be recruited after the age of 15.
- (3) State Parties shall refrain from recruiting any person who has not attained the age of 15 years into their armed forces. In recruiting among those persons who have attained the age of 15 years but who have not attained the age of 18 years, State Parties shall endeavor to give priority to those who are the oldest.
- (4) Under this Optional Protocol which feeds into this, in other words, the substantive convention on the Rights of the Child says that we can recruit people over the age of 18 but they cannot go into arm conflict until they reach the age of 18.

Now, Mr. Speaker, Sir, they say if you are going to recruit anyone under the age of 18, you must take these additional steps:

- Must be voluntarily;
- Must be consent by the guardian or the parent, et cetera;
- Must be informed of all the duties; and
- They cannot participate in active duties.

Honourable Leawere said that the Committee came up with this because of international convention but this, in fact, is the Convention which does allow for the recruitment but special measures must be taken if they are below the age of 18. Of course, the UN does not allow military personnel to participate in peacekeeping duties unless they are over the age of 18 so it does not, in any way, fit in with that particular proviso you are putting.

The Honourable Leader of the Opposition talked about those entities that are not State parties. The Protocol actually allows and, in fact, puts an obligation on the State armed groups that are distinct from the armed forces of the State that they should not, under any circumstances recruit or use in hostilities persons under the age of 18 years. State parties shall take all feasible measures to prevent such recruitment and use, including the adoption of legal measures necessary to prohibit and criminalise such practices.

Now, Mr. Speaker, Sir, what is also really interesting as the Honourable Prime Minister just alerted me earlier on that under our first Prime Minister, Ratu Mara, he in fact, started the trade training school which essentially recruited young men (at that point only men), between the ages of 16 and 18, who actually participated in these training courses. They then could go back to their communities and take those particular skillsets, including the whole sense of nationhood and discipline.

It has obviously worked quite well for us. In fact, also Mr. Speaker, I would venture to say that, the fact that Fiji has been able to punch above its weight in the peacekeeping duties has been primarily because of these types of incentives that had been put in place back in the 1970s.

Honourable Qereqeretabua tried to justify Recommendation 3 by saying that because there were some students who were inappropriately touched by those commanding these cadets, that is of course, unacceptable and it should not happen. There needs to be some form of inquiry. It does not mean, however, you stop the entire cadet training.

There are schools, in the normal school hours teachers have done that, at universities, lecturers trying to coerce people to get sexual favours and all sorts of things. It does not mean we stop the university, it does not mean you stop going to the classes. You have to address the fundamental issue and that is, those people who actually carried out those acts should be stopped and proper measures need to be put in place. It is a very kind of myopic way of looking at things.

Mr. Speaker, Sir, given all of that and given the fact that we have all these safeguards built in, current Fijian laws actually will ensure that we will be complying with the Convention. I urge Parliament to actually vote for this motion. Thank you, Sir.

HON. SPEAKER.- I thank the Honourable Attorney-General. Honourable Members, Parliament will now vote.

Question put.

Motion agreed to.

HON. SPEAKER.- We will move on. Honourable Members, I now call upon the Chairperson of the Standing Committee on Social Affairs, the Honourable Viam Pillay, to move his motion. You have the floor, Sir.

REVIEW REPORT – FNPF ANNUAL REPORT 2018

HON. V. PILLAY.- Mr. Speaker, Sir, I move:

That Parliament debates the review of Fiji National Provident Fund's 2018 Annual Report which was tabled on 13th May, 2019.

HON. G. VEGNATHAN.- Mr. Speaker, Sir, I second the motion.

HON. SPEAKER.- I now invite the Chairperson of the Standing Committee on Social Affairs to speak on his motion. You have the floor, Sir.

HON. V. PILLAY.- Mr. Speaker, Sir, the Fiji National Provident Fund (FNPF) is a defined contribution fund that provides superannuation services to its members. The operation of the Fund is guided by the FNPF Act 2011, with section 6 prescribing its functions and responsibility to:

- collect and manage contributions;
- hold, invest and manage the funds;
- research, develop and offer financial products and services;
- conduct education and awareness programmes, including publication of materials to promote savings for retirement; and
- providing the Government of Fiji advice on matters affecting retirement savings.

The FNPF is a major investor in Fiji and one of the country's largest property owners. It also owns majority shares in Amalgamated Telecom Holdings Limited, Vodafone Fiji Limited, Home Finance Company Limited and fully owns the Natadola Bay Resort Limited, InterContinental Fiji Golf and Spa, Holiday Inn in Suva, Momi Bay Resort Limited, Fiji Marriott Resort, Grand Pacific Hotel and Sheraton and Denarau Villas.

The Committee upon being referred with FNPF 2018 Annual Report invited its senior officials on Wednesday, 13th March, 2019, to provide its submission. During this meeting, FNPF elaborated on its four key strategic focussed areas basically on:

- (1) Strengthening FNPF's role in social security;
- (2) Strengthening FNPF's corporate culture (international caucus);
- (3) Go digital; and
- (4) Investment diversification and optimisation.

Mr. Speaker, Sir, the FNPF has delivered yet another strong financial performance for the 12 months ended 30th June, 2018. The Committee is of the view that FNPF is now on a sound and stable platform for the future.

The Committee commends the team of committed and motivated individuals who have worked together to bring FNPF to new heights. There is no doubt that great success will continue. Thank you, Mr. Speaker.

HON. SPEAKER.- Thank you, Mr. Chairperson. Honourable Members, the floor is now open for debate on this motion. Honourable Prime Minister, you have the floor.

HON. J.V. BAINIMARAMA.- Thank you, Mr. Speaker, I rise to speak on the motion by the Honourable Pillay.

Mr. Speaker, FNPF is a contribution fund that provides superannuation services to its members and its operations is guided by the FNPF Act 2011. It should provide a major source of income to Fijians when they retire but the people need to have a full understanding of what it means, how it works and how important it is for their future.

I want to make the important point, Mr. Speaker, that while we have used the FNPF as our means for distribution of COVID-19 Unemployment Assistance, that assistance is only drawn from the General Account which contains only 30 percent of funds. The vast majority of retirement funds are kept in the Preserved Account. Even if the General Account is exhausted by those accessing unemployment assistance, Government, as you have heard the Honourable Minister for Economy say, will step in to top-up those accounts. The Preserved Account is just that – preserved.

Mr. Speaker, I support the recommendations in the report for the Fund to strengthen awareness about retirement planning to its members. It is imperative that members change their understanding and behaviour towards their retirement savings, which could be the only source of funds that will sustain them once they retire.

We need to build a better culture of savings in Fiji. People need to understand that by foregoing the use of some funds today and not accessing funds they have placed in their FNPF accounts, they secure a better life for themselves in old age. They need to understand that they will build wealth through the FNPF and they need to understand that developing the highest balance they can in their superannuation accounts will relieve their family members of the burden of supporting them in their old age.

The organising of Retirement Expos by the FNPF is a commendable idea. It is an effective way, not only to provide members with all the information they will need to make good decisions about their future and how to boost their savings, it will also promote FNPF and the very notion of saving consciously for the future.

People need to plan for their retirement, Mr. Speaker, not just to wait for it to happen and FNPF can help them do that. They need to set goals and work towards achieving them. Planning before retirement will help members do that and that will ensure that they can have a comfortable retirement.

Another important highlight of the report, Mr. Speaker, is the Fund's effort to extend coverage to the informal sector. An area of concern is that both, skilled and unskilled workers in the informal sector, are not covered by any retirement scheme.

Mr. Speaker, Sir, I concur with the Standing Committee's recommendations that the Fund should work with Government Ministries, with the private sector groups and different occupational groups, to put together suitable and simplified products to attract skilled and unskilled workers. The introduction of the Voluntary Membership Scheme which is an inclusive retirement service arrangement that targets individuals including farmers, who have made enormous contributions towards the informal sector, is another milestone that the Fund has achieved.

Based on those remarks Mr. Speaker, Sir, I, therefore, support the motion. Thank you.

HON. SPEAKER.- I thank the Honourable Prime Minister. Honourable Niko Nawaikula you have the floor.

HON. N. NAWAIKULA.- Briefly, the motion that is before the House is very poor. A few points were raised by the Honourable Prime Minister. He gave the assurance that the funds are being

drawn from the General Account, not the Preserved Account. However, in my view, Mr. Speaker, it makes no difference, it is still the members' funds from FNPF. If the Government is committed, then give them Government money. Do not tell them to take their own money to help themselves.

The Honourable Prime Minister was encouraging the culture of savings. Yes, indeed, we agree to that, but the fear from the public is the consistency of the amount that the Government does in dipping its hand into that, time and time again. The point that I want to stress is that, the interference of the Government into FNPF. I know I am on record in saying that Government is guilty of abusing, molesting, even raping FNPF funds, for good reason. It is their own money. That is not Government's funds.

(Honourable Members interject)

HON. N. NAWAIKULA.- So, what is the Government doing there? And the reason for that is because the Government itself made the amendments in the laws to allow it to appoint members into there, so that it can dip its hand into the FNPF funds. So, it is like borrowing from itself and the facts will speak for themselves. Let us just look at it.

In 2019, half of Fiji's debt of \$5 billion, that is, \$2.5 billion is drawn totally from FNPF. Nearly \$200 million of the Government's deposit comprising 20 percent of its nearly \$1 billion loan to fund Fiji Airways, where did the Government take it from? The FNPF.

Mr. Speaker, Sir, the FNPF 2018 Annual Report shows that of the \$7.4 billion FNPF assets, \$2.68 billion which is about 35 percent, is tied up and held by Government in loans. No, that is very serious. It is like dipping its hands into a basket of eggs - all the time Government, Government, Government. It reflects badly on the FNPF Board. It should distribute its investments, but it is allowing the Government to take 35 percent of all its assets.

In 2018, Mr. Speaker, Sir, \$638 million were paid by the contributors to FNPF and you know how much is taken by Government in that year? \$588 million. The members put in \$638 million and in the same year, Government took it out.

HON. MEMBER.- So!

HON. N. NAWAIKULA.- It is bad investment to be allowing a single person. They should spread out the risks, never mind it is Government, and that is the fear.

(Honourable Member interjects)

HON. N. NAWAIKULA.- No, it is not a joke!

(Honourable Members interject)

HON. SPEAKER.- Order, order!

HON. N. NAWAIKULA.- Honourable Professor Prasad said, it is a cash cow, but I am saying they are guilty of abuse, of molesting, of raping FNPF funds. Why? Because they allowed the Government to dip their hands into that, and it is very, very serious.

HON. SPEAKER.- Honourable Aseri Radrodoro, you have the floor.

HON. A.M. RADRODRO.- Thank you, Mr. Speaker, Sir. I rise to make a brief contribution on the motion before us, that is, the Report of the Standing Committee on Social Affairs on their

review of the Fiji National Provident Fund 2018 Annual Report. I am making my contribution, Mr. Speaker, Sir, not only as a Member of Parliament but more importantly, as a member of the FNPF. I know that most of us in this House are still members of the FNPF.

Mr. Speaker, Sir, first of all, I would like to thank the Committee Members for reviewing the Report and coming up with their recommendations and more importantly, the Board, the CEO and the FNPF Management Team for living and displaying the values of FNPF by providing the 2018 Annual Report for deliberation by the Committee and now deliberation by the House.

Before I make some commentaries on the recommendations of the Committee, Mr. Speaker, Sir, I would like to make some commentaries on the FNPF Annual Report. To begin with, they have highlighted a net profit of \$538.7 million which is a commendable work by the CEO and his Management Team, and also the return on investment of 9.6 percent. But what I see from the highlights of the Annual Report, Mr. Speaker, Sir, is the interest rates that have been credited to members over a period of five years from 2014 to 2018, which is the period reported before us.

From 2014, the interest credited to members had been 5.7 percent and they have gone to 6.35 percent. Perhaps, the Honourable Minister did not know that previous Governments had given more rates than 6.35 percent. They had given more rates since the beginning of the FNPF. The rates that had been given ranges from around 9 percent to 9.8 percent.

They do not even understand the workings of FNPF, and that is why they are raising all that. Previous Governments had also given more rates than what is here, Mr. Speaker, Sir, and that is the measure of how FNPF operates. If they give us members more rates, then we will know that they are doing a good job. So I am just reminding the House this afternoon about....

HON. A. SAYED-KHAIYUM.- How about sustainability?

HON. A.M. RADRODRO.- I will come to that, wait.

It is about giving the returns to the members. So I am just highlighting to the House that 6.35 percent is yet a long way to go to reach that 9.5 percent.

The other issue, Mr. Speaker, Sir, as I look at the membership profile, a huge number of members have zero balances, so I ask the question, is the reform working in terms of the Act in which the Fund has been operating on?

If we look at the Corporate Statement, it says that the Fund's operations is guided by the FNPF Act 2011 and I think some Honourable Members of this House would understand the impact of that FNPF Act 2011. Pensioners were unfairly treated when their pension amount in which they had relied on were immediately cut off. This same Act prohibits pensioners at that time to take any matters regarding the reduction of their pensions to court. It restricts them, it did not allow any members to have their grievances be taken to court.

Those are some of the commentaries, Mr. Speaker, Sir, I would like to make.

I also note that the FNPF today is not the FNPF at the time of this Report. I think we all know that. Today, the FNPF has been used to assist workers who have lost their jobs and also those who need assistance under the COVID-19 pandemic, Mr. Speaker, Sir. I raise the question, why could Government not assist the pensioners who have suffered during that time? Why could they not do that?

Maybe, it is time that they also take into consideration those pensioners, may be little in numbers. By looking at the tables, there are only a few who have less than or more than \$500,000 balances and above. Only 132 were over 55 years, maybe it is shown as 62. So those are some of the things that the FNPF Board should also consider in terms of how late the preparation of the Report was.

We have been talking about the sustainability of FNPF as was highlighted by the Honourable Attorney-General. The sustainability of the funds depends on the proper management of the funds, Mr. Speaker, Sir. If I look at the credit risk, it has been stated in the report that members are not fully informed of who are those creditors that owe to FNPF. It only shows the sectors, like agriculture has only about five percent of members that can access, probably lending from the FNPF and Fiji Airways.

Mr. Speaker, Sir, I could not see any other sectors that is related to airlines, maybe the Honourable Attorney-General can suggest to us that probably it is in the transport industry, I do not know. Perhaps, that is something that he can highlight to this House, Mr. Speaker, Sir.

Mr. Speaker, Sir, on the recommendations of the Standing Committees that the Fund collaborate with partner - Government Ministries, the private sector, organisations and different occupational groups, I fully support this recommendation. I also note the increasing number of voluntary membership into the Fiji National Provident Fund and that is a good sign in terms of how Fijians show patriotism to their FNPF. We hope that Government will also take into consideration the voluntary contributors who have trust in the FNPF, to ensure that better interest rates comes out in the years to come.

Mr. Speaker, Sir, on investment diversification and optimisation, I just want to inform this House that last year, the FNPF has been purchasing divestment shares from Energy Fiji Limited (EFL). This year in June 2020, they were supposed to be listed in the Stock Exchange and I wonder whether the Honourable Attorney-General would enlighten this House whether this plan to lease EFL into the Stock Exchange will be realised. Otherwise, we as members will question that investment done by FNPF into the purchase of EFL for spending an amount of close to \$200 million last year.

Mr. Speaker, Sir, as I have said, I support the recommendations of the Committee and I hope that the recommendations will also include local investments (as I have said) in their recommendation on divestment. They are looking more into offshore investments. Given that the time has changed and as I have said, FNPF today is different from FNPF at the time of this Report and with COVID-19, they probably need to look at more internal investments to ensure that the Fund grows and grow better. Thank you very much, Mr. Speaker, Sir.

HON. SPEAKER.- Thank you, Honourable Member. Honourable Minister for Commerce, Trade, Tourism and Transport, you have the floor.

HON. F.S. KOYA.- Mr. Speaker, Sir, I rise to contribute to the debate on the Review Report of the Standing Committee on Social Affairs on the Fiji National Provident Fund 2018 Annual Report.

Mr. Speaker, Sir, first of all, I must acknowledge the recommendations of the Committee and the Chairman whilst reviewing the Report. I want to take this opportunity also to say ‘thank you’ to the Board, the Management and the hardworking staff of FNPF, who have delivered positive results for 2018.

Mr. Speaker, Sir, it is actually pleasing also to note that the FNPF has earned a net profit of \$538.7 million in 2018, in comparison to \$422.4 million in 2017. So, I do not know where they get their facts and figures from by saying that there is something wrong with FNPF, nothing is being done and not enough has been offered, et cetera. As a matter of fact, Mr. Speaker, Sir, it actually represents a growth of 27.5 percent, whilst the total assets grew from about \$5.8 billion in 2017 to \$6.6 billion in 2018. That is a phenomenal achievement.

Mr. Speaker, Sir, it is noted that in 2018, FNPF further diversified its investment portfolio into the tourism sector by acquiring the Marriot Denarau Hotels, which included the; 297 room Sheraton Resort; 246 room West Inn Resort; 111 acre Denarau Golf Course, which you are very familiar with, Sir; and the Grand Pacific Hotel.

Mr. Speaker, Sir, it is also pleasing to observe that FNPF's confidence in Government investment product such as Government securities, made up about 40 percent of FNPF's asset allocation, which is the largest segment of FNPF's investment portfolio.

Sir, I note that the third recommendation in the Committee's Report was for FNPF to work closely with the Reserve Bank of Fiji (RBF), to explore more offshore investment opportunities. I also wish to highlight to this august House that my Ministry is also working closely with FNPF and International Finance Corporation (IFC) on the Special Economic Zone (SEZ) at Navutu in Lautoka. The SEZ will have in place all the necessary supporting infrastructure and utilities to facilitate industrial development to suit the custom demands of potential investors through its 'plug and play' approach, thereby providing a seamless business opportunity, Sir.

The focus of that SEZ is also to create opportunities in the Information and Communication Technology (ICT) and Business Process Outsourcing (BPO) sectors, Light Green Manufacturing and Warehousing, to name a few, Sir. These are the critical growth sectors in the post-COVID world and the SEZ will actually complement the Fijian Government's ambition to serve as the hub of the Pacific.

Mr. Speaker, Sir, to conclude the Ministry commends the efforts of FNPF in securing the future of its members, contrary to what the Opposition may believe, and resulting in members benefitting from the interest paid out to their accounts.

Mr. Speaker, Sir, I thank you for giving me the floor.

HON. SPEAKER.- Thank you, Honourable Member. Honourable Gavoka?

HON. V.R. GAVOKA.- Thank you, Mr. Speaker. The FNPF, to me, is always a strange organisation. Here, we hear from the Honourable Minister for Commerce, Trade, Tourism and Transport where they have made more than \$500 million in 2018 and \$400 million the other year, and the Report says that it has an asset base that is too big for Fiji in many ways, that it has to look overseas for investment opportunities.

I say strange, Mr. Speaker, is that, with all that, 70 percent of its membership have less than \$10,000 in their balance. So, who is it serving? Who is FNPF serving here? With all the profits, with all the assets that it has, the biggest property owner in Fiji, yet there are people who have zero balance. So, does that make sense, Mr. Speaker? All the reforms that have been carried out by FijiFirst, does it make sense that this huge Fund has 70 percent of its members barely - with virtually nothing in their accounts?

I belong to a generation, Mr. Speaker, who was hurt very deeply by this organisation. We left school and went to work and signed with the FNPF 40 years ago and the promise of savings and pension at the end of our working life, and we did well. We did not touch our savings and by the time we retired, the pensions were comfortable. Until someone executed a *coup* and decided to reduce all that pension so drastically that some of us decided not to bother with any pension, just pulled out totally. And I do not speak for myself, there are hundreds or thousands of people of my generation who were hurt by FNPF.

On that day that we had to go and sign up with FNPF on the new arrangement, I always remember this very sad story. This gentleman left his seat to go to the counter. When he went up there and people said, “your shoes”. He forgot his shoes and he had to walk back so feeble to pick up what he left on his seat. I just looked at him and said, what tragedy that these people who are in leadership today, have done to people of this generation. And then the story we always hear from the other side is that, it is for the younger people to make sure there is a fund for them down the line.

I would say today, a lot of these young people would say, “We prefer our parents to be well looked after, as opposed to us to look after them down the years. We prefer that our parents are self-sufficient”, and we were self-sufficient. We had worked hard during all those years to make sure we had a comfortable pension, but this Government had destroyed all that.

Mr. Speaker, that is bye and bye, we have forgotten it, but it is still strange today that a lot of people will not benefit from this Fund with the balance they have in their accounts today.

Mr. Speaker, it takes leadership to try and build up on their balances, otherwise this Fund is meaningless. It is only good for Government and the 30 percent, the vast majority will find this Fund to be totally meaningless.

Mr. Speaker, we are told that we can no longer have workers’ representation there, other representation, and we need to have experts, people who understand. I know my colleague, Honourable Aseri Radrodoro has talked about the Fiji Airways loan. Mr. Speaker, a banker has been known to be the person who only lends you money, if you can prove to him that you do not need it. I mean, that is how they describe a banker. They ask very, very critical questions. If there were experts in FNPF, they would have asked Fiji Airways, who put together your equipment needs? Who is behind all these?

I bring this up, Mr. Speaker, because I have always been blamed that I keep bringing up Qantas. The arrangements between Qantas and Air Pacific, Mr. Speaker, was that they would have the final say on the choice of equipment for Air Pacific. You remember, Mr. Speaker, Air Pacific almost went broke and Qantas standing in and said, “We will absorb their losses on two conditions. We have the final say on the purchase of equipment and have the final say on the new routes that you want to take” and they have been working well.

Here we were, leading up to the *coup*, Qantas through its management of Air Pacific in that area had identified the Dreamliner to be the plane of the future, keeping the fleet within Boeing. But lo and behold, Mr. Speaker, this new CEO came in and said, “No, we will go to Airbus”.

Mr. Speaker, listening to the CEO of Fiji Airways for the last few days he said, “We only have 20 Aircrafts and our ability to ride out these things will be much more difficult than the big boys.” If we have only 20 Aircrafts, Mr. Speaker, it makes sense that you keep the equipment that you have - your fleet within one company, with Boeing. For 20 aircrafts, you have Airbus and you have Boeing, spare parts, engineers, servicing.

Mr. Speaker, I know that Airbus is a good plane but when it comes onto economy on how to run, how to manage equipment, it is better to stay with one. Anyone can say that. Everyone is against you there. Why would you have two types of aircraft for a small airline?

(Honourable Members interject)

HON. SPEAKER.- Order!

HON. V.R. GAVOKA.- If you run a fleet of taxis you, you would rather go with Toyota, you do not want to have a mix with Mazda, et cetera. That is basic business.

(Honourable Members interjects)

HON. SPEAKER.- Order!

HON. V.R. GAVOKA.- You are going to have one engineering team for Boeing, one engineering team for Airbus, one pilot for Boeing and one pilot for Airbus. Can you not see that? What I mean to say is that, you do not have the intellectual capacity to understand, or something for my friend there.

Mr. Speaker, I would ask the people in FNPF on why they did not demand from Fiji Airways whether their strategic partner Qantas had approved the purchase of the Airbus. I would ask them that. I think there have been dereliction of duty on their part and we hear they are experts, and as a lender I would have demanded for that.

What obviously happened was that, they listened to this new guy from America, who told them that the Airbus is alright and you remember after he did that, where did he go? He went to Florida to be the CEO of one of the company there and not long afterwards, he was flying in another airline in Hawaii. Another CEO came, after a few years, he went to Air Berlin and it went bankrupt. So those are the kind of people we bring them here to tell us to move away from Boeing and go into Airbus. They are both good companies but they have both different cultures, and to go between the two cultures is very expensive, and that is what the problem is with Fiji Airways today.

Mr. Speaker, I would ask or to make sure that FNPF is meaningful to the 70 percent who have less than \$10,000 in their account. We must do something about it and I know there are people in the political arena who were saying that we should go back to the retirement benefits that were there but was removed by the Bainimarama regime, which totally made FNPF meaningless to many and destroyed many lives.

Mr. Speaker, I notice a recommendation by the Committee and I will support the recommendation, that we do something about the low balances for the majority of the members in FNPF. I just wish, Mr. Speaker, that the FijiFirst Government do not touch FNPF. Everything they touch becomes a disaster. I just wish they do not touch FNPF and leave it alone and leave it to what it was like in the past - workers reps, employers' reps, people who have interest of their members at heart.

(Honourable Member interjects)

HON. V.R. GAVOKA.- Not FijiFirst, who are using FNPF for their politics. That to me, Mr. Speaker, is a huge disservice and a tragedy for the people of this country. Thank you, Mr. Speaker, Sir.

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

HON. V.K. BHATNAGAR.- Mr. Speaker, Sir, I rise to make a very small contribution towards the debate on the floor. Alluding to what the Honourable Prime Minister said in relation to the recommendation of extending coverage to the informal sector by the Committee, it is very encouraging to note that the Ministry of Agriculture has launched the Voluntary Fiji National Provident Fund Membership with the Veivorati Farmers Group.

This initiative is the first of its kind aimed at ensuring farmers have access to certain benefits and have a pension after they turn 55 years. This is a very promising beginning to extend the reach of FNPF into the informal sector. I commend the Ministry and FNPF for this step and hope this is furthered into our communities of farmers.

Also Mr. Speaker, Sir, in accordance to the 2018 FNPF Annual Report, I wish to congratulate FNPF on their stand in exploring gender equality at the workplace, 44 percent of leadership roles within FNPF as of 2018 were held by female and this is well noted and commended.

Mr. Speaker, Sir, as we debate the Annual Report this afternoon, I wish to thank and acknowledge the hardworking staff at FNPF, as they carry out the phases of the withdrawal programme for those impacted by COVID-19. The assistance received through FNPF is a beacon of light for those who struggle to make ends meet in these difficult times, and the team at FNPF must be thanked for their patience and commitment in serving our people.

Mr. Speaker, Sir, 113,000 members of the FNPF have so far accessed funds to the tune of \$87 million through FNPF's COVID-19 Withdrawal Scheme. The FNPF CEO, Mr. Jaoji Koroi, says that 65 million was members withdrawing funds from their FNPF General Account while 22 million was topped up by the Government.

The Honourable Nawaikula stood up and kept asking what is the Government doing with the people's money. There is \$22 million that has already been topped by the Government and if you heard what the Honourable Attorney-General said yesterday, we do not know for how long we will be impacted by COVID-19 and for all those upcoming. I mean, obviously, Government will continue to invest in the welfare of our people through different incentives, so I hope the Opposition remembers this.

Thank you very much and I support the recommendation by the Standing Committee on Social Affairs and I thank all the Honourable Members for their Report.

HON. SPEAKER.- I thank the Honourable Bhatnagar. Honourable Bulitavu, you have the floor.

HON. M.D. BULITAVU.- Thank you Mr. Speaker, Sir, I rise to give some comments on the motion that is before the House and that is, for the House to note the Review Report on the Fiji National Provident Fund 2018 Annual Report.

First of all I would like to thank the Standing Committee on Social Affairs: the Chairperson - Honourable Viam Pillay; Deputy Chairperson - Honourable George Vegnathan; Honourable Alipate Nagata and Honourable Salote Radrodro, Honourable Dr. Ratu Atonio Lalabalavu from this side of the House. If you go through the Review Report, I think the Committee has done a very good job in terms of deliberating on the issues that came out from their interactive session with the team from FNPF.

The FNPF's vision is to secure your future and the mission is to understand our customers, offer quality services and ensure sustainable returns for a meaningful retirement. That is the role of FNPF, their vision and mission and the various policies that they put in place to achieve that vision and that mission.

We are thankful that over the years FNPF has increased investment diversification and optimisation, especially in investment in the tourism industry, in hotels and even in upgrading their properties in real estate which has also been very beneficial to the Fijian economy and has also provided employment for every Fijian who is qualified for the services that are part of their tenants in those properties.

Also working with landowners in those various hotels that also benefit the landowners in terms of land leases, plus other premium, given there are developments in those areas. Not only that, landowners are benefiting through tourism and they are also participating in activities during cultural nights and everything that the community will benefit from, given the investment in the tourism industry. And we are hoping that we speedily recover from COVID-19, so that those who are unemployed are reabsorbed in the industry.

We thank the Fund for what they have done. One of the important things is that, the Fund has gone into digital transformation in terms of complaints management system and I think they have a real time update for registration of complaints, escalation, right to a resolution. That is customer service, especially, when they are following up with a complaint regarding any business they do with the FNPF, or question something that needs to be rectified.

The other thing is that we thank FNPF for the role that they play in social security in terms of the no tax and no fees for minor voluntary products that was launched on 4th February, 2018. There were 121 people that registered under that in 2018. This is where our primary and also secondary schools students were able to be part of FNPF at a very young age, especially when we are trying to instil the culture of saving to meet the vision, that is, for the future and also to enjoy a meaningful retirement at the end of their working career.

We also thank FNPF for the various products that they have rolled out and implemented, a good example is the Village Housing Grant. Working with the Divisional Commissioners within the Ministry of Rural Development in terms of plans and also assisting employed VKB members who are in urban centres, like in Suva, and who want to build a house back in the village. We thank that scheme which is available, that allows those people to draw from their General Account and benefitting from the housing grant that is available and the various policies that are there, given it will be according to their eligibility.

We thank the Fund for being awarded the International Social Security Association (ISSA) Good Practice Award in the Asia and the Pacific Competition in 2018, having managed natural disasters' delivery of service in times of need. I think that is a big social responsibility that the Fund has played, in also coming in, in times of natural disasters and assisting Government and also Fijians in their rehabilitation, ensuring that no Fijian should be left behind, given the goals and aims of the United Nations SDGs.

The future plans for the Fund to explore in their role to strengthen social security, is to extend coverage to the informal sector, as alluded to by the Honourable Prime Minister, like taxi drivers who drive their own taxis, domestic workers and also building and instilling a culture of saving that they too become voluntary members of FNPF.

Also as future plans for the Fund, probably to explore opportunities in public private partnership (PPP) in terms of low cost housing. Probably, a need to review the FNPF Act and other new pension products and other consultation on the review of the Special Death Benefit which is very helpful, especially in the *iTaukei* community during a death in the family. Now, there is only one sibling who is qualified for a \$2,000 withdrawal eligibility to withdraw for a funeral, given they are working and also paying other credits and commitments that they also contribute to their social obligation.

Those are some of the things that we are thankful for that are already in there, but we urge the Government to get enabling legislations to address what the Honourable Aseri Radrodro had said, that is the issue of low membership balances. That is something that the enabling legislation can look into, plus extending the coverage Honourable Minister, especially the informal sector and the agriculture sector on how FNPF can also move into and how the policies in your Ministry will help assist PPP in the informal sector.

Developing other productions, I have alluded to - pre and post-retirement needs. Probably, processes and consultations are already in place. But one of the things that I would like to focus on before I conclude my contribution in support of the motion to note the Committee's recommendation is what I had asked the Honourable Attorney-General on the other day through a supplementary question in terms of the current Unemployment Grant that is being given of \$220 per month to the FNPF General Account which is 30 percent.

I received some complaints, Honourable Attorney-General, from certain applicants that the current policy at FNPF is that, they have to exhaust all their funds in the General Account before Government assistance kicks in. That is probably one of the issues that you might want to clarify to the House and also to members that if that is the policy, probably that needs to change, given some members have been told that those are some of the reasons. I do not know whether that policy has been properly applied or not according to what you have said.

If they have exhausted all their funds in the General Account - education, housing and death benefits with nil balance, then the \$220 will kick in. If that could be clarified whether it is the case or it is not the case, and if that is being practised, that should stop and if that could be brought to the Board's attention.

One of the other thing too for the long-term of the Fund is the reduction of the members' contribution from 18 percent to 10 percent, as well as the baseline for membership contribution collection which before was about \$54 million per month but now it has reduced to \$21 million per month and that will affect FNPF in the long run.

Those are some of my observations on the motion and I hope that those will be clarified. I also wish the FNPF well in building a secure Fiji in terms of the culture of saving for every Fijian, especially when they reach retirement age. *Vinaka vakalevu, Sir.*

HON. SPEAKER.- Thank you, Honourable Member. Honourable Minister for Fisheries, do you wish to take the floor?

HON. CDR. S.T. KOROILAVESAU.- Thank you, Mr. Speaker. After hearing all the meandering from the other side and the merry-go-round that they keep riding on, I thought I should make a short contribution.

Mr. Speaker, Sir, please allow me to thank the Chairman and the Standing Committee on Social Affairs on the Review Report on the Fiji National Provident Fund. I also wish to thank the

CEO and Executives of FNPF and the Management in the work that they carried out through the year (2018). Even though Honourable Members of the Opposition had gone back to 2012 and beyond and trying to create history by going over the issues of 2010 and 2005, as they spoke, Mr. Speaker, I could hear the soft tap from Honourable Rasova and Honourable Saukuru, cheering them on with the broken records of what had transpired in the previous century.

I know that I need to thank the CEO for the financial relief to our people during COVID-19 and also the FNPF Branches all over Fiji for the amount of work and effort that they have provided to assist the members who have lost employment during this recent pandemic. To try and discuss the assistance that is given, I seem to wonder if there are any other avenues that the Honourable Members of the Opposition who have recently stood up to make a contribution can provide as other alternatives. I seem to think that even Honourable Nawaikula's statement seemed to indicate a lot of hallucinations and statements that did not make any sense at all.

Mr Speaker, Sir, I take note of the activities that had been carried out and the issues that had been highlighted in the Report. Again, I must re-emphasise to Honourable Nawaikula that the funds that have been loaned to institutions basically indicate the capability of those institutions or those companies to repay the money that has been loaned to them. It was not just given out because they love or like that person or the company that has come to ask for financial assistance.

I would think that Mr. Jaoji Koroi and his team must have gone through the processes of checking and the Board checked out every background to allow and to see that those financial institutions have the capability to repay. The only way that FNPF can give returns to members is for them to look for investments that will give good returns. If Fiji Airways can invest and give good returns, so be it. That is another process of carrying out the commercial activity and I support the return at the end of the day.

Mr. Speaker, I have always been attacked by those who say that I have been negative. I am not being negative, I am just asking them to come up with an alternative. If they want to create an impact, then provide an alternative. That is all basically what the Government is asking for.

Mr Speaker, to conclude, I would like to congratulate and thank Mr. Jaoji Koroi and his Team for their high professionalism and expertise. Having dealt with FNPF previously, I have seen how they have attended to requests from agencies and companies that have gone to FNPF to ask for assistance and they have attended to it, so I congratulate them for the work that they have done in the past and the work that they continue to do for the people of Fiji.

HON. SPEAKER.- I thank the Honourable Member. Honourable Professor Prasad.

HON. PROFESSOR B.C. PRASAD.- Thank you, Mr. Speaker. I thank the Committee and take note of their Report. In fact, two years have lapsed since the release of this Annual Report, although this review was done last year and tabled in March.

Delays in debating the Review Report was highlighted by the Honourable Leader of the Opposition yesterday. Moving forward to 2020, Parliament is still waiting to receive the review of the 2019 FNPF Annual Report and there are some interesting statistics in there. I just want to pick on two points that Honourable Gavoka had raised, and I could not agree more with the Honourable Prime Minister when he said that everyone should try and build their FNPF funds for pension and retirement.

Retirement, Mr. Speaker, Sir, is a very difficult period, especially if you do not have the appropriate income to live your lives when you go on retirement. Honourable Gavoka rightly pointed

out and, in fact, the Report correctly says that in 2018, a total of 71 percent of its members had balances below \$10,000. In fact, with the now reduction in the contribution from 18 percent to 10 percent where the employer contribution has been reduced by five percent and the employee taking their own three percent into their pay packet, the contribution that is going to the Fund has been decreased by 8 percent, so in the next couple of months, Mr. Speaker, we expect the percentage of those who might have balances less than \$10,000 to increase.

Let us assume, Mr. Speaker, that someone retires at 55 years and has, let us just say, \$10,000 at the time of retirement as a balance and decides to go on pension at 9 percent. That is, \$900 per year, divide that by 12 is \$75 per month, divide that by two, it is \$37.50 per fortnight. So for many of those people who have those kind of balances, at the time of their retirement at 55 years, especially if they are working for Government in low-paid jobs, it would be a very, very difficult and painful retirement experience because no one can live with those amounts.

Of course, you can argue that they would have other investment, they might have houses, they might have farms, so it is very important for us to look at how we can make FNPF grow. We can look at the macro picture, how much investment we are making that is important, what sort of interest we are getting but at the end of the day, the Fund grows, the Fund is made up of members' contributions.

When the employers contribute, it is part of the package that they give to the employee, so what the employee gets into the Fund is all their money. Therefore, at the end of the day, it is absolutely important to understand that it is the workers who contribute, who make this Fund and I think we need to seriously look at the pension itself.

What I am told, Mr. Speaker, is that, very few people are actually going on pension and, in fact, you know what we might see when the borders open, we might actually see an exodus of people leaving this country, who got their PR, who are waiting and all those people are going to withdraw lump sum and people who have already reached 55 years are contemplating whether they should go on pension or not.

The changes we made recently is a good move. At least, it gives some leeway for people to decide what they want to do but it is very important, Mr. Speaker, for us to understand that and look at the Fund. You do not have to worry Honourable Minister because as Members of Parliament, as Ministers, as a Prime Minister, we do not contribute to a pension but we are actually going to get pension paid by the taxpayers of this country so let us not take a side jab there.

The other point I am talking about is those who contribute and get their own pension, Mr. Speaker. Let me also highlight what Honourable Gavoka said about pensioners. You know that when you go on pension, you actually sign a contract, you plan your life on that basis and he is absolutely right. I can understand the pain many of those people out of the 3,600, Mr. Speaker, who lost out on pension.

We were told that these are all elite people, I mean, there may have been a few, but many of those who arbitrarily lost pension because of the unilateral change by the Military regime at that time to change the contractual obligations, they knew and, in fact, the consultants, Mr. Speaker, said in a report that sufficient funds should be set aside to fulfil payments on the contracted rate. They had actually recommended that those who are already on the contract should be paid. They knew that the FNPF could pay and it should pay.

Mr. Speaker, the FNPF Board never explained why it rejected this critical advice from consultants it trusted, who are familiar with every aspect of operations.

(Honourable Member interjects)

HON. PROFESSOR B.C. PRASAD.- Mr. Speaker, again, he does not understand what the consultants said. But pensioners argued strongly that there was no financial justification for the claim that the amounts paid to them were unsustainable and would drive the FNPF into insolvency. They stressed in a petition that 89 percent of them were receiving monthly payment below the poverty line set by the FNPF. So, the elite would have been probably about 11 percent. It was inconceivable that based on that 11 percent who were receiving probably more than 15 percent, I think some were on 25 percent, that the Fund was going to become unsustainable. I mean, the Fund could have worked out, Mr. Speaker, a way to deal with that.

Mr. Speaker, 3,600 would be a small number but I met a lot of people who were part of that and you can hear the pain. In fact, one of them gave me a copy of the petition and I want to quote from the petition, and I quote:

“Why was the FNPF from its position of strength in such a rush to smash existing contracts instead of letting those in place run their cause with a diminishing liability? Our numbers are coming down as pensioners passed on.”

Mr. Speaker, the petition included this heartfelt plea, and I quote:

“Leave us alone in our final years without inflicting us on the disruption and stress caused by several reductions in income for citizens who will find it difficult to re-enter the workforce to make up for their loss. Our retirements were planned and the basis of contracted pensions, the Government and the FNPF had without justification, cut away the foundations of our last pays of our lives.”

Mr. Speaker, Sir, when I read that, it was very, very painful.

Mr. Speaker, that petition was signed by hundreds of pensioners and leading citizens. I was told it was delivered to the Honourable Prime Minister and they never heard from the Office of the Prime Minister.

(Honourable Member interjects)

HON. PROFESSOR B.C. PRASAD.- It is not water under the bridge!

The point is, Mr. Speaker, I want to make is what the Honourable Prime Minister was labouring at the beginning, that retirement fund is very, very important, pension is very, very important and for retirees, if you go on a contract and they had a contract, they planned their lives and suddenly, you bring out the law and remove that contractual obligation and you leave all those people behind. So, this argument that I heard before, but talking to those pensioners and looking at the report that their consultant said, they actually said that these pensioners could.

In conclusion, I think the point I want to make, Mr. Speaker, is we need to look at the totality of the membership of the FNPF. There is a very, very significant point that the Committee is raising in this Report and, that is, that a large majority of the people have very, very small balances and many of them, Mr. Speaker, may not go on pension. It is a big concern because for the young people in this country, for those who will work in the future, that they will have to bear the burden of the retirees in this country and as life expectancy improves, Mr. Speaker, which has been improving in this country, there will be a much bigger burden if you do not sort out the numbers of people who can accumulate pension funds for their retirement. Thank you, Mr. Speaker.

HON. SPEAKER.- I thank the Honourable Member. Honourable Leader of the Opposition, you have the floor.

HON. MAJOR-GENERAL (RET'D) S.L. RABUKA.- Thank you, Mr. Speaker, Sir. Just a short contribution. Those of us who live through from the old pension scheme time to the introduction of the Fiji National Provident Fund will know that the Fund was very well planned, it was very well thought-out. It is a very good Scheme, like having a good horse, it is how you look after it and how you treat it that matters in the end.

‘Provident’ means and I know there are many teachers on the Government side, means prudent and forward looking. The Fund was made to be a prudent and forward-looking Fund, to look after people when they stop earning, when they retire.

In many of my contributions on reviews of Annual Reports, I have highlighted the fact that many tend to be outdated. This is why I would like to congratulate the Board and the Management for the Report of 2018 coming out and was tabled in the House in 2019, now we are debating it and I would like to congratulate the Senior Management, the Executive and the Board for the provision of that Report.

The Board and the Managers and we as Government or Parliament, dictate to them or ask them to ensure that the investment of the workers in Fiji are put there as a compulsory savings for their retirement and is properly looked after. The benefit of the Fiji National Provident Fund is that, when interest accrue on the fund, it is accruing on the principal which is the contribution from the worker and the employer.

So, we may not be very happy with the 5.6 percent interest that is given but it is 5.6 percent on our fund which we have contributed and the fund put in by our employers. I am very grateful for the Fiji National Provident Fund because if I had remained on the old Pension Scheme, I would not have been able to purchase my first house, because that Scheme was available at the time where we could withdraw a portion of our savings for things, like buying your own house.

I would like to urge the government to be prudent in the management of that Board and the selection of those that represent us on the Board and during the government I was in, we allowed the Fund to invest overseas. It would not limit it to investing locally and if there were better opportunities of making sure that the members of the Fund get better returns for their savings then they would find those avenues by investing overseas.

So, congratulation to the Management of the Board and I thank the Committee for the Report and support that we endorse the Review Committee’s Report. Thank you.

HON. SPEAKER.- I thank the Honourable Leader of the Opposition. Honourable Minister, before you take your right of reply, there is one more speaker, Honourable Adi Qionibaravi is anxious to take the floor. You have the floor, Madam.

HON. ADI L. QIONIBARAVI.- Thank you, Mr. Speaker, Sir. First, I would like to acknowledge the Chairperson of the Standing Committee on Social Affairs and Honourable Members of your Committee, Sir, for this Report. *Vinaka vakalevu.*

Mr. Speaker, Sir, it has been 51 years and we have a lot to thank the Fiji National Provident Fund for, and having said that, I would like to acknowledge the vision and the foresight of our leaders who have established the Fiji National Provident Fund (FNPF) - Mr. A.D. Patel and the *Turaga Bale na Tui Nayau*, Ratu Sir Kamisese Mara, in 1969. Without the FNPF, most of us would not be able

to get an education, buy a property and build a home and the whole of other services that have been provided by FNPF over the years.

I also would like to acknowledge the first Manager of the Fund - Mr. Robinson, and the long serving CEO - Mr. Lionel Yee, Sir, for their prudence and determination to make the Fund a success for Fiji. And those CEOs who came after them, Mr. Olota Rokovunisei, Mr. Aisake Taito, Mr. Jaoji Koroi, if I have missed a name, I apologise but I would like to acknowledge the contribution of the CEOs and all the Boards of the FNPF over the years.

My contribution to this motion before the House, Sir, are on Recommendations 1, 2 and 3 but I will only speak very briefly on Recommendations 1 and 2, that the Fund would strengthen its retirement planning and conduct vigorous awareness session, in order to instil a saving culture amongst its members.

Mr. Speaker, Sir, I speak on behalf of those employees who have had to withdraw their own funds because of the difficult situations they faced, having been terminated or are on reduced hours of work because of COVID-19. They have had to withdraw their own funds, Sir, to make ends meet. People of Fiji had thought that Government could assist but they had to withdraw their own funds and in doing so, Sir, they will lose the component of the compound interest that would have given them more funds when they retire.

I am asking FNPF and Government through the \$100 million that was approved at the last session of Budget, if they could consider paying the compound interest that these employees would have lost because they have to withdraw funds to see them through the COVID-19 period. That is my first contribution this afternoon.

It is important that these employees have a level of retirement funds that will ensure them a comfortable retirement when they do retire. So, the reimbursement of the interest component that they would have lost because they had to withdraw their funds would be a boost to their morale and a big help to their families, Sir.

My second issue is, I would like to congratulate the Committee that is headed by Honourable Pillay, for making the suggestion to extend the Fund's coverage in the informal sector. That is a very good suggestion, Sir, because we will be assisting those people and to encourage them to save money for their retirement years. So that is a very good suggestion.

My third issue, Sir, has to do with matters that had been raised already this afternoon by Honourable Gavoka, Honourable Professor Prasad and the Honourable Leader of the Opposition, in dealing with senior members, who probably started the Fund. When I look at the Report for those pensioners over 95 years, there was one person living during the time of issue of this Report. Maybe a male or a female over 95 years, Sir, was alive at the time of the issue of this Report. Between 90 years to 94 years, there were five people; 75 years to 90 years, there were 28 people; and 80 years to 84 years, there were 108 people. Adding all that up, it came to about 403 people from the age of 84 years to over 95 years. Now, some of those people may have passed on between 2018 and now, others may have passed on earlier. They would have gone depressed in their heart for the fact that they have to go without part of their pension which they had earned during their lifetime, Sir.

There was a contract between them and the FNPF. It is sad that the reform has to happen. There was no consultation with the senior citizens of our country. If I had to add those in the category from 75 years to 79 years and 80 years to 84 years, Sir, it comes to a total of 2,076. I am pleading with the Government, I am pleading with FNPF, if they can consider in some way that their pension

could be supplemented from what they used to receive previously, as it was drastically reduced by as much as 50 percent during the reform in 2010-2011.

That is my contribution this afternoon. I would like to wish the FNPf Board and the senior officials in their continuing work and trust that they will continue to exercise prudence in managing the Fund that a lot of people of Fiji depend on for retirement purposes. Thank you, Sir, for the opportunity to contribute this afternoon.

HON. SPEAKER.- Honourable Attorney-General, you have the floor.

HON. A. SAYED-KHAIYUM.- Thank you Mr. Speaker, Sir. As usual, we have digressed away from the Annual Report. Every time when an Annual Report of FNPf is brought to this Chamber, we go back to the FNPf Reform, notwithstanding the fact, that we have given so much information on this.

Honourable Gavoka is putting his thumbs up. It is a waste of Parliamentary time, the narrative is not changing, notwithstanding the fact, that the facts are different. We have presented to this Parliament that over 1,800 people had to make some changes. There are over 400,000 members of FNPf. I do not need to say this all the time, but anyone who knows the superannuation fund, knows that it is a collective investment. We pool your funds together for a collective investment.

Honourable Qionibaravi mentioned about Lionel Yee. His rate of return was 25 percent. Within four years, he got 100 percent of what he puts back, and he got more than that as years went by, but there were others getting only 7 percent. Some people got 19 percent, some got 16 percent, which is not fair. The system should not work that way because it is a collective fund, people need to be paid the same rate.

There were two international reports that said that the manner in which FNPf was being managed and the manner in which the funds were being given out through the Pension Scheme, we would have had no money by 2052-2054.

(Honourable Members interject)

HON. A. SAYED-KHAIYUM.- You see, this is the kind of intellectually deprived reaction, Mr. Speaker, Sir.

(Honourable Members interject)

HON. SPEAKER.- Order!

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, those reports were made known publicly. The Governments at that time did not have the political will to implement it. The Boards, Mr. Speaker, Sir, were appointed at political whims. We had the Governors of Reserve Bank previously sitting on the FNPf Board when the Reserve Bank of Fiji was actually the regulator of the FNPf. That is the most basic kind and major type of conflict of interest you can have.

Today, Mr. Speaker, Sir, the Board members can only serve two terms of four years, no more than that and the appointments have to be vetted first by the Reserve Bank to see whether these people are fit and proper people and they must have some form of appropriate skills and expertise in investment management, corporate governance, accounting and auditing, finance and banking, risk management, law, acting as an actuary or an auditor, information technology or a similar engineering discipline.

Those are the types of qualifications we want. These are large amounts of money we are dealing with. Honourable Jale will tell us that when he was Chairman, a number of investments were done with people who were actually undischarged bankrupt in Europe. Those are the kind of shenanigans that went on. To come here now and paint and pontificate the virtues of how FNPF was wonderful before, is completely false and misleading.

Mr. Speaker, Sir, I would now like to say a few things. Even the Honourable Leader of the Opposition will tell you, even during his NBF days, if your withdrawals were not actually approved, people were lining up to see the Chairman of the FNPF Board. In those days, Honourable Qionibaravi, there was no distinction between the General Account and Preserved Account, it was one account.

HON. ADI L. QIONIBARAVI.- It was okay.

HON. A. SAYED-KHAIYUM.- It is not okay. She said it is okay, there is nothing okay! And here you are talking about making sure that people have money when they retire. It is not alright, Mr. Speaker, Sir.

I would like to also point out that under the new FNPF laws, the Board members are criminally culpable, vis-à-vis the Companies Act, should they knowingly make decision that would be detrimental to the investments of the FNPF members. I can give you enormous examples of how previous investments made by FNPF and money went down the gurgler.

Mr. Speaker, Sir, the other point that I would like to very quickly make and I want to contextualise it because 70 percent of the Fijian population today is below the age of 40 years. If a 20-year old person is working, joining the FNPF today, he or she expects the Fund to be here to assist with his/her first housing withdrawal in 15 years from now, for example, and his retirement will be 35 year from now.

Mr. Speaker, Sir, FNPF today caters for 430,000 members. It is, therefore, incumbent upon us as policy makers to put in place these laws that those members who are contributing will actually have some funds when they retire. Let us not just think about those people who are at the age of 55, think about those people who are not 55 yet.

Mr. Speaker, Sir, the 2018 Annual Report confirms that the Fund is in a much stronger financial position. Net profit increased by a record 27.5 percent from \$422.4 million in 2017 to \$538.7 million, attributing to 9.8 percent growth in return on investment. The Fund actually maintained the interest rate accredited to its members of 6.35 percent, paying a total of \$297 million to its members.

The Fund, Mr. Speaker, Sir, through its prudent investments has paid over \$1 billion to its members in the last four years. This is unheard of. The total assets of the funds increased by 13.5 percent to \$6.6 billion in the review period, which is more than sufficient to cover its liabilities of \$5.5 billion.

Mr. Speaker, Sir, what it means in simple terms is that, if today all the members came and took all their money, the Fund will still have \$1 billion left. Of course, recently there were quite various properties as highlighted by the Honourable Minister for Tourism. There has been a number of other issues that I wanted to very quickly address, that has been raised by the other side.

Previously, Honourable Professor Prasad used the example of someone receiving \$70 a month. He knows this, and as we have highlighted in Parliament previously, no one gets less than a

\$100 a month, irrespective of their contribution, and I have highlighted this in Parliament on several occasions.

Mr. Speaker, Sir, low balance is nothing new, it is a perennial issue right from the beginning. People used to be paid 68 cents an hour in the garment factories in the good old 1990s days, 50 cents an hour, \$1.50 an hour, if they were lucky. Obviously, the level of contribution they would make would be very low.

Mr. Speaker, Sir, we have now increased the contributions to 8 percent and for the first time in Fiji's history, employers had to contribute more than the employees. So prior to COVID-19 for the past number of years, employers are contributing 10 percent and employees are contributing 8 percent.

In Singapore, Mr. Speaker, Sir, the amount of employer-employee contribution exceeds 30 percent, about 32 percent from memory, and the employees contribute (from memory) about 20 percent. They pay a lot more than the employers, that is why they have a higher level of savings.

Mr. Speaker, Sir, in the reform, the highest was a pensioner who used to get \$10,000 a month, started getting \$6,600 a month. Of course, many of them chose to take their full balance. If Honourable Gavoka had come to me for some advice, I would have given him some good advice rather than trying to withdraw his funds.

The reasons for the reform, Mr. Speaker, Sir, is this:

- (1) life expectancy in Fiji has increased to what it was in 1970; and
- (2) the retirement age has come down to 55 years, so the pension period has obviously increased and, therefore, making the old pension rates unsustainable.

Mr. Speaker, Sir, the Honourable Leader of the Opposition talked about offshore investments in his time, they still do that. In fact 5 percent of the FNPF investments are offshore of FNPF. Obviously, many people realise that the rate of return on investments offshore would be very, very dicey at the moment, depending where they have invested.

Honourable Nawaikula and some of the others have spoken about that Government relies only on FNPF. Let me give you some facts. During the Alliance Government days, 70 percent of FNPF investment was with Government. It is a fact, check it! They bought Government bonds, and that is how Government financed its deficits.

Today, FNPF investments in Government is 40 percent which is 30 percent less and Mr. Speaker, Sir, we put out a tender. Actually, I was quite surprised that recently we just called for fresh tenders and FNPF lost out. In fact, some of the banks were agreeing to pay a lower interest rate than FNPF, so FNPF actually lost out.

The question now for FNPF, Mr. Speaker, Sir, is this, they have this money sitting and they say, idle cash makes you no money. In fact, idle cash depreciates the value of the money, so where will they find their right investments? And at the moment, the worldwide superannuation funds are investing in Government bonds. Why? Because it gives the best rate of return. You see, you need to have a sophisticated outlook in respect of assessing this.

Mr. Speaker, Sir, no, it is a fact, do not laugh. Similarly, we heard Honourable Gavoka talking about Qantas. I really think he is on some kind of payroll for Qantas because every time he talks about Qantas. I have not seen any benefit of it. The fact of the matter is, when the FNPF lends

money to any organisation, whether it is Fiji Airways, whether it is buying properties at the Marriott, whether it is doing any other investment, the Board has a legal obligation to make sure that, that investment is going to provide returns for them. They get outside advisors, they get investment advisors. There is a proper due diligence done, only then will they make those investments, Sir.

Mr. Speaker, Sir, previously, interest rates that were paid were not actuarially tested, that is the problem. That is why the World Bank kept on saying that the interest rates we were paying is unsustainable. Every time you actuarially test what you are going to pay out, which is the sustainability element of it.

Mr. Speaker, Sir, this year in July, 7,215 pensioners received an additional payment of \$4.34 million. The other issue that I would like to highlight, again, very quickly is, in the last 10 years of reforms, Honourable Aseri Radrodro, assets increased from \$3.3 billion in 2009 to a whopping \$7.4 billion. That is the asset increase. Over \$1 billion as I have highlighted, has been paid in interest in the last five years. The profit jumped to over \$600 million in the last financial year, compared to a loss of \$181 million in 2009.

Mr. Speaker, Sir, annual membership contributions increased from \$288 million in 2009 to \$652 million in 2019. Obviously, Honourable Professor Prasad highlighted that the collections would be less now because there are far more people unemployed and, of course, the contributions have come down. But if you compare an even year with another year, 2009 was \$288 million and now \$652 million.

Mr. Speaker, Sir, in 2000 FNPf held 74 percent of all domestic debt, much higher than the 50 percent it holds now. In 2004, the ratio was 74 percent of all domestic debt. Bulk of it was debt with Government – buying bonds so, please, do not make it out as if this is a new phenomenon.

Mr. Speaker, Sir, I want to make a couple of last points. Honourable Gavoka, again, I have to take him up on this, he said flying a plane is like driving a car, let us buy the same fleet. So I use a vehicle analogy and maybe, that is how you will better understand. If you are going to buy a fleet of KIA cars which do not have this SUV capacity and you drive around Suva, if you are going to do tracks everyday and drive from Sigatoka Valley and up through Ba across the hills, you are going to have a four-wheel drive.

(Honourable Opposition Member interjects)

HON. A. SAYED-KHAIYUM.- You listen! You need to have patience. I need to say things slowly to you so you will understand.

Mr. Speaker, Sir, you buy different planes for different routes. You are not going to fly a 737 between Suva and Labasa. You are not going to fly, for example, a 767 between Nadi and Los Angeles. Firstly, you will look at whether it has got range or not. Secondly, what is the level of fuel consumption? What is the metal with which the plane is made from? These are all the intricate details you need to look at. Now, again, Mr. Speaker, Sir, Honourable Gavoka is no expert.

HON. RO T.V. KEPA.- Point of Order. Honourable Attorney-General likes to keep on speaking about Honourable Gavoka and I wonder why. Can he just stop?

HON. SPEAKER.- You have the floor.

HON. A.SAYED-KHAIYUM.- Mr. Speaker, Sir, the point is, when Fiji Airways goes and does an acquisition, the Board simply does not decide on its own. The Board actually has to hire a

lot of experts. There are airline experts. There are people who will tell you about fuel consumption. There are people who will tell you the type of aircraft used in particular routes, your level of turnaround times, all of that is taken into consideration, Mr. Speaker, Sir. You look at the planes that will actually give you best return in respect of your fuel consumption. Those are the critical issues that I looked at

Of course, Mr. Speaker, Sir, the ability to have two airlines being played off against each other also gives you a huge advantage. The prices at which the MAXs, unfortunately, the MAXs are currently off the air, which is already are BOEING. Honourable Gavoka, your love for BOEING.

Mr. Speaker, Sir, the fact of the matter is that the deals that Fiji Airways received on the MAXs and on the A350s are enviable, in fact, the lease companies have already told us that. Your ability to negotiate and get the best planes for the right routes is critically important so you cannot just simply compare it with a car.

Mr. Speaker, Sir, the reality of the matter is that, they went on about Fiji Airways and how FNPF should not have lent it, et cetera. German banks have lent funds to Fiji Airways and everyone knows what the German banks are like - the level of due-diligence, the bulk of the funding for the acquisition of those planes whether leased or outright acquisition, were funded by the Germans.

Mr. Speaker, I talked about BNP Paribas, employed the French to do a due diligence on Fiji Airways and only then, the ADB has agreed to fund them of US\$50 million, first time in the aviation sector. You cannot ignore that. How can you in your right mind ignore that? Just for your own political narrative.

Mr. Speaker, Sir, the last point that I would like to make, I think Honourable Qionibaravi and some of the others raised this, I mentioned about the top-up by Government. We had said that we are going to be here for the long haul. I have just got the statistics.

The second phase, Mr. Speaker, Sir, of FNPF, was for those people who are unemployed now because of COVID-19. We said we will pay them \$220 a fortnight. They will access their General Account and should there will be no more funds left or less funds left, the Government will top it up.

In the first leg of this Scheme, \$31 million was paid out, Mr. Speaker, Sir, and Government only topped-up 30 percent of the \$31 million. The second leg has just started. Guess, how much the Government is topping up now so far? Mr. Speaker, Sir, – 70 percent. Therefore, it means that the \$100 million if the next batch that we get, so if we do the \$31 million, 70 percent is paid by us which is about \$21 million. The second lot will be \$27 million, and that is only one phase.

The other phase, of course, phase three, on the other hand, we are paying those people with reduced hours. That, we are topping up too. By the end of the year, the way we are going the \$100 million will actually finish.

Mr. Speaker, Sir, when we talk about these issues, we are talking about sustainability. What they are talking about is just now and how to satisfy some need now. We have to look at the long term. And we have said irrespective of what happens, we will continue with the Schemes. The Honourable Prime Minister has also indicated to us that if need be, if the \$100 million allocation is not enough, we will come back to this Parliament and get more approvals to pay all those unemployed people.

The other point that I also want to make a note of, Mr. Speaker, Sir, in this FNPF debate, they have forgotten about the people in the informal sector. As highlighted, we have allocated \$30 million

in the Budget. The Honourable Minister for Commerce, Trade, Tourism and Transport will hopefully make some announcements tomorrow because they are currently being assessed. There will be an injection of nearly close to \$60 million, everyone is paid out, they will also be looked after, Mr. Speaker, Sir. So, please, let us take a holistic approach. Please, I implore you, do not just stick to one narrative when the facts say otherwise.

The last point I want to make is about EFL. Of course, EFL, you cannot go and list the company now. You cannot list the company now. Look at the economic situation. It does not mean in any way that the share value of FNPF will come down, but we will talk more about that later. Thank you, Mr. Speaker, Sir. I support the motion.

HON. SPEAKER.- Your right of reply, Honourable Member.

HON. V. PILLAY.- Thank you, Mr. Speaker, Sir. I do not have any further comments.

HON. SPEAKER.- I had looked to you and you did not make any indication, I beg your pardon.

Honourable Members, Parliament will now vote to note the content of the Report.

Question put.

Motion agreed to.

SUSPENSION OF STANDING ORDERS

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Mr. Speaker, Sir, I move under Standing Order 6:

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

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

HON. SPEAKER.- I now call upon the Leader of the Government in Parliament to speak to his motion. You have the floor, Sir.

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Thank you, Mr. Speaker, Sir. We have two more items from Schedule 1 and, of course, Schedule 2 as agreed to by the Business Committee and thus, the request to sit beyond 4.30 p.m. today to complete the items on the Order Paper. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- Honourable Members, the floor is open for debate on this motion.

There being no one wishing to take the floor, Honourable Leader of the Government in Parliament, you have the floor.

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- I have nothing further to add, Mr. Speaker, Sir. Thank you.

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

Question put.

Motion agreed to.

Honourable Members, on that note, we will suspend proceedings for refreshment break.

The Parliament adjourned at 4.51 p.m.

The Parliament resumed at 5.20 p.m.

HON. SPEAKER.- I now call upon the Chairperson on the Standing Committee on Justice, Law and Human Rights, the Honourable Alvick Maharaj, to move his motion. You have the floor, Sir.

**CONSOLIDATED REVIEW REPORT ON THE
OFFICE OF THE PRIME MINISTER'S ANNUAL REPORTS 2013 AND 2014**

HON. A.A. MAHARAJ.- Mr. Speaker, Sir, I move:

That Parliament debates the Consolidated Review Report on the Office of the Prime Minister Annual Reports 2013 and 2014 which was tabled on 13th May, 2019.

HON. M.D. BULITAVU.- Mr. Speaker, Sir, I beg to second the motion.

HON. SPEAKER.- I now invite the Chairperson on the Standing Committee on Justice, Law and Human Rights to speak on the motion. You have the floor. Sir.

HON. A.A. MAHARAJ.- Mr. Speaker, I take this opportunity as the Member moving the motion to make a small contribution on the Committee's Report on the Office of the Prime Minister Annual Reports 2013 and 2014.

The Office of the Prime Minister is driven by the vision of having a better and modernised nation State achieved through strong and robust leadership and fair development for all. As a way of brief background, Mr. Speaker, the Office of the Prime Minister Annual Reports 2013 and 2014 was referred to the Standing Committee on Justice, Law and Human Rights in the last term of Parliament and reinstated in this new term of Parliament and referred to the current Committee.

The current Committee of which I am the Chairperson, took this as an opportunity to complete the commendable work carried out by the previous Committee. The current Committee reviewed the findings noted by the previous Committee and the response by the Office of the Prime Minister. Some of the issues noted were regarding the general aspects of aids and grants provided to the Office of the Prime Minister, such as the monitoring of the projects that had been funded by aid such as China Aid, et cetera; and the aspect of small grants scheme that mainly concerns its monitoring.

As this is a Report for the years 2013 and 2014, all of these issues are irrelevant in this current time. It is also worth noting that in 2013 and 2014, the Office of the Prime Minister attained a landmark achievement in introducing the new 2013 Constitution for Fiji, and the commitment towards a democratic election under the 2013 Constitution.

At the conclusion of the Report, my Committee established that the response provided by Office of the Prime Minister on the issues raised about the Report was satisfactory and had provided the needed clarification. With those words, I thank you for your time, Mr. Speaker.

HON. SPEAKER.- Honourable Members, the floor is now open for debate on this motion. Honourable Prime Minister, you have the floor.

HON. J.V. BAINIMARAMA.- Mr. Speaker, I rise to speak on the motion by tHonourable Maharaj.

Mr. Speaker, the Office of the Prime Minister is responsible for providing high quality service and support to me as the Head of Government in the execution of my daily functions. The core function of the Office of the Prime Minister is to ensure that all activities, engagements and policies that I contribute to or are involved in, are in line with Government's vision for the future, as embedded in the 20 Year National Development Plan.

Mr. Speaker, Sir, the Years 2013 and 2014, were pivotal years in Fiji and for my Government. In those years, we fulfilled our promise to draft the new Constitution and lead the country to a successful democratic election and a permanent return to democratic rule.

Mr. Speaker, Sir, 2013 and 2014, were also the years in which we launched efforts that will have a long lasting effect on Fiji. We completed reform the way we managed our road system and began a year's long effort to improve our transport infrastructure. We began our reform of the civil service which is now yielding great benefits in the efficient delivery of services to the Fijian people. We began our completed reforms of the various State-Owned Enterprises, such as Fiji Ports, Fiji Airways and the Fiji Sugar Corporation to make them profitable and modern, and to ensure that they serve the people well.

The Office of the Prime Minister, Mr. Speaker, Sir, facilitated a number of internationally-funded large development projects. The Small Grants Scheme was highly successful in those years. From an annual budgetary allocation of \$3 million, we funded a total of 74 projects in 2013 and 30 projects in 2014.

My Government has been committed to equality in education and to the principle of a free education for all Fijian children. In that way, Mr. Speaker, Sir, spending on education is the best investment we can make. That is why majority of the projects implemented under the Small Grants Scheme were from the education sector in both years.

In 2013, 49 education projects were funded at a total cost of \$2.3 million and 13 projects were funded in 2014 at a cost of \$2.2 million. Rural Community Development and Integrated Development were also supported from the Small Grants Scheme.

Mr. Speaker, Sir, I believe it is critically important for national leaders to spend as much time as possible in direct conversation with the Fijian people. It is the best way to truly know what the people need and what they expect of the elected Government.

The Appendices to the Report show that projects that received funding under the Small Grants Scheme were identified through my official tours to the various Divisions and from having face-to-face discussions with the different communities, settlements and institutions that I have keenly carried out over the years.

I have made promises to communities which I have been proud to deliver. No one is afraid of telling me what they need and they know I will listen. They know I will take those needs seriously and most importantly, Mr. Speaker, Sir, they know that I will not make false promises, that I will do what I say and I will do in accordance with our Constitution and our laws.

We considered these projects under the Small Grants Scheme because they were not included in the Budget for the 2013-2014 financial years, even though they were of great importance to the respective communities. Fortunately, the Small Grants Scheme gave us flexibility to move forward to meet these needs.

My Office, Mr. Speaker, Sir, is committed to the principle of an open door policy for the general public. For the period 2013-2014, my Office received more than 1,000 complaints and suggestions from members of the public, civil society organisations and the private sector.

Last but not the least, as has been the practice, communities from Rotuma, Rabi, Kioa and the Melanesia *vasu itaukei* fall under the Office of the Prime Minister and received a sum of \$928,000 for their operational and development initiatives in the period under review.

Mr. Speaker, Sir, the Office will always ensure that it embodies what my Government is all about, ensuring a better Fiji for all through strong leadership and excellence in service. As I have mentioned many times, we will not leave anyone behind in our journey towards a better Fiji and my Office will always carry out its duties for the benefit of all Fijians.

Mr. Speaker, Sir, I support the motion. Thank you.

HON. SPEAKER.- I thank the Honourable Prime Minister. I give the floor to the Honourable Saukuru. You have the floor, Sir.

HON. J. SAUKURU.- Thank you, Mr. Speaker, Sir. I wish to thank the Chairman and Honourable Members of the Committee for the Consolidated Report of the Office of the Prime Minister's Annual Report 2013 and 2014.

I also wish to thank the Honourable Prime Minister for his contribution to the debate. However, there are few observations that I wish to note this afternoon on the Consolidated Report of the Office of the Prime Minister's Annual Report 2013 and 2014. In 2013, the Auditor-General had issued a qualified opinion in the audited accounts for 2013, based on the two following issues:

- (1) The Chinese Grant, the Taiwan Grant Trust Fund showing closing balances of \$4,654,853 and \$68,137 respectively, as shown in their statement of receipts and payments, contrary to section 58(3) of Finance Instructions 2010. The two Trust Accounts, plus the General Ledger accounts were not verified nor reconciled with the respective bank reconciliations and other subsidiary records. As such, I am unable to express an opinion on these two Trust Accounts variances as at 31st December, 2013.
- (2) Operating Fund; there are unreconciled differences of \$6,392,034 between the Drawings Account reconciliation with its subsidiary records and the General Ledger FMIS balance for the Office of the Prime Minister. Therefore, I am not able to ascertain the accuracy of the Drawings Account balance shown there. Note 5 of the account.”

In the 2014 audited accounts, the Auditor-General has also issued a qualified opinion on the Office of the Prime Minister's Annual Report 2014, as follows:

- (1) The Ministry of Finance approved the write-off of the sum of \$7,407,976 on page 54 in the Office of the Prime Minister's Annual Report 2014.

The response from the Office of the Prime Minister stated, I quote:

“A write off was done with the approval of the Ministry of Economy to clear unverified balances carried forward from previous years. It was found out during the reconciliation of accounts that there are unverified balances sitting in the various accounts, resulting in the unreconciled reconciliation. The transaction was passed to correct the accounts.

In responding to the questions raised by the Standing Committee under a communication dated 9th November, 2017, an official signing on behalf of the Permanent Secretary for Economy stated that the write-off exercise of unsubstantiated balances in various accounts were due to repetitive issues raised in the audit reports, especially for the year 2012 and 2013. It was noted that 70 percent of the overall audit issues were results of unverifiable General Ledger balances.”

Mr. Speaker, Sir, unless the General Ledger adjustment is undertaken, the whole of Government’s Financial Statements will continue to be flawed with unverifiable accounts and balances, and will lead to ongoing qualification of the Financial Statements.

One of the discrepancies raised by the Standing Committee on Justice law and Human Rights, that is the comparison of the Office of the Prime Minister’s Annual Report 2013 on page 47, and the Office of the Prime Minister’s Annual Report 2014 on page 55, that showed discrepancy in the accounts in the closing balance for the Chinese Grant Fund Accounts.

The response from the Office of the Prime Minister is as follows, and I quote:

“The discrepancies highlighted resulted in the changes in the revenue figures of \$5,578,403 for 2013 in the 2014 Annual Financial Statements.”

Mr. Speaker, Sir, the question, is why the revenue figure of \$5,578, 403 for 2013 was in the 2014 Annual Financial Statement?

Mr. Speaker, Sir, the above issues speak volume of the lack of transparency and accountability of the Office of the Prime Minister. Huge sums of money have been unaccounted for and written off. These are taxpayers’ money and Government should ensure proper recording and reconciliation of accounts and more importantly, the officials who took out advances for official duties should retire those advances. Thank you, Sir.

HON. SPEAKER.- I thank the Honourable Saukuru. I give the floor to the Honourable Nawaikula.

HON. N. NAWAIKULA.- Thank you, Mr. Speaker, Sir. I am the second allocated speaker from this side of the House.

I wish to start my critic by saying that this Report has not been signed. I am not sure, maybe my report only, but please check yours, whether they have been signed or not. It gives an implication that if it is not signed, then it may not be valid.

(Honourable Member interjects)

HON. N. NAWAIKULA.- Well, subject to that.

I wish to start, Mr. Speaker, by asking all Honourable Ministers on that side of the House, now demanding that in your next annual report, please do not feed us with glossy pictures, it is useless. That does not assist the Committee reviewing it. Have the audited accounts. In the last Report, the Human Rights Commission did not have the audited accounts. Also have your corporate objectives, together with your assessment of the Key Result Areas (KRAs), whether you assess them or not. Also have your comments on the audit issues because that will assist. I say that, Mr. Speaker, Sir, because that will be the basis of my critic or comments in relation to this.

Looking at the Reports which I am told is bipartisan, I congratulate the Committee for identifying certain areas of concern. Even though the Office of the Prime Minister tried as much as they wish to cover their footprints, the Committee was able to identify five variances that were of serious concerns. Let me just name those out, the:

- (1) general aspects of the Aid/Grants provided to OPM, such as the China Aid, serious concerns and reservations in relation to the use of that.
- (2) monitoring of projects that had been funded by aid, such as China Aid.
- (3) aspects of Small Grants Schemes, mainly that concerns its monitoring.
- (4) functions of certain Units in the OPM.
- (5) certain discrepancies in the Financial Statements of the Report.

It is good they were able to identify those, where they failed, in my view, what they did was that, after identifying those, they wrote to the Office of the Prime Minister and asked them, “Please, give an explanation.” In my view, the Committee failed in accepting those explanations on page 10.

Mr. Speaker, you can see those explanations that is attached to their Report, for example, when asked about the Navua Hospital at Namelimeli, Navua, the explanation that was given was, “Construction started, commencement ended.” Now, we need to know the monitoring, we need to know the full story about acquittals. So I am not happy with those and I think that Committee could have done better to really ask for details on monitoring and acquittals.

(Honourable Government Member interjects)

HON. N. NAWAIKULA.- Whether the Chinese Government or European Government, they should be properly acquitted.

I am not sure, the Honourable Minister for Health would know the status of Navua Hospital. Have you been there?

(Honourable Member interjects)

HON. N. NAWAIKULA.- They have to be repaired, soon after they are built. That is it, that is what I felt that the Committee failed in.

In relation to the audit issues, because the Committee did not address that so I will address it. Some of these have been covered by Honourable Saukuru. I think in 2013, he has identified two areas but there were about six audit queries. It is imperative that you know the annual accounts address this. The first and second one have been covered by Honourable Saukuru, so I will not repeat those.

Let me start with the third audit issue - Overdrawn Operating Trust Fund Account. The auditor said, I quote: “As at 31st December, 2013, there was an amount of \$194,464 that was overdrawn.” The comment by the auditor was that, and I quote: “Such findings indicate lack of adequate internal control, supervision and disregard of procedures and Financial Instructions.” So sad, those should be addressed.

Next one after that, I quote: “Anomalies in capital projects funded under the Small Grants Scheme.” The finding is that, and I quote: “It is the responsibility of contractors or monitoring agencies carried out to provide completion report upon completion of the project, work progress updates, acquittals to accounts for the use of funds completed by the project through that funding agency.” It is very serious.

There were serious problems in relation to Small Grants Scheme. These, as the Honourable Prime Minister had indicated, some of them went to the building of schools and some to others, but serious problems were raised in relation to that. One example was, in Napuka going to Nailovu, there is an infant school with no title to that land. After that, there was a dispute in relation to that. As a result, that building has not been completed. So, those were the issues that were raised in relation to that but these are public finances. It is very important that proper acquittals, work-in-progress updates and completion certificates are issued, Mr. Speaker.

It listed down about six projects that suffered or lack those issues and I will just name them here, the:

- (1) Nadoi Village Drainage Scheme in Rewa;
- (2) Dawasamu;
- (3) St. Peter Chanel;
- (4) Namosi Secondary School;
- (5) Vatuwaqa Primary School; and
- (6) Nabitu Primary School.

So, those were identified by the Auditor-General as of concern, and it goes on and on. There are, as I said, six audit issues.

My point is, please in your Annual Report, tell us - tell the Committee what were the issues raised by the auditors and how have you addressed that because otherwise some of those keep recurring and recurring.

In 2014, audit queries was reduced. They were not six but only about two or three, so I congratulate the Office of the Prime Minister for addressing those issues and not allowing inconsistencies.

With that, Mr. Speaker, I support the motion to take note of the Report.

HON. SPEAKER.- I thank the Honourable Nawaikula.

There being no one else wishing to take the floor, I give the floor to the Honourable Chairperson.

HON.A.A. MAHARAJ.- Thank you, Honourable Speaker. First of all, let me thank the Honourable Prime Minister for clarifying the Report itself and Honourable Members who have actually contributed.

Just a few clarifications, I believe if Honourable Nawaikula had actually asked the Opposition Members, they did sign the Report. It is just a misprint in the Report itself that it is appearing in that way that those pages are not signed. It is a bipartisan Report.

The other thing, to note as I had stated earlier this Report are from 2013 and 2014. Please, I request the Honourable Nawaikula, if he is not in the Committee, do not teach us how to actually do our job. It was a bipartisan Report, we did actually call the Office of the Prime Minister, we had a discussion and we actually agreed to the clarification that was provided by them.

Mr. Speaker, when the Office of the Prime Minister did make a representation before the Committee, the issues that were raised were clarified and that is why it is a bipartisan Report. I have no further comments with regards to that statement. Thank you for your time. *Vinaka*.

HON. SPEAKER.- Honourable Members, Parliament will now vote to note the content of the Report.

Question put.

Motion agreed to.

HON. SPEAKER.- I now call upon Honourable Professor Prasad to move his motion. You have the floor, Sir.

**SPECIAL COMMITTEE TO INQUIRE INTO THE VIBRACY
AND VITALITY OF THE DAIRY INDUSTRY**

HON. PROFESSOR B.C. PRASAD.- Mr. Speaker, I move:

That Parliament agrees to appoint a special committee under Standing Order 129 to inquire into and recommend an extensive rehabilitation package for the vibrancy and vitality of the Dairy Industry and dairy farmers.

HON. I. KURIDRANI.- Mr. Speaker, Sir, I second the motion.

HON. SPEAKER.- I now invite the Honourable Professor Prasad to speak on his motion. You have the floor, Sir.

HON. PROFESSOR B.C. PRASAD.- Thank you, Mr. Speaker. You will see from the motion that you have approved that I have not included names of Honourable Members, who will form the special committee. The reasons are simple.

You will recall, Mr. Speaker, that in May when I moved a motion for an inquiry into the public health and medical services and included the good doctor, Honourable Salik Ram Govind as a member, he actually rose in this House and claimed that I had not approached him, despite me doing so.

Therefore, Mr. Speaker, the resolution of Parliament should formalise itself because those members, especially from Government, who generally care about the livelihood of dairy farmers, should be prepared to take up membership to carry out this inquiry that I believe is important to safeguard the future of the dairy industry and, indeed, dairy farmers, Mr. Speaker.

Mr. Speaker, Sir, on March 24th, 2017, I moved a similar motion. At that time, I had highlighted that the reforms undertaken by the Bainimarama-led Government before the Election was not working because the sharp decline in milk production was startling. True, that tuberculosis and brucellosis significantly negatively impacted milk production because cows had to be culled after being infected.

For the reform, only privatised Rewa Dairy Cooperative Limited after a consultancy and we all know about Southern Cross Foods that formed the Fiji Dairy Limited (FDL) in which farmers have 20 percent shares under Fiji Cooperative Dairy Company Limited (FCDCL).

Mr. Speaker, during the 2018 Election campaign, the Honourable Attorney-General would recall that in a radio debate with me, he said that the agreement was for 10 years which is correct and that means that the agreement will be ending in 2022 under which the Southern Cross Foods and FDL enjoys 32 percent duty concession on imported milk products, butter and other importers are

required to pay the duty. So, hopefully, by the end of 2022, there will be a level playing field in terms of the duty concession. Yet, this concession, Mr. Speaker, is not reflected in the price of local dairy products and that has been a concern that we have raised in this House many times.

Mr. Speaker, eight years ago in 2012, local dairy milk production was 9.5 million litres per annum. It declined to 8 million litres in 2016 due to tuberculosis and brucellosis and severe *TC Winston*. We are told now that it is around 6 million litres. In 2017 during the debate on the motion, we heard from Government of various assistance and rehabilitation packages, including \$10 million from New Zealand and \$1 million from Southern Cross Foods for higher yielding milking cows. We now ask whether this assistance has been fully utilised, and if not, why?

Mr. Speaker, local dairy milk production, it is very clear that it has been declining. We have discovered a few problems that is adversely impacting productivity. First, of course, is the price of a litre of raw milk. Dairy farmers have told us that during the operations of Rewa Dairy before privatisation, the price of raw milk paid to them was \$1 plus VAT. The price was reduced to 79 cents per litre but later increase to 97 cents bp, but this comes with deduction. Farmers say they are paying 8 cents contribution towards FCDCL operations, Mr. Speaker, 4 cents per litre in garbage fees, so the net price is 85 cents per litre. Mr. Speaker, this means that the price has actually gone down by 15 cents per litre from the time when Rewa Dairy was operating.

A few large scale farmers, Mr. Speaker, who opted to deal directly with FDL are receiving \$1.15 per litre plus VAT. This is one of the reasons for the decline as farmers are losing confidence in the industry. This is what the farmers are telling us.

Mr. Speaker, we heard from the Honourable Minister for Agriculture sometime back on how the new Juncao grass that was developed in China and given that, was going to increase milk yield by the dairy herd. We were actually told by farmers, Mr. Speaker, that all of them, in fact, were compelled to plant this grass that is like reed and dairy cattle, in fact, do not feed on them. The Honourable Minister can perhaps, explain whether this is correct.

Mr. Speaker, farmers claimed that if they do not plant the grass, they will not be eligible for any assistance. I mean, if that is the case that the farmers are telling us, then that would be ridiculous, Sir. We found that the grass is useless, maybe they are saying that, that will be good for other things but not dairy cattle. So what they are saying is, this is another rehabilitation, Mr. Speaker, that has gone wrong.

Then, Mr. Speaker, farmers have told us about the implementation of the dairy incentive scheme. This was meant to boost milk production. But farmers said that its implementation and monitoring by the Ministry after the disbursement of the grants, leaves much to be desired.

Mr. Speaker, a farmer who I will not name, was given \$34,000 for farm rehabilitation in 2019. The farmer duly used the grant to plant new pasture and make other improvements. In three other cases, assistance was provided last year, farmers developed their farms not to increase dairy herd or milk production, but either sold them or diversified into cash crops. Mr. Speaker, how can such implementation and lack of monitoring improve the industry?

This year, Mr. Speaker, we are told that six large dairy farmers received assistance to the tune of about \$160,000 per farmer. Their herd was affected by tuberculosis. Naturally, other small farms and medium ones are complaining why they have not been given assistance when their herd was also affected by illness. I mean, this would be the logical reaction, Mr. Speaker. If some large scale farmers are helped, and the smaller and medium ones are not helped, the disease will affect all of them.

Mr. Speaker, this is why I felt compelled to bring this motion for a bipartisan parliamentary inquiry into ascertaining the true workings of the industry because it seems that the current policies may not be working. It appears from the discussions that I have had with the farmers that many of them are frustrated in the way the industry is going and it is not going to address the original intention of the reform which was to increase and support our local production and, in fact, we might be importing well over 80 percent of our milk need in this country.

Mr. Speaker, Sir, I commend the motion to Parliament and I hope that the Government will agree with this motion so that we can have an inquiry and the Committee could come up with a rehabilitation package that as a Government or as a Parliament, we can all support. Thank you, Mr. Speaker.

HON. SPEAKER.- I thank the Honourable Professor Prasad. I give the floor to the Honourable Kuridrani. You have the floor, Sir.

HON. I. KURIDRANI.- Thank you, Mr. Speaker, Sir. I rise to support the motion in the House and I thank the Honourable Professor Prasad for bringing up this motion, especially the urgency of the matter in agriculture. Secondly, I thank him for being smart, he has taken away the word 'bipartisan' and has put in the word 'special committee', which I believe the other side of the House will understand and I thank him for that.

The dairy industry has been receiving an annual grant for dairy industry development for many years. The highest recent figure was an allocation of \$1 million in the 2018-2019 financial year and this year, it has reduced to \$700,000.

Dairy production continued to decrease rather than increase, despite the development that has been done to the industry, hence the reason for this Committee. Funds allocated for development in the dairy industry are mainly for nutrition and infrastructure, such as construction and maintenance of dairy sheds and procurement of milking equipment.

Five years ago in 2015, a total of 40 projects were approved under this programme of which 50 dairy sheds were constructed, two nutritional improvement programmes carried out that involved the establishment of fodder banks for cut and carry purposes and a total of nine project staff were employed.

However, import figures showed a steady and a continuous increase in trend. The import commodity - milk and cream from 2015 was \$54.2 million imports and had a steady increase in 2019 to \$17.7 million; cheese and curd from 2015 was \$9.5 million and had a steady increase in 2019 to \$12.1 million. Imports in January 2020 in comparison to January 2019 for milk and cream increased by 35 percent, while butter and other fats increased by 64 percent, although cheese and curd decreased by 11 percent.

The Honourable Prime Minister in 2012, in announcing the sale of Southern Cross Foods - a subsidiary of C.J. Patel, said and I quote:

“Currently, the industry is meeting less than 15 percent of Fiji’s liquid milk demand of 70 million litres to 80 million litres per annum.

Southern Cross Foods in purchasing Fiji Dairy will take over the company’s liabilities currently at \$17 million. On top of taking over the debt of Fiji Dairy, Southern Cross Foods will pay a minimum of \$10 million for the purchase of shares from the Government.”

Whether that was done or not, I do not know.

Further, the Honourable Prime Minister announced that as part of the conditions, Southern Cross Foods Limited by 31st December, 2012, commenced work on a 350-acre dairy farm in Waidina, involving a minimum of 150 cows. Within four months of settlement, it will also install two Chilling Centres in the Western Division and within three years, upgrade and modernise the plant and machinery in the existing factory. These conditions subsequently will need to be carried out to the reasonable satisfaction of the Government.

As part of the sale and purchase agreement, Government has obtained a guarantee of \$2 million from Southern Cross Foods Limited and its directors in their personal right, which would be recovered by Government in the event that subsequent conditions are not met. The question is, whether Southern Cross Foods Limited has delivered on those conditions and has Government verified whether they have satisfied the conditions? From where I stand, I think they have failed to satisfy the conditions.

In 2012, the Honourable Prime Minister stated that Southern Cross Foods Limited gave \$2 million guarantee to Government on these conditions. What is the status of this guarantee that is also personally binding the directors of Southern Cross Foods Limited?

The dairy farmers have, for many years, been requesting higher prices for raw milk. At the same time, FDL, the supplier of processed milk is enjoying 32 percent duty concession or zero duty on imported milk products and, therefore, have no incentive to help and grow the local dairy industry.

While CJ Patel makes an exorbitant profit each year, the dairy farmers are suffering from low milk price and rising cost of feed for cows. Farmers are paid at \$1.10 per litre of milk. This is less than the cost of producing one litre of milk. Then there is a surcharge that used to give 4 cents per litre for transportation of milk to the chilling centres.

An average of 80 million litres of milk is consumed each year in Fiji. Our dairy industry is producing less than 10 million litres of milk annually. This means that 70 million litres of milk, either in liquid or in powdered form, is imported. So our local industry is only producing 12.5 percent of Fiji's total milk consumption, while 87.5 percent is imported. The primary conditions of sales with Southern Cross Foods Limited is that, FDL will, at least for the next 10 years, purchase all the milk produced by FDCL will in turn sell all its milk to FDL. The 20 percent Class B shares in FDCL held by farmers will not be diluted. Concessionary duty rates will be provided to FDCL to ensure growth in local production.

This company gets zero duty to import cream milk and sell them to consumers at a price which many are not able to afford, and makes the argument by Government to protect the local dairy industry quite hollow. This shadow company, owned by the same company that gives fawning adoration to the Government everyday, CJ Patel, pays zero duty to import milk. So it has no incentive to promote the local industry when it can continue to rake in millions of dollars by simply importing. This, too, at the expense of the ordinary consumers, who are paying higher prices for milk and milk products. It is a matter of interest that Government, while giving millions of dollars to this private company, is ensuring that the same company maximises its profits.

The rot in the dairy industry began in 2012, with the awarding of a contract to the aunt of the Honourable Minister for Economy without tender and it has just gone down the drain since then at the expense of the farmers and consumers. This matter is now at a critical level with production continuing to decrease so we must ask, what was the benefit to the nation of the 2012 restructure?

The dairy industry and the plight of the farmers will be the same as that of our cane growers, if Government does not review its policies and adopts and implements an extensive rehabilitation package to prevent the industry from collapsing. We urge the Government to immediately review these policies, and to give it to the special committee that is going to be appointed. If the Government side does not accept or support this motion, it is an indication, as already mentioned by some Honourable Members from the Opposition, that there is fear, to work together.

As I had mentioned yesterday in one of my statements that over the years, this Government has not been able to agree with the results of their programmes and the strategies that they have been doing over the last five years. It has just come with no results. As Honourable Salote Radrodro said yesterday, "Doing the same thing over and over again and expecting a different result is a definition of insanity." If they do not support this motion again, I would say that this is insanity of stupidity and in our Fijian vernacular, we call it "*yalowai*".

I urge the Government to do something different and let us work together for the good of the dairy farmers and of the nation in particular, the families and children who drink milk. Let us work together to rescue the dairy industry and approve the special committee proposed by the Honourable Professor Prasad. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Kuridrani. I give the floor to the Honourable Minister for Agriculture, Waterways and Environment. You have the floor.

HON. DR. M. REDDY.- Mr. Speaker, Sir, I want to establish why this motion is frivolous, why this motion is too late? The intent of the motion is to look at the dairy industry. This took place in 2011 and in 2012, Government restructured the Rewa Dairy Corporation. Mr. Speaker, Sir, the dairy company was broken down into two sections basically based on what should be the core business, the:

- (1) Fiji Dairy Limited (FDL), the processing company so that they can specialise and invest in processing of the milk so that it is of that standard where, later on, we can also look at external market; and
- (2) Fiji Co-operative Dairy Company Limited (FCDCL) which will look at how they could vertically integrate and support the farmers, collect milk and transport it to the Fiji Dairy Limited.

Mr. Speaker, Sir, FDL was established, as I had alluded to, solely to focus on the core business of processing and distributing milk and dairy products to the people of Fiji and beyond. The company purchases raw milk from FCDCL, which collects the milk from the farmers in the Central Division, and also the company directly collects from the farmers in the Western Division where they had, as rightfully mentioned, established chillers and, therefore, expanded milk production in new areas.

Mr. Speaker, Sir, there is another paper going to Cabinet to get approval for the establishment of another chilling plant in Sigatoka which I am going to talk about in a second.

Mr. Speaker, Sir, the company is 100 percent locally-owned and it is a joint venture between the Southern Cross Foods Limited and the dairy farmers of Fiji. Sir, the processing plant is accredited ISO Standards, HACCP Standards and also Good Manufacturing Practices (GMP) certified so that it allows the company to produce and supply not only in the local market but the regional market as well.

Mr. Speaker, Sir, the FCDCL which is at the moment confined to the Central Division, as alluded to, is the principal supplier of raw milk for processing in Fiji. It works with producers to ensure that milk quality is maintained throughout the supply chain. So when you have that co-operative, the co-operative is also purchasing in bulk raw materials to supply to the farmers to enhance and support them in the production of milk. The co-operative also works very closely with the Ministry of Agriculture to support the farmers in terms of training, acquiring of basic resources to support the farmers.

Mr. Speaker, Sir, the co-operative also has its own extension advisory services and uses our own Animal Health Officers to support the farmers in terms of dairy production.

Mr. Speaker, Sir, the co-operative also provides other services, such as electrical welding services to the farmers to maintain the structures on their farms.

Mr. Speaker, Sir, following this, as I had alluded to, along the process, the FDL established production in the Western Division - Tavua, Ba and will be establishing in Sigatoka.

Mr. Speaker, Sir, the milk production per cow per herd is very promising in the Western Division and we are looking at investing and expanding dairy farmers and dairy production in the Western Division.

Mr. Speaker, Sir, on 3rd February, 2019, we announced with the FDL a major increase in milk prices so that farmers can be incentivised to respond to the increased price. Never ever before we had a 15 percent increase in milk price paid to the farmers. This resulted in milk price rising from 92 cents per litre to \$1.05 per litre.

Mr. Speaker, Sir, while on the processing side we are pretty much with international levelling in terms of the plant, at the farm level, the key issues are about:

- Disease management;
- Stock management;
- Pastor and feed management; and
- Water management.

Mr. Speaker, Sir, this, kind of, revolves around how the farmers respond to increasing their number of herds, as well as volume of milk production.

Mr. Speaker, Sir, disease management and stock management is very critical for any cattle farm or dairy farm. We all know that we are struggling at the moment and working very hard to eradicate tuberculosis and brucellosis. Australia is one of the few countries in the world which has eradicated TB and Brucellosis. It took Australia 40 years from 1960 in which they started the TB and Brucellosis eradication process to eradicate TB and Brucellosis from their dairy sector.

Mr. Speaker, Sir, obviously, when we started this process of testing and culling, obviously you will find that milk production will go down because the number of cattle has gone down because we are culling and removing them. Honourable Professor Prasad said that large farmers who lost their cattle were paid a lot of money and small farmers were paid less. Of course, large farmers were compensated because they have more cattle being removed.

(Honourable Opposition Member interjects)

HON. DR. M. REDDY.- Come on, you just said that the smaller farmers complained that they were getting less whereas bigger farmers were getting more. Of course, because it was paid because it was paid based on the number of cattle that were culled.

(Honourable Opposition Member interjects)

HON. DR. M. REDDY.- Come on! Those specific issues, you should give it to us so that we know and investigate. You cannot bring it in Parliament and say that some farmers were denied assistance, no you cannot do that.

Mr. Speaker, Sir, we are spending massive amount of money, also with the assistance from the New Zealand Government in terms of testing for TB and Brucellosis and then culling those animals so that we create TB and Brucellosis free farms.

Mr. Speaker, Sir, we cannot provide improved breeds of cattle which is very critical now because our beef, due to inbred, have lost their genetic attribute and that is also a major contributing factor in terms of the productivity for dairy cattle, milk production, beef cattle and carcasses.

Mr. Speaker, Sir, we wanted to release some improved breed of beef cattle and dairy cattle but we are now looking at, what are the farms that are free from TB and Brucellosis because we do not want to send these improved breeds that we have got now, ready to be given, to the same farms that were infected with TB and brucellosis? Unless we do that, we will continue to see that production will be low.

Now, it is not that easy that we just walk into a farm and test it and then pull out the cattle. No, it is not that simple. Three tests need to be done and also farmers need to cooperate. I can tell you in instances and cases where large farmers have basically refused to allow for the tests to be done until we tell them and say, "No, you cannot, by law."

Mr. Speaker, Sir, even two years ago, the Honourable Attorney-General brought a revised formula to pay a higher amount of money to the farmers who were losing their cattle due to the culling programme that we have got to make the farm free of TB and brucellosis.

Mr. Speaker, Sir, while we are doing that, we are also stocking up the farms which have been certified as TB and brucellosis free with this new breed that we have for beef cattle - Senepol and for dairy cattle - Brown Swiss. Farmers are very excited. I do not know where he is getting his responses from, I would be interested to see, but the farmers that we know are very excited about participating in this programme so that they can quickly stock their farm with this new high-yielding breed.

Mr. Speaker, Sir, we are in discussion with farmers, who would want to undertake for the first time ever, intensive dairy farming, meaning that the dairy cattle will be inside while outside, they will grow corn and pasture for feed and that is the way to go. That is what is happening in other countries.

Mr. Speaker, Sir, we, at the moment, for the first time ever, have got four fulltime Veterinarians with the Ministry of Agriculture and we have four expatriate Veterinarians and we are in the process of appointing our own Principal Veterinary Officer. The delay is that the Principal Veterinary Officer is supposed to come from Australia.

Mr. Speaker, Sir, we have not been this well-equipped in terms of the number of Veterinarians in the Ministry, so this is the first time ever we have got so well in terms of the stock of Veterinarians that we have to support this particular programme.

Mr. Speaker, Sir, to pasture and feed management; I do not know where he has got this data that the farmers are not happy with the pasture, and there is nothing as such saying that farmers must plant these and they are probably eligible. There is no truth to that.

Mr. Speaker, Sir, we are assisting them in terms of not only that particular pasture which is a cut and carry pasture, it is not a paddock pasture. That is a supplementary pasture. You plant it outside the paddock and then you cut, carry it and feed it to the animal. You can mix it with molasses or mix with corn, but we are also giving them planting material for other pasture – trial and test pasture.

Mr. Speaker, Sir, we are also assisting these cattle farmers in terms of water management. We have got a new programme which we are going to roll out very soon, all the large cattle farmers, dairy and beef cattle, sheep and goat will be eligible to get the support in terms of ensuring that they have a secure water source. So once we are able to solve the pasture and water issue, then the drought will no longer be a major problem for them.

Mr. Speaker, Sir, having said that, livestock is not something that we can turn around within a month or six months or a year. It is a long term thing, so I do hope that Honourable Professor Prasad and his so-called advisors understand that turnaround will take place but him and I may not be here. It will take time, so it is important that we get the fundamentals right, get the foundation right and it is also important that we get the institutions right because institutions will be here, but both him and I may not be around by then when the result will be out. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Minister. I give the floor to the Leader of the Opposition. You have the floor, Sir.

HON. MAJOR-GENERAL (RET'D) S.L. RABUKA.- Thank you, Mr. Speaker. I am not a livestock farmer, but I was going to be. I had tried during the early years of the Interim Government to venture into this industry. The contract at that time was to bring in calves that were not required by the New Zealand beef and dairy industries.

The plan was to wean them straight from the cows, on to powdered milk in computerised containers where the calf would step up to their feeding lot and as they step up on to the feeding lot, the computer will register their weight and calculate how much milk should go to that calf. They would do that, while they are transhipped from the originating country to Fiji.

We had done the negotiation later on with the Ministry and the Quarantine Station in Vatuwaqa. We have gone and spoke to landowners in Deuba, to make sure that we had the area and space in Fiji for them to be transhipped to Fiji and put straight from powdered milk in the containers onto the pasture around the Quarantine Stations. As they are acclimatised, we would be looking for farms for those calves.

Mr. Speaker, Sir, there are projects that are already in the Prime Minister's Office, probably forwarded to the Honourable Minister for Agriculture at the time, and probably still there. But after that, there have been some attempts to bring in impregnated cows and also some better-performing bulls, but because of the climate difference, the bulls could not perform.

I believe, Mr. Speaker, Sir, that the motion is a good one at this time, when we have just finished presiding over COP 23, we are still looking at climate change, we are looking at COVID-19 reset, so it is not just an Opposition motion of Honourable Professor Prasad for this time!

I believe, Mr. Speaker, Sir, that now is a good time for us to set up the committee to look at how best we can develop the industry, whether it is beef or dairy, considering our concern for climate

change, the carbon footprint will increase from our livestock, how will that affect it and how we balance up the benefits and the 'down cost' of our livestock industry.

I believe, Mr. Speaker, Sir, it is a good motion and I support it. Thank you.

HON. SPEAKER.- I thank the Honourable Leader of the Opposition. Honourable Attorney-General, you have the floor.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. The Honourable Minister for Agriculture has, I think, elucidated the issues quite clearly, particularly in respect of the matters pertaining to what is happening in the dairy industry now and the future of it and, of course, the various agricultural inputs.

I think the two factors that the Honourable Minister also highlighted and Honourable Professor Prasad also acknowledged, is the fact that we do have brucellosis and tuberculosis and it is not very easy to control those. That is one of the difficulties we have had. We do not really have proper fencing in many of the areas and Honourable Tikoduadua would know this. Cows jump, there is not proper fencing and that has essentially been the manner in which we run our dairy farms for decades.

The other issue also is that, like in the sugarcane industry, a lot of the farm areas in Tailevu, the leases were also expiring, so some farmers have moved away from farming and that also plays a very critical role in respect of investing in the dairy industry. This is why, under the Bainimarama-led Government, we had the laws amended that for agriculture purposes which includes, of course, dairy purposes, land leases now can be given up to 99 years. This is probably one of the greatest tragedies of Fiji's economy. But we could now get a 99-year lease under iTaukei land which used to be called NLTB, or Crown Land or State Land for tourism, residential, commercial and commercial-residential-industrial.

However, when it came to agriculture, you only got 30 years. Now, can you imagine if we had 99 year leases in the agricultural sector for the past number of decades? People would have been able to go and get loans from banks, invest large scale for machinery and would have large scale investment in the agriculture sector.

The closest people could get under the NBF days and, of course, then Colonial took over, we had crop liens for sugarcane farmers. That is the best that they could get. So there has been a huge lack of investment in the dairy agriculture sector because of our unwillingness to have agriculture leases for 99 years. Now, of course, that restriction is not there and people need to pay the market rate to the landowners and get those leases and you will see large scale investment.

The reason I am also speaking, Mr. Speaker, Sir, is because Honourable Kuridrani raised a number of issues regarding the sale of Rewa Dairy. As he alluded to or Honourable Prasad would have alluded to but one of them did, the fact is that Rewa Dairy was drowning in debt. The debt stock was close to \$20 million and the liabilities of that rested because it was set up as a co-operative, all the members of the co-operative were also liable for those debts, the individual co-operative shareholders. Therefore, they had no way out of it. This was during the senior Speight days and the others who used to run Rewa Dairy in those days, there was a lawyer who used to be a well-known dairy farmer, those of you know in the Tailevu area, those people actually had their hands in the till and I can show you numerous documentation in respect of that. There is a huge confidence level issue.

The Honourable Minister highlighted that now, these factories are actually hazard-compliant, ISO compliant. These factories were not hazard-compliant, in fact, and the machineries were very archaic. They used to have Rewa butter in those days, which was basically bulk butter and for decades even before the sale, they would bring bulk butter from New Zealand, put lots of salt in it, mix it around and we called it Rewa Dairy butter. We do not make our own butter, we have never had made our own butter.

The Honourable Leader of the Opposition talked about powdered milk. For you to make powdered milk, you need millions and millions of litres of actual milk because you essentially dry up the milk to make powdered milk. So, with the sale and the revamping, tenders were actually called for the sale of that particular organisation and through a tender process, the advertisement was in the papers, Honourable Kuridrani, Southern Cross Foods Limited won the tender. What they did was, a re-branding exercise took place. The Chairman at that time for Rewa Dairy was Josefa Seruilagilagi.

They had gone through an exercise on their own, appointed their consultants, the Government partially funded them so they could carry out the exercise and the sale then took place. They took over the debt stock, they paid \$10 million and also Mr. Speaker, Sir, we wanted them to have various undertakings. The key issue was, the whole structure of the Dairy Industry at that point in time predominantly focused in this part of Fiji - the Central Division. That is why the Honourable Minister talked about the chilling plant to be set up in the Sigatoka area. Already, chilling plants have been set up in other Western parts, like in Tavua. So, we now have cane farmers who actually have four or five cows, or other farmers who may be growing *dalo*, et cetera, they may have four or five cows and they can actually supply their milk. So, transportation is a lot easier for them.

There is no doubt, of course, the milk yields can be much higher per cow, but the breed we have been using, of course, has been a factor, as the Honourable Minister has highlighted while they are inbreeding too, and secondly, of course, Mr. Speaker, Sir, transportation cost for these people will be reduced when we have Chilling Plants in different parts.

Mr. Speaker, Sir, the other point that I also want to make, as the Honourable Minister has already highlighted, the farmgate price has increased. The farmgate price actually used to be much lower. I cannot remember who said from the other side, but they said that the farmers are making a loss because the farmgate price is less than the production cost. Well it is not possible for the farmers, for the past eight years to be producing milk at a loss. If they were, they would have shut down by now. So, obviously they are making a margin, that is a fact.

Mr. Speaker, Sir, the other point that I also wanted to make was that, there is still price control on dairy products. Yes, the agreement was with the fact because the Southern Cross Foods Limited was taking over a debt stock of about \$20 million, giving Class B shares to farmers. Now these Class B shares may not be non-voting rights but the fact is, they have been paid dividend every year and without any liability. Under the previous condition, they were part of Rewa Dairy but they were also culpable for the liabilities incurred by this very badly managed organisation. Now, they have shares without any liability.

Mr. Speaker, Sir, that is one of the reasons we had an agreement, we gave some level of duty protection and that is going to finish off. As I mentioned during Budget debate that in 2022, that 10 years will be over. In fact, when we were working out the duty rates and the reduction duty rates across the board, we actually approached Southern Cross Foods Limited and we said, "Now you have had eight years, are you willing to, through consent, reduce the 10 to 8?" They were not willing to because they said they had planned their cash flow that way, we obviously were legally obliged to adhere to that. We tried our luck still, but the fact is that they now have that protection until 2022

which is about two years away. So, Mr. Speaker, Sir, that is the reality and a very brief background in respect of where we are, as far as the ownership issues are concerned in terms of the restructure, et cetera.

As the Honourable Minister in his last point highlighted, the reality is that tuberculosis and brucellosis is causing indelible damage to the industry itself, and we have to be able to work together to deal with it. Government has increased the funding in terms of the cost we pay for culling animals because we have to cull them, we have to pay some form of compensation and, of course, we give an additional funding for them to be actually hiring veterinarians, et cetera.

Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Attorney-General for this contribution to the debate. I give the floor to Honourable Professor Prasad.

HON. PROFESSOR B.C. PRASAD.- Thank you, Mr. Speaker, I will try to be brief, again, I think the dairy industry is at a critical juncture, in my view. It is, therefore, timely that we look at a rehabilitation package.

I understand all the issues that have been raised, the reasons, we acknowledge that. But the fact remains, Mr. Speaker, that in the last 10 years since the restructure and we understand that Rewa Dairy at that time had a debt of close to about \$17 million to \$20 million that was taken over but the fact also is that the company which enjoy duty concession and is going to enjoy for another two years, on average in our calculation would have made more than \$10 million annual profit. So the Government, apart from losing the revenue, with the expectation and the initial understanding that this particular company will work hand in hand with the farmers, with the cooperative and ensure that we increase milk production.

The idea of protection, Mr. Speaker, Sir, when you raise duty, when you give protection to a particular company through raising the duty, it is really to boost local production. I think the diseases set in a period well after that, but we got to a point where this piecemeal assistance – helping farmers in this area, looking at issues in the Western Division or in the Northern Division, is not going to address the fundamental problems within the industry.

I think we need to look at, as the Honourable Attorney-General said, there are issues about land leases as well and I know there are issues about Crown leases in Tailevu and other areas where the responsibility lay with the Government. Some of the farmers who had State leases were having difficulty getting it renewed and many of them continued without the renewal of their leases.

I do not want to labour too much, Mr. Speaker, on what happened after the restructure and how we lost out the opportunity to increase production, but I think if we want to look at the future and save this industry, as I have said, it is almost at a critical juncture, this piecemeal assistance is not going to bring the industry as a whole to a point where it can kick off.

Right now, in my assessment, looking at the figures in terms of production, it goes up and down a little bit but the fact is that, we are down from 11 million litres to about 6 million to 7 million litres. It is basically half of what it was in 2012, Mr. Speaker, Sir. And I believe that we need a special committee to look at all the issues and coming out with a holistic rehabilitation package, similar to the one we had in 1998 for the sugar industry under the then Prime Minister and current Leader of the Opposition. That rehabilitation package was perhaps, one of the biggest to address the decline in the sugar industry because of a big drought and then it put all together and we had a huge increase in production in the sugar industry by 1999 and 2000.

So I would urge the Government to support this special committee and, of course, the Honourable Minister himself can chair the committee. Government will have three members, two from the Opposition, and come up with a report to do that. I mean, he will drive the committee, Mr. Speaker. So, I think they need to move away from this fear or this idea that somehow the Opposition by bringing this motion, has some kind of ulterior motive that we have some political gain. It is entirely the response from the farmers and the people out there.

Mr. Speaker, I commend the motion, again, and I urge the Government to support this motion and let us form a special committee to deal with the dairy industry. Thank you, Mr. Speaker.

HON. SPEAKER.- I thank the Honourable Professor Prasad for his reply. Honourable Members, Parliament will now vote on the motion.

Question put.

Motion lost.

HON. SPEAKER.- Honourable Members, we will move on.

QUESTIONS

Oral Questions

Relocation of Lautoka Flea Market (Question No. 116/2020)

HON. L.S. QEREQERETABUA asked the Government, upon notice:

Can the Honourable Minister for Local Government, Housing and Community Development clarify the reasons why the Lautoka Flea Market is not at the much more conveniently-located Shirley Park?

HON. P.D. KUMAR (Minister for Local Government, Housing and Community Development).- Thank you, Mr. Speaker, Sir. I thank the Honourable Member for the question. Shirley Park has not been chosen as a Flea Market site for a very good reason, it is for recreation and relaxation and not for trading purposes.

In fact, Shirley Park is to undergo further development so that this important recreational venue in the life of the City of Lautoka provides even more aesthetic and recreational options for the local population and visitors to the city. The Council is currently working through the finalisation of its concept plan. Close to the foreshore, Shirley Park is perfectly located and it will be enhanced to make it a more attractive place for our citizens.

Mr. Speaker, Sir, there were a small number of vendors previously operating in a corner of Shirley Park. It was disappointing to see that some electrical repair shops started at Shirley Park. There was a lot of objection from the ratepayers as well as the citizens of Lautoka, who objected to the use of Shirley Park for such purposes. In that case, the Lautoka City Council in talks with a private company, managed to provide that kind of support so that the Flea Market could be established at Navutu. For Lautoka, Navutu is the site for the Flea Market.

Mr. Speaker, Sir, we are talking about convenience, so let us talk about convenience. I would like to highlight that convenience does not only mean convenience to the central business district,

convenience is also about ensuring consumers are able to access markets in decentralised locations with appropriate parking, no traffic congestion and the ability to move freely to do their shopping. The examples of conveniently-located Flea Markets are Navutu, as well as Votcity in Nadi.

In Lautoka, Navutu Flea Market is operated by Pack Investment Limited, but Lautoka City Council provides the regulatory support in making sure that compliance is met, because some of the stalls are selling food and we have to make sure that the washroom facilities are there as well, abundance of side street parking, et cetera. Votcity Flea Market which is in Votualevu Nadi, is seven minutes away from the central business district and it has more than 200 vendors. So both those Flea Markets are doing extremely well, Mr. Speaker, Sir. Thank you.

HON. SPEAKER.- I thank the Honourable Minister. Supplementary question by Honourable Qereqeretabua.

HON. L.S. QEREQERETABUA.- Thank you, Mr. Speaker, Sir. I do not know when was the last time the Honourable Minister went to visit Navutu market, which is on a private land owned by a gentleman called Raj, who flattened the land at his own cost. He had put in toilet/bathroom facilities for men and women and also water supply. It is a very dusty place, I have been there a couple of times myself. Some of those vendors would be lucky to make \$20 a day. It is not conveniently located and it is far away from the centre of the town.

HON. SPEAKER.- What is your supplementary question?

HON. L.S. QEREQERETABUA.- Mr. Speaker, thank you for the reminder. My supplementary question is, during this time of COVID-19, before the future development of Shirley Park, as the Honourable Minister has mentioned, does she not think that that area could be used in the meantime by the people to help them make money for their families? Thank you.

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

HON. P.D. KUMAR.- Mr. Speaker, Sir, the hotel is only on a small part of Shirley Park. We are talking about developing Shirley Park because at a time like this when you talk about COVID-19, people need to relax their mind too. There are a number of people who are going through mental instability and issues as well, so they need to use Shirley Park for other purposes.

In Local Government, we have to manage different interest groups, such as the ratepayers, they want certain things; you have the businesses, who want certain things; the market vendors also want certain things. We have to manage all those different interests so that the city itself retains its aesthetic value. We all understand that when footpaths are made, it is meant for walking; when parks are made, it is for a particular purpose; when markets are made, it is for other purposes, so we have to maintain all those things.

Of course, we are allowing people to sell from different places. If for some reason, for example, if it is to do with traffic or if it is to do with a business that has taken the Council to Court, in those cases, we only make sure that we provide an alternative site. We will never remove anyone unless and until we are able to provide an alternative site, that is the rule. It is not that we are just telling people to move out.

I also want to share with you, Mr. Speaker, Sir, that currently we also have problems in the markets. It is all about competition. In the markets, we have stalls and you may have visited the market particularly in the weekend, you may have seen that inside the market, the stalls are empty. What happened? The stall owners also rush out because they are competing and they want customers

to come but if all of them stay inside, customers will be there, so the same story applies to flea markets. We want everyone to be together - healthy competition, convenience, consumers are there, the sellers are there and everyone can buy whatever they want.

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

HON. N. NAWAIKULA.- Can the Honourable Minister explain why women who sell flowers are selling from Shirley Park every once or two months and there are two or three barbecue stalls selling there everyday, directly opposite the Lautoka Hotel?

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

HON. P.D. KUMAR.- I do not know the specific cases, Mr. Speaker, Sir, but what I can say is that, there is Namoli Green, an area just outside the market and it is centrally located. We are developing that area only for food. In fact, we have already developed it but we want to make it even better. If no one is complaining from Lautoka Hotel, we do nothing about it, it is alright, they can sell but if the businesses are complaining, then we have to do something about it because it is always this argument about formal trade and informal trade.

Formal traders say, “We pay for the rent, we pay VAT, we pay this and we pay that, and if someone is sitting outside and selling, they are taking my business away.” So we have to manage this interest, and that is what I am saying.

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

HON. V.R. GAVOKA.- Thank you, Mr. Speaker.

Mr. Speaker, Sir, I spent a bit of my time in Lautoka and there is a phenomena there in terms of food traffic, I do not know if there is any other city in Fiji that has that kind of food traffic as you see in Lautoka. Taking that away to Navutu would really be difficult for the residents of Lautoka, but can I ask the Honourable Minister to assure us that by moving that to go to Navutu, we will not see any malls built in Shirley Park? Can you assure us?

HON. SPEAKER.- Honourable Minister, you have the floor. But that is a different question.

HON. P.D. KUMAR.- I did not understand his question, Mr. Speaker, Sir.

HON. V.R. GAVOKA.- We want an assurance that there will be no malls built at Shirley Park.

HON. P.D. KUMAR.- I really do not understand where he gets his ideas from, Mr. Speaker, Sir.

HON. SPEAKER.- Honourable Members, that is a totally different question. We move on to the next question.

Uptake on the ‘Love our Locals’ Campaign
(Question No. 117/2020)

HON. A.D. O’CONNOR asked the Government, upon notice:

The tourism sector, Fiji's largest revenue earner, has been hit the hardest by the COVID-19 pandemic. With the uncertainty of international travel, it will take a longer period to recover. Can the Honourable Minister explain what has been the uptake on the 'Love our Locals' Campaign to date?

HON. F.S. KOYA (Minister for Commerce, Trade, Tourism and Transport).- Mr. Speaker, Sir, I thank the Honourable Member for his question. Over a year ago at the 2019 Fiji Excellence in Tourism Awards, the Honourable Prime Minister actually gave a very powerful challenge to the industry. He actually called on the industry to extend the same level of service and hospitality to all Fijians, as we would any of our international visitors.

So, Love our Local Campaign embraces the spirit of love and solidarity through actions. It takes an inspiration from the Honourable Prime Minister's call to action over a year ago. It asks Fijians to rally behind the local restaurants, tour operators and hotels, to show support for Fiji by holidaying here at home. I want to quote what he actually said, and I quote:

"When they do arrive at your doors, they ought to be treated exactly the same way as anyone else who you welcome on your premises because as businesses in our country you must be open to all of our people all the time. They deserve the same level of service. They deserve the same level of attention and they certainly deserve to feel welcome at resorts in their own country."

Now, since its launch in June 2020 as part of our market re-entry strategy, Sir, the Love our Locals Campaign is actually proving to be very successful both, for participating businesses as well as for our locals. This initiative has allowed many tourism operators to remain in business and continue to employ Fijians and above all, the Campaign has served as a beacon of hope, especially in the West, Sir.

Close to 100 tourism operators around Fiji have actually joined the Campaign with a number of tourism-related businesses such as tour, entertainment and activity providers, also taking advantage of the actual initiatives.

On hotel occupancy, Mr. Speaker, the rates have averaged approximately 55 percent and when historically off-peak season record an average occupancy rate of about 30 percent. This 55 percent occupancy it does not take into account the growing local Meetings and Incentives and Conferences and Exhibitions which we commonly refer to as MICE Market, Sir. I am happy to say, Sir, these were Fijians and residents, who on average spent two to three nights.

In addition to the website the, Love our Locals *Facebook* page which is the primary platform for offering the packages and deals has gained significant fraction within two months of the *Facebook* group recorded membership of 9,273 with 5,000 new members in two weeks.

Mr. Speaker, Sir, whilst we do not expect domestic consumption to completely fill the void left by international travel in the industry, we are actually optimistic about the Love Our Locals Campaign and it will continue to cushion the impact as much as possible. This will not only ensure businesses remain open, Sir, but Fijians can return to work and farmers slowly start supplying to hotels and local artisans who predominately relied on tourism actually have a source of income. I do have some statistics, Sir. Even if we have captured domestically a fraction of what Fijians otherwise would spend overseas, it will make a difference, so we will continue to encourage Fijians to rediscover home and become great ambassadors for Fiji.

Let me share some room booking statistics for July 2020, Sir. The Outrigger had 975 room nights. The Shangri-La had 553 room nights. The Fiji Gateway Resort had 693 room nights. Kula Adventure Park had 880 visitors. River Tubing Fiji had about 320 bookings, so these figures, Mr. Speaker, Sir, are commendable and it is evident that the sentiments these businesses have shared in being able to welcome back visitors after being closed.

Just recently, Sir, about 200 staff at the Outrigger Resort have resumed work as a result of this particular campaign and these employees are working more than three days a week with most of them on fulltime duties. Not only that, Mr. Speaker, Sir, they have reported that weekends in July were actually sold out and restaurant sales exceeded the room nights revenue. This is the first time in their history, Sir. In fact, Mr. Speaker, a number of operators are reporting full occupancy on weekends and continue to offer more specials on the weekdays to entice weekday travel.

Through the 2020-2021 National Budget, the Fijian Government has provided substantial subsidies to actually help tourism businesses weather the crisis and bolster local consumption and the complete removal of Service Turnover Tax (STT) and the reduction of Environment & Climate Adaptation Levy (ECAL) from 10 percent to 5 percent is not only in favour of international tourists or hotels alone, it is in favour of bars and restaurants, cinemas and coffee shops and tour operators, entertainment providers, making it affordable for ordinary Fijians too, Sir.

The Campaign has actually served us well in putting to test the new norm and we are using this time to prepare also for when the borders open. We all know that restoring traveller confidence and stimulating demand safely is actually critical at this time so, again, we are being very proactive and by virtue of this togetherness, Sir, I would like to thank all fellow Fijians and the tourism industry and all the operators, for their resilience and their support during these difficult times without which, many of the businesses may not have survived.

I know many people, Sir, expected this Campaign not to be successful but it is. To those who have been most critical, I urge you get behind this effort and give your full support and I urge all of you to use up the long weekend and make sure you enjoy one of our hotels. Thank you very much, Sir.

HON. SPEAKER.- I thank the Honourable Minister. Honourable Tabuya?

HON. L.D. TABUYA.- Thank you, Mr. Speaker. I actually commend this initiative - Love Our Locals Campaign. Before I ask my question, I want to congratulate the new members of the Tourism Fiji Board, three quite powerful women - Tammie Tam, Loretta St Julian and Josephine Smith-Moffat. I congratulate them.

Mr. Speaker, my question to the Honourable Minister with this Love Our Locals Campaign, can they explore the Love Your Local Food Campaign along with it? What are the initiatives to use more local foods in our hotels and reduce our imports so that we can provide much-needed income to our local suppliers? Thank you, Mr. Speaker.

HON. SPEAKER.- Thank you. Honourable Minister, you have the floor.

HON. F.S. KOYA.- Thank you, Mr. Speaker. Our local food, Sir, began a very long time ago when the Honourable Minister for Defence, National Security and Policing was actually the Minister for Agriculture. Our local food has been part of our hotels for quite a while now and they are being more innovative and more creative with the food at the moment and it is already there. As you can see, if you go visiting around all the resorts, you will see a whole lot of creativity with how local foods already happening.

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

HON. V.R. GAVOKA.- Mr. Speaker, if I can ask the Honourable Minister about that food, is it reflected in the menu prices in the hotels now?

HON. F.S. KOYA.- I think I heard him ask, is that food impacted in the pricing? Is that what you have asked?

HON. SPEAKER.- In the menu.

HON. V.R. GAVOKA.- Fiji has always been known to be very expensive in food and beverage. So going by what I am hearing today, the menu prices now in the hotels should have come down quite significantly. Is that happening?

HON. F.S. KOYA.- Thank you, Honourable Member, for that question. Obviously, the duties had been reduced quite substantially as you would have noticed from the Budget on imported food. So, yes, of course, the menu prices would have gone down and I thank you for admitting the first statement that you made, Honourable Member, about food and beverage prices being too high.

HON. SPEAKER.- Thank you, we will move on to the third Oral Question for today. I give the floor to the Honourable Rasova to ask his question.

Status of the Dome Mining Project
(Question No. 118/2020)

HON. S.R. RASOVA asked the Government, upon notice:

Can the Honourable Minister for Infrastructure, Meteorological Services, Lands and Mineral Resources update Parliament on the status of the Dome Mining project in Naqara, Nabouwalu, Ono, Kadavu?

HON. J. USAMATE (Minister for Infrastructure, Meteorological Services, Lands and Mineral Resources).- Thank you, Mr. Speaker, Sir and I thank the Honourable Member for his question.

Mr. Speaker, Sir, Special Prospecting Licence as per No. 1451 was granted to Dome Mines Limited back in 2007. Subsequently, their licence has been renewed and extended. It has been renewed for another three years and as to that renewal, it will expire on 24th June, 2023. These renewals only take place if the Ministry has looked at the terms of their licence and whether they have carried out the exploratory work that they said they were going to do in the first place, so they have achieved most of the work programme that they had set out to do.

Now, their tenement prospect is for an area of around 3,000 hectares and to date, they have already spent around \$5.9 million in terms of their exploration. I will not go into a lot of the other details but would just like say that as part of what they are doing, Mr. Speaker, Sir, other than doing exploration, they have also been involved in some community assistance and development programmes for the development of landowners in Ono as part of its corporate social responsibility.

In Naqara, some of their projects have included maintaining old roads, construction of new roads, aiding and construction of seawall, construction of a new school dormitory for Naqara Primary School, for Matavurairabici Settlement they have assisted them in their seawall, house construction and excavation of rubbish dumps. And as for all of those exploration, when they give out this

prospecting licence, the Mineral Resources Department (MRD) also has requested them to have environment management plans and we regularly monitor that. That is just very a short response to the question from the Honourable Member.

HON. SPEAKER.- I thank the Honourable Minister. Honourable Qereqeretabua, you have the floor.

HON. L.S. QEREQERETABUA.- Thank you very much, Mr. Speaker, through you, could I ask the Honourable Minister in terms of keeping the landowning units prior and informed consent, would he be able to confirm if the consultations were done in the dialect of Ono?

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

HON. J. USAMATE.- Mr. Speaker, Sir, I was not around at the time when the consultations took place, so I cannot specifically say whether that was said in the Ono dialect but I can tell you that within the MRD, they have a special unit that is there for consultations and meetings with members of the community whenever this takes place. There are people that do this all the time so I can guarantee that the consultations did take place. What dialect was used during that consultation, I cannot confirm that.

HON. SPEAKER.- Thank you. Honourable Rasova?

HON. S.R. RASOVA.- Thank you, Mr. Speaker, Sir. A supplementary question to the Honourable Minister, what kind of mining will happen in....

(Honourable Member interjects)

HON. S.R. RASOVA.- Is he the Minister?

(Honourable Members interject)

HON. SPEAKER.- I could answer that question but I will give it to the Minister.

HON. J. USAMATE.- Mr. Speaker, Sir, at the moment it is all exploration. In exploration, mining is a very expensive business. This particular company has spent \$5.9 million. They have not gained a single cent but they are doing it with the hope that eventually, they will find enough ore there and then they will go back offshore. These companies go back offshore and get investors to invest, and only then the mining takes place.

In Kadavu, we have already had two companies that came to Ono back in the 1970s, they already had resources. The American exploration company, they get exploration from 1979 to 1982. I do not know how much money they spent. They did not find anything so they did not start harvesting. Then we had another company that did that. But let me explain, exploration and mining is different.

This is exploration. Once exploration tells you that there is something worthwhile to be mined, then we give you a mining licence. Thank you, Mr. Speaker, Sir.

(Laughter)

HON. SPEAKER.- Thank you. We will move on. The fourth Oral Question for today, I now call on the Honourable Jale Sigarara to ask his question. You have the floor.

Recruitment of Classroom Teachers in 2021
(Question No. 119/2020)

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

Can the Honourable Minister for Education, Heritage and Arts update Parliament if there will be any recruitment of classroom teachers for the year 2021?

HON. R.S. AKBAR (Minister for Education, Heritage and Arts).- Thank you, Mr. Speaker, Sir, and I thank the Honourable Member for the question.

Mr. Speaker, Sir, classroom teacher recruitment is conducted on a need basis by the Ministry. This usually addresses vacancies created through retirement, resignation, deemed to have resigned due to abandonment of duties, summary dismissal, death and leave, such as impatient leave, study leave, leave without pay and Medical Board review.

Based on the projected exit and the need for 2021, the Ministry has planned to recruit 65 Early Children Education or Kindergarten Centres for both, schools attached and stand-alone centres, 90 primary and special and inclusive education school teachers and 95 secondary school teachers, bringing it to a total of 250 new recruitments for the Ministry of Education.

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

HON. M.R. LEAWERE.- Thank you, Mr. Speaker. I need some clarification from the Honourable Minister. For those who have resigned and have joined other places, if they come back and want to join the teaching profession, like Fiji Airways' flight attendants, who want to join the teaching service, are they also eligible to apply and join the Service?

HON. R.S. AKBAR.- Thank you, Mr. Speaker, Sir. Yes, we follow the Open Merit Recruitment System (OMRS). They will need to apply and go through the processes before being considered to be part of these vacancies that would arise.

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

HON. L.D. TABUYA.- Thank you, Mr. Speaker, Sir. I would like to ask the Honourable Minister, since she mentioned 65 ECE teachers who would be hired in the new year, can she please explain why they are not paid like primary and secondary school teachers where they are recognised as teachers who are on the same grade?

HON. R.S. AKBAR.- Mr. Speaker, Sir, it is a completely new question but I would like to respond to that. The Ministry has issued contracts to 1,175 ECE teachers, who were previously engaged and employed by school management. These teachers are now included in the Ministry payroll and we are providing them with job security and other Civil Service benefits. Teachers continued to be employed, even during COVID-19 when the schools were closed.

In terms of the exact classification of what the Honourable Member has asked, can I put it as a written response to you at the end of this week? Thank you.

HON. SPEAKER.- Thank you. We will move on to the fifth Oral Question for today. I call on the Honourable Bulanauca to ask his question. You have the floor, Sir.

Progress of the Joint Venture Scheme in Nasarawaqa
(Question No. 120/2020)

HON. M. BULANAUCA asked the Government, upon notice:

Can the Honourable Prime Minister and Minister for iTaukei Affairs, Sugar Industry and Foreign Affairs update Parliament as to the progress of the joint venture scheme between the landowners at Nasarawaqa in Bua and the Fiji Sugar Corporation?

HON. J.V. BAINIMARAMA (Prime Minister and Minister for iTaukei Affairs, Sugar Industry and Foreign Affairs).- Thank you, Mr. Speaker, Sir. I rise to respond to the question from Honourable Bulanauca. You would find this funny that a person from Bua is asking a person from Tailevu to tell him what is happening in Bua. Unlike the question from Honourable Qereqeretabua, I am not going to talk to you in your dialect, that is for sure.

Mr. Speaker, Sir, I remember in September last year, I provided Parliament with an update on the overall progress of all nine of our Joint Ventures. I am happy to update the Honourable Member again on the progress of the three Joint Ventures namely; Nukusolevu Investment, Sakiusa and Sikeli Ramavo and the third one is the Salababa Family Joint Ventures in Nasarawaqa, that all began in September 2018 and collectively covering 125 acres of sugarcane land. To date, a total of 101.6 hectares of cane have been planted collectively for the three Joint Ventures.

Mr. Speaker, Sir, 44.3 hectares of cane have been planted on Nukusolevu Investment farm, , 32.7 hectares of cane have been planted on Sakiusa and Sikeli Ramavo Joint Venture farm and 24.6 hectares of cane have been planted on Salababa Family Joint Venture farm. The three Joint Ventures have been progressing well with a total harvest of 2,450 tonnes in 2019 from Nukusolevu Investment and Sakiusa and Sikeli Ramavo Joint Venture alone. A total of 5,006 tonnes is expected to be harvested in 2020 collectively from the three Joint Ventures.

On the day before yesterday, a total of 2,806 tonnes have already been harvested from Nukusolevu Investment and Sakiusa and Sikeli Ramavo Joint Venture with an average yield of 52.1 tonnes per hectare, compared to only 32 tonnes per hectare in 2019.

The actual cost of establishing the three Joint Ventures stood at just over \$365,000 for 2018 and 2019, excluding the harvesting and cartage costs of \$105,000 incurred in 2019. As expected for early Joint Ventures, those costs are still being recouped and last year, the Joint Ventures recorded a net loss of over \$264,000, but it would not be long until all three Joint Ventures mature into full profitability which we expect to happen progressively over the next few years.

Under the terms of the arrangement, the Nasarawaqa Joint Venture was required to meet all of their initial development cost through bank loans but my Government, Mr. Speaker, Sir, through the Ministry of Sugar actually stepped in to lighten the financial burden of the landowners by meeting 66 percent of the planting and input cost to the Cane Planting Grant and our fertilizer and weedicide subsidies as well as our support to the FSC to purchase trucks and mechanical harvesters. Once profitability is achieved, the Joint Ventures will follow the 70:30 profit sharing module as stipulated in the Master Award. To be clear, that means 70 percent of all profit go back to the landowners.

It is expected that the Nukusolevu Investment, Mr. Speaker, Sir, and Sakiusa and Sikeli Ramavo Joint Venture will start making profits from this 2020 Season. For 30 years, the land under the Nasarawaqa Joint Venture sat idle, its asset value went unrealized and its 352 landowners did not share a cent from it. Now, it is on its way to putting cash in the pockets of its owners through a practical and soon-to-be profitable arrangement.

In the process, Mr. Speaker, Sir, the landowners are getting valuable skills in cane cultivation and most importantly they are fostering a culture of ambitious enterprise that will reap rewards for generations. Thank you.

HON. SPEAKER.- I thank the Honourable Prime Minister. Honourable Bulanauca?

HON. M. BULANAUCA.- Yes, a supplementary question, Mr. Speaker, Sir. I thank the Honourable Prime Minister for the progress report on the Joint Ventures in Nasarawaqa. Although it is incurring a loss, we are hoping that it will be profitable this year and maybe, as we head into next year. It is good. There are empty vacant land there as well. Is there a plan to increase planting on those areas that are still vacant?

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

HON. J.V. BAINIMARAMA.- Yes, of course, Mr. Speaker Sir, if they are willing to give up their land, we will plant on those areas.

HON. SPEAKER.- We will move on to the sixth Oral Question for today and I call on the Honourable Maharaj to ask his question. You have the floor.

Keyhole Surgery in Fiji
(Question No. 121/2020)

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

Can the Honourable Minister for Health and Medical Services inform Parliament if keyhole surgery is available in Fiji's public hospitals and how can our people access this service?

HON. DR. I. WAQAINABETE (Minister for Health and Medical Services).- Mr. Speaker, Sir, the simple answer is 'yes'. It was developed 15 years ago in drips and drabs and 10 years ago in earnest, when keyhole surgery was actually being pushed right across beginning at CWM Hospital and obviously then on to Lautoka and Labasa.

I am also pleased to say that initially about 10 years ago when Honourable Dr. Ratu Lalabalavu was an Aesthetician, there were only about three of us who were surgeon operators using minimal invasive surgery or keyhole surgery. At the moment as we speak, we have nearly 15, so they include surgeons and we are using keyhole surgery in the chest, in the abdomen.

In the chest, we are able to check parts of the lung using keyhole surgery with a very small cut of about 5 millimetres, we are able to access into that and using the television monitor to be able to utilise that. Now, we also have the abdomen, operating on the liver and on the kidneys, removing tumours from the kidneys, and also the bile, the appendicitis and gallbladder.

Certainly with the gynaecological operations using keyhole, such as tubal ligation, taking out cysts from the pelvic organs and this has been quite extensive. Part of it, Mr. Speaker, it has been because of the investment that has happened to the doctors in this regard. Honourable Dr. Ratu Lalabalavu was one of those involved in which the Fijian Government and this Government invested in his initial training because it is important to have the operator - the surgeon but also the initiatives to know how to be able to unitise this type of patients. Certainly when they are put to sleep they would need to be completely relaxed and then we actually pump in air into the abdomen or into their

chest so that we can create a space to be able to operate and that requires very complex anaesthesia in which certain training has to be done in this regard.

The benefit though is that the turnaround time for patients is very fast. So, patients are able to actually have an operation so they have laparoscopic appendix or laparoscopic colossus today, and tomorrow they can go home.

In some instances when I was training in New Zealand, they would go home on the same day. So, it has been able to turn over patients faster, their ability to return to work is even better and that is one thing that we are very pleased with because we want to get our people who are young, fit and who have a pathology that needs to turn the body quickly and then get them home so that they can be able to go back to work. If you look at some of the evidence that is coming through, within a week people are actually able to go back to work.

As I have alluded to earlier one of the biggest reasons is the investment in the people and also investment in the equipment that has been able to make this happen.

HON. SPEAKER.- I thank the Honourable Minister.

HON. DR. RATU. A. LALABALAVU.- Thank you, Mr. Speaker, Sir. A supplementary question to the Honourable Minister for Health, what is the turnaround time for cases, say for the last month in respect to your theatre capacity issue?

HON. DR. I. WAQAINABETE.- *Vinaka vakalevu*, Mr. Speaker. In CWM Hospital alone, despite the COVID-19 restrictions and the fact that with COVID-19, they had to go on semi-urgent and emergency mode, they did 139 cases using laposcopic procedure. So, you can see that despite the COVID-19 restrictions that are in place, laposcopic operations continue on a regular basis and the utilisation of theatre and staff that are available in this field.

Method of Rubbish Collection
(Question No. 122/2020)

HON. L.D. TABUYA asked the Government, upon notice:

Can the Honourable Minister for Local Government, Housing and Community Development inform Parliament, what is the current method of rubbish collection from over 200 informal settlements around Fiji?

HON. P.D. KUMAR (Minister for Local Government, Housing and Community Development).- Thank you, Mr. Speaker, Sir. I also thank the Honourable Member for asking that question.

Mr. Speaker, Sir, Municipal Councils around the country have been managing solid waste services within the municipal boundaries. In August 2018, the Municipal Councils were given the responsibility of managing solid waste in their respective extended areas which were previously managed by the Rural Local Authorities. The Councils are currently serving 160 settlements and villages in their respective extended boundaries.

Mr. Speaker, Sir, for Tavua, Rakiraki, Nadi, Sigatoka and Lautoka settlements, the waste is collected from house to house. For the settlements in Ba, Levuka, Labasa, Nausori and Savusavu, the collection of waste is done from a collection point which varies from once a week to twice a week.

There is no garbage fees charged to the residents in informal settlements. The Councils rely on the Government subsidy provided to them for the waste collection in these settlements. In addition, these settlements mainly in Suva, Lami and Nasinu have two modes of waste collection, that is, by skip bins and weekly truck services.

Mr. Speaker, Sir, there are some peri-urban districts informal settlements and villages that pay money to private companies or individuals that collect household rubbish. The Ministry of Local Government provides necessary financial support to the Municipal Councils through Government subsidies to assist in solid waste collection services. This includes the introduction of the Solid Waste Management Subsidy Scheme since 2017-2018 financial year allocating \$350,000, an increase in the funding of \$1.5 million in 2018-2019, \$3 million in 2019- 2020 Budget and \$2.5 million in the current financial year.

The provision of skip bin services in these informal settlement areas where garbage trucks do not have proper access have been provided. Grants to Municipal Councils for the purchase of open and compacted trucks over the last five years have also increased. The total investment for these trucks has been \$2.8 million.

The landfill cost are paid by the respective Councils from the Waste Subsidy Grant. The Government subsidy is \$15 VAT inclusive price per tonne. The gate fee is \$38.83 but the Councils only pay \$23.83, so you can imagine each time the truck goes there, this is the amount of money they have to pay.

The Ministry has also purchased 1,924 compost bins to be distributed for certain areas in Nasinu.

Mr. Speaker, Sir, in strengthening waste management collection services across the country, Japanese Technical Cooperation Agency (JICA) has been instrumental in providing technical and financial support to all Municipal Councils in awareness-raising and also provide money in the sum of \$1.2 million in the purchasing of garbage trucks.

Mr. Speaker, Sir, to remove the inconsistencies and inadequacies in delivering waste management services in Fiji, the Ministry of Local Government is overseeing a pilot initiative which will see the two Municipal Councils of Suva and Nasinu leverage Suva's good practice to achieve greater efficiencies and effectiveness.

Mr. Speaker, Sir, under section 88 of the Local Government Act, shared services in partnership can be developed between two Councils. The work is in progress and we would like to see that the greater Suva waste collection services is set up between Suva, Nasinu and Nausori, including Lami, as we move on with the Suva and Nasinu partnership. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Minister. Honourable Ro Teimumu Kepa?

HON. RO T.V. KEPA.- The Honourable Member mentioned Suva and Nasinu, and the initiative that is going to be coming on board, Mr. Speaker. There are two settlements right by the river, Honourable Minister, which is Dibulu and Vunisaleka. These informal settlements are dumping raw sewerage into the river, rubbish, plastic bags, et cetera, and also using *duva* which is a leaf that poisons fish and other living creatures. These flow down and also poison our part of the river, so could you also look at them when you are looking at the Suva and Nasinu Initiative. What kind of advice or action would you give them because they are very poor, they are living there and all sorts of things end up in the river? Thank you, Mr. Speaker.

HON. SPEAKER.- Honourable Minister?

HON. P.D. KUMAR.- Thank you, Honourable Member. I think we want to start small, one step at a time. Let us achieve effectiveness and good collection services in Nasinu. As you know we are having a lot of problems in Nasinu, so that is why we are engaging Suva to assist us.

As I had said, it is shared basis which means that Nasinu has to pay Suva City Council for that collection services and if that succeeds, then we extend and hopefully in the greater Suva area, we will be able to have proper collection services under a waste management company that we intend to form which will be owned by all the Municipal Councils. Thank you.

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

HON. L.D. TABUYA.- Thank you, Mr. Speaker. If I could just lay the foundation for my question, I am being helpful, I promise, Mr. Speaker. Growing up in an informal settlement and Honourable Usamate will attest to this ...

HON. SPEAKER.- Everyone grows up in an informal settlement.

HON. L.D. TABUYA.- ... we used to dig these eight-foot pits in our backyards that were like landfills where we would bury our rubbish and that was a solution for the informal settlements at that time. That is the biggest way of dumping rubbish really - landfills, and the second is incineration.

My question to the Honourable Minister is, with proper technology, if you can put nets inside these landfills, could this be a possible solution in the meantime for informal settlements, where those residing there can dig eight-foot pits with a lid to dump their rubbish with proper lining so that it does not sip into the environment? Thank you, Mr. Speaker.

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

HON. P.D. KUMAR.- Mr. Speaker, Sir, if that is a solution, then I encourage you to go ahead but before you do that you need to consult the Ministry of Environment. But landfill, we have got only one landfill but the others are all dump sites. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Minister. We move on to the last Oral Question for today and I call on the Honourable Kirpal to ask his question. You have the floor, Sir.

careFiji App
(Question No. 123/2020)

HON. S.S. KIRPAL asked the Government, upon notice:

Can the Honourable Attorney-General and Minister for Economy, Civil Service and Communications provide an update on the number of downloads of the careFiji App and the importance of this App?

HON. A. SAYED-KHAIYUM (Attorney-General and Minister for Economy, Civil Service and Communications).- Thank you, Mr. Speaker, Sir. On 21st June, 2020, the Honourable Prime Minister launched the national digital contact tracing app called careFiji App.

Mr. Speaker, Sir, the App actually harnesses the use of non-location tracking technology using Bluetooth Low Energy (BLE) with privacy and security central to the App design. Combined

with other national public health measures, the whole idea is to prevent a resurgence of COVID-19 and to maintain a COVID-contained status.

Mr. Speaker, Sir, as members are aware, the careFiji Mobile App is based on the open source reference implementation Trace Together mobile App or Blue Trace protocol developed by the Singaporean Government and marries the COVID safe mobile App widely adopted by millions of Australians in their own campaign to eliminate COVID-19.

Mr. Speaker, Sir, essentially, the use of COVID-safe App in New South Wales, Australia, has led to the fast identification of close contacts, who had subsequently tested positive for COVID-19. This use of digital tool has been proven to be more faster, more effective and a life-saving supplement to manual recall and tracing methods.

The World Health Organisation stated in 2019 that contact tracing performance for Ebola virus disease in the Democratic Republic of Congo significantly increased with the implementation of their App which was called Go.Data contact tracing software.

Mr. Speaker, Sir, I had yesterday referred to the comments of the Honourable Qereqeretabua, unfortunately, the three Honourable Members of NFP are not here; they scurried out just a few minutes ago, and also for the comments made by Honourable Professor Prasad. I refer to some of the newspaper articles which I have brought with me and one of them says, "An act of rebellion, majority Fijians will not download careFiji App Honourable Qereqeretabua claims", that is what the *Fiji Times* article says. If you read it, Mr. Speaker, Sir, although she may not be necessarily saying, "I do not download it", she is essentially saying to everyone, "Do not download it". That is what she is saying.

Mr. Speaker, Sir, it is quite highly irresponsible, and she is citing political reasons. The downloading of this App is not actually a political issue, it is actually a health and safety issue and I know that the Honourable Members of the Opposition were featured had been asked questions from SODELPA. But I am glad to say, at least, their responses were not stupid because if you look at what the NFP Leader had said when they called him up, he said "Why are you people asking stupid questions to individuals? Do not ask me this silly question." At least, the other SODELPA Members actually gave a good and reasonable answer and I understand that some of them may have actually downloaded that App. It is really important and I, please, urge you to do that and I thank you for doing so.

Just for those people who may not still understand, I have got my App on which is on in the background all the time, Honourable Kepa has got her App on which hopefully she does, our Bluetooth is simply bouncing off each other and because we have been in a room for more than 15 minutes at a proximity of 2 metres, all it does on an encrypted form, her phone records my number and my phone records her number in an encrypted form.

It does not say that we were here in the Chambers, it would not say if I met up with her for dinner tonight, it would not say where I met up with her. It does not give any location whatsoever. All it does it gives the encrypted number and that number is stored for 28 days. On the 29th day, Honourable Kepa's number would fall off from my phone and my number will fall off from her phone. The record is only for 28 days. God forbid that in the process, should in a week's time that I get tested for COVID-19, what the Ministry of Health will ask me, who have you been in contact with over the past 28 days?

Humanly none of us, some of us more than others, cannot remember who we met over the past 28 days. All it will then do, if I go up to the Ministry of Health and I have COVID-19, they will

ask, “who have you been in contact with?” They will ask me whether I have CareFiji App, they will give me a pin number and I put it in by my own self, all the numbers that I have been in contact with for the past 28 days within that close proximity and for 15 minutes will appear on a dashboard in the Ministry of Health.

The Ministry of Health will then simply get those phone numbers, they would not know where we met, they would not know where the numbers were traced, but they simply have the numbers. They would not even have your name. They will call the number and say, “Excuse me, this is Ministry of Health we are calling, you have recently been in touch or contact with someone who has been tested positive for COVID-19. Where are you? Please quickly come to the nearest Health Centre”, or whatever it is. And immediately, we are able to ring-fence a possible contact that could possibly have COVID-19. That is the gist of it, it is very simple.

Mr. Speaker, Sir, therefore, I find it highly irresponsible, in particular as leaders. We all here agree we need more jobs. I was listening to Scott Morrison and would like to quote him where he actually was very proudly saying on the *ABC Television* about their download of the App.

As of today for the total number of downloads, we have 71,717 Fijians have actually downloaded the App. On average we get 908 average daily downloads. This means, we have about a 13 percent adoption rate. How do we arrive at 13 percent? We have approximately 551,643 smartphones in Fiji.

In comparison Mr. Speaker, Sir, Australia has around 16.4 million adults with smartphones, and with over 6.5 million downloads, it has achieved a 40 percent adoption. If we were to measure this based on the vodafone population which is, in other words, everyone over the age of 18 years which is 644,749, this would mean that we have 11.12 percent adoption.

Mr. Speaker, Sir, there has been numerous studies that have shown that digital contact tracing is actually very, very suitable, in fact, very quickly to arrest this issue. As we have said, when we do talk, the Honourable Minister for Health speaks with his counterparts, we have Dr. James Fong, Dr. Alisha Sahukhan, they talk with the health experts, we have had some communications with the Ministers from Australia and New Zealand, they do talk to us about what percentage of Fijians have downloaded the App because when we want to set up pathways and get people to come and visit Fiji, the whole ballgame would change. People previously looked at things like cost, pricing, hospitality, food and beverage cost.

There is now a new added factor. Is that place safe to go to, from? From COVID-19 perspective, if they feel secure that we have good health facilities, we have the ability to break quickly should there be a new community outbreak, be able to arrest its spreading and be able to contact trace effectively, they will find us more attractive. In fact, the Honourable Prime Minister was just showing me a particular article that has just come out. It lists about 15 places in the world where it is safe to travel to during COVID-19. Fiji, actually I am glad to say under this particular survey, is saying it is number one.

Now, we need to capitalise on this. It is great if we can stand up and all say, “Look guys, we have got a 40 percent download. It is safe, come to Fiji.” It is not just about foreigners, it is also about us too. If all of us have it, God forbid, should there be some kind of community outbreak, we go to some function, you would not remember everyone, but if most of the people have their App on, we will be able to trace people really quickly.

Mr. Speaker, Sir, the Massachusetts Institute of Technology (MIT) Review, Google Play Store and the APPLE App store, the MIT Review has documented 47 contact tracing Apps in its COVID

Tracing Tracker database, including Fiji's careFiji App. It was confirmed that careFiji App is transparent and that there are clear publicly available information regarding the App and its use, that data collected is minimized, that careFiji only collects minimum information required to assist in manual contact tracing and that it is an opt-in App or voluntary in nature. Some countries have actually said to people, "compulsory". It is voluntary. It further confirms that the use of Bluetooth means that it is easier to anonymize, and genuinely considered better for privacy than location tracking.

Mr. Speaker, Sir, just very quickly also, I wanted to highlight that Fiji ranks above other nationally-backed contact tracing Apps in Indonesia, China, Algeria, India, Malaysia, Qatar, Philippines, Ghana, to name a few.

Mr. Speaker, Sir, also the careFiji App has and, again, because of the misinformation, has built-in privacy safeguards. These are the technology used as BLE technology. The Honourable Professor Prasad who is not here, should note careFiji App does not capture geo-location information or where you are at, nor does it need to. The only information captured by careFiji App is the encrypted phone number, as I mentioned.

Mr. Speaker, Sir, careFiji App only requires mobile number for registration. There is no other personal information that is required for registration, unlike other contact tracing Apps. For example, in Australia, it requires your mobile number, your name, your age range and your post code. In Fiji, we do not require that, in fact, careFiji App protects actual identities of users. There is a number of other features but we do not access your phone contacts, text messages, et cetera.

The other arrangement we have managed to achieve, Mr. Speaker, Sir, is that, when you actually download careFiji App, it uses virtually no mobile data. However, careFiji App needs 10 megabyte (MB) to download onto your phone and once you have downloaded, Vodafone and Inkk (we have made arrangements with them), will reimburse you with 10 times that amount. You have 10 megabytes to download, they will give back 100 megabyte data for free, 10 times more. From 22nd June, 2020, Digicel has also provided 100 megabyte of data to their customers who download the careFiji App.

Also, careFiji App has been zero-rated by the mobile operators post installation process, so once you have downloaded it and you get your 100 megabyte, should you want to go to the App and look at other features, it is for free. Mr. Speaker, Sir, it uses minimum battery from your phone itself.

Mr. Speaker, Sir, I do not want to labour too much the point, but I wanted to actually very quickly highlight a comparison. The careFiji App adoption rate needs to be increased dramatically as we have said and especially when you compare this to the Walesi App. Mr. Speaker, Sir, 460,000 Fijians have downloaded the Walesi App.

The mandatory registration process of Walesi App is, it collects your mobile phone number and your email address that was implemented from March 2019 and since then, the App has registered more than 400,000 downloads. The fact is, we are good at downloading and we can download because we already have 460,000 people watching television programmes or the rugby whenever it comes on, on their phones, so you obviously can download the careFiji App and, of course, it is for free.

Mr. Speaker, Sir, I had wanted to highlight that to-date, we have 71,717 Fijians who have actually downloaded the App. We hope they will continue to increase and we seek the help of all Honourable Members of Parliament to ensure that more Fijians actually download the App, to be

able to not just give security to our own people, but also be able to tell the rest of the world that Fiji is a safe place to come to. Thank you.

HON. SPEAKER.- I thank the Honourable Attorney-General.

Honourable Members, that is the end of the Oral Questions. We now move on to the Written Questions and the first Written Question for today, I call on the Honourable Bulitavu to ask his questions.

Written Questions

Small Grant Project Allocation (Question No. 124/2020)

HON. M.D. BULITAVU Mr. Speaker, I would like to withdraw this question, Question No. 124/2020, given that the 2018 Office of the Prime Minister Annual Report was just tabled yesterday and probably the Office of the Prime Minister to include those facts in their upcoming 2019 Annual Report which was brought to the Standing Committee on Justice, Law and Human Rights, which I am a Member.

HON. J.V. BAINIMARAMA (Prime Minister and Minister for iTaukei Affairs, Sugar Industry and Foreign Affairs).- Thank you, Mr. Speaker, Sir. I will provide answers under the Standing Orders, thank you.

2020-2021 Major Road Rehabilitation Works (Question No. 125/2020)

HON. RATU S. MATANITOBUA asked the Government, upon notice:

Can the Honourable Minister for Infrastructure, Meteorological Services, Lands and Mineral Resources inform Parliament of the following:

- (a) details of all major road rehabilitation works being planned for the Central Division for the 2020-2021 National Budget fiscal year; and
- (b) details of any major road rehabilitation works along the Queens Road national highway in the Central Division being planned for the 2020-2021 National Budget fiscal year?

HON. J. USAMATE (Minister for Infrastructure, Meteorological Services, Lands and Mineral Resources).- Thank you, Mr. Speaker, Sir. I will be tabling my response at a later sitting date as allowed by Standing Orders 45(3).

List of Ownership - Primary and Secondary Schools (Question No. 126/2020)

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

Can the Honourable Minister for Education, Heritage and Arts provide to Parliament the list of ownership of all Primary and Secondary Schools, whether owned by Government, faith-based or communities?

HON. R.S. AKBAR (Minister for Education, Heritage and Arts).- Thank you, Mr. Speaker, Sir. I will table my response at a later sitting date as permitted under Standing Orders 45(3).

HON. SPEAKER.- Thank you, Honourable Members, question time is now over.

I thank you for your forbearance today and I thank all Members for your contributions to today's sitting. The Parliament is now adjourned until tomorrow morning at 9.30 a.m.

The Parliament adjourned at 7.49 p.m.