

PARLIAMENT OF THE REPUBLIC OF FIJI



PARLIAMENTARY DEBATES

DAILY HANSARD

FRIDAY, 4TH JUNE, 2021

[CORRECTED COPY]

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FRIDAY, 4TH JUNE, 2021

The Parliament met at 10.25 a.m. pursuant to adjournment.

HONOURABLE SPEAKER took the Chair and read the Prayer.

PRESENT

All Honourable Members are present, except the Honourable Assistant Minister for Health and Medical Services.

MINUTES

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

That the Minutes of the sitting of Parliament held on Thursday, 3rd June, 2021, as previously circulated, be taken as read and be confirmed.

HON. A.A. MAHARAJ.- Mr. 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, those present in person and those joining us virtually from across Fiji.

I also welcome all those watching the live broadcast and the live streaming of today's proceedings from the comfort of their home, offices and electronic devices – thank you for your continued interest in the workings of your Parliament.

Honourable Members, at this juncture, I wish to remind all Honourable Members on the decision of the Business Committee with respect to the full sitting day today. In that regard, please, be advised that Parliament will sit beyond 12.30 p.m. to contemplate and complete all business on today's Order Paper.

SPEAKER'S RULING

Points of Order – Conduct of Members

HON. SPEAKER.- Honourable Members, this is my ruling on a Point of Order by the Honourable Attorney-General on Thursday, 3rd June, 2021.

Honourable Members, yesterday there was a Point of Order raised by the Honourable Attorney-General with respect to the breaching of Standing Order 29A by the Honourable Lynda Tabuya.

When the Honourable Attorney-General was done with his Point of Order, I also gave the floor to the Honourable Lynda Tabuya for her Point of Order. Having perused the *Uncorrected Daily Hansard Report* for yesterday's sitting, I can conclude that the Honourable Tabuya's Point of Order does not require a ruling.

I will now give my ruling on the Point of Order raised by the Honourable Attorney-General.

Honourable Members, as you are all aware the order and decorum in Parliament must be maintained and upheld at all times. I have now duly perused the social media post by the Honourable Lynda Tabuya and the time of the post, and I am satisfied that it was made whilst Parliament was in session last night. I am further satisfied that this did not take place during the Parliament break.

I have also taken the time to peruse Honourable Tabuya's personal *Facebook* account against her official SODELPA *Facebook* account. There is a difference between the SODELPA *Facebook* account and the personal *Facebook* account. Similarly, there is a difference between the official Fijian Government *Facebook* account and the Honourable Attorney-General's personal *Facebook* account.

The Honourable Lynda Tabuya was wrong to say that her people posted the post in question, it was the post from her personal *Facebook* account.

I have no reason to doubt that the Government's social media team is posting on the Fijian Government's official page and on the official accounts of Cabinet Members. Many of these postings are just shares of posts or videos posted on the Fijian Government Page.

Whilst in Parliament, Honourable Tabuya's team can cover Parliamentary debate but what is not permitted is for her team to be selectively commenting on her personal page. As I had alluded to earlier, the post was not on Honourable Tabuya's official page but on her personal page.

Honourable Members, Standing Order 29A(2) is very clear and clearly states, and I quote:

“A member must not make any social media posting or media releases in relation to any Parliamentary business during the sitting of Parliament or any Parliamentary committee.”

Honourable Members, Honourable Lynda Tabuya has clearly breached Standing Order 29A(2) and this must not be permitted to go on. Therefore, Honourable Tabuya is hereby publicly reprimanded for breaching Standing Order 29A(2).

Honourable Tabuya, you are put on notice that any further repetition of the breach will result in more severe penalty, including suspension from Parliament under Standing Order 75 and Standing Order 76 which are very clear, as well as being cited for contempt of Parliament.

Honourable Members, let this be a caution to all Honourable Members of Parliament. Any breach of Standing Orders, including in particular, Standing Order 29(A)(2) will be subject to such disciplinary processes as prescribed under the Standing Orders and established in the Parliamentary Practices and Procedures. I thank all Honourable Members.

Honourable Members, I also apologise for the late sitting start this morning. We move on.

HON. LT. COL. P. TIKODUADUA.- A Point of Order, Mr Speaker, Sir.

HON. SPEAKER.- There is no comment on the Rulings of the Speaker. We move on.

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

FIJI REVENUE AND CUSTOMS SERVICE (AMENDMENT) BILL 2021

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, pursuant to the resolution of Parliament on Thursday, 3rd June, 2021, I move:

That the Fiji Revenue and Customs Service (Amendment) Bill 2021 (Bill No. 4/2021) be debated, voted upon and be passed.

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

HON. SPEAKER.- Honourable Members, before I call on the Honourable Attorney-General, I remind all Honourable Members that pursuant to the resolution of Parliament, debate will be limited to one hour.

I now call upon the Honourable Attorney-General to speak on his motion. You have the floor.

HON. A. SAYED-KHAIYUM.- Thank you Mr. Speaker, Sir. As in the introduction of this particular motion to have this particular amendment debated, the amendment simply seeks to change the half-a-year reporting time by Fiji Revenue and Customs Service (FRCS) to Government.

By way of background Mr. Speaker, Sir, the Fiji Revenue and Customs Service (Budget Amendment) Act 2016 amended the Fiji Revenue and Customs Service Act 1998 to align the financial year of the Fiji Revenue and Customs Service to the financial year of Government which began from 1st August to 31st July. As mentioned, the financial year was changed from 1st January to 31st December to 1st August to 31st July.

Section 43 of the Act requires the Service or FRCS to furnish the Minister with a half-yearly report on its activities in the first half of the financial year by the end of August, that is what it currently says or such later date as maybe agreed between the FRCS and the Minister. However, due to an oversight in 2016, section 43 of the Act was not amended to correlate with the change to the financial year. Therefore, the Bill seeks to amend the Act to require the Service to furnish the Minister with the report of its activities in the first half of each financial year by the end of March rather than the end of August as it says.

Mr. Speaker, Sir, the Bill itself has one substantive clause which is the last clause saying that section 43(2) of the Fiji Revenue and Customs Service Act 1998 is amended by deleting “August” and substituting “March”. This, Mr. Speaker, Sir, will bring the reporting in alignment with the financial year of Government and one of the reasons, of course, is that we need FRCS to be giving us reports on time - critically important at this point in time because we will require the March Report from FRCS to help in the formulation of the Budget. Thank you, Sir.

HON. SPEAKER.- Honourable Members, the floor is now open for debate on the motion. Anyone wishing to take the floor?

Honourable Professor Prasad, you have the floor.

HON. PROFESSOR B.C. PRASAD.- Thank you, Mr. Speaker. We have no issues with the Bill. I think it is a very simple change, just August to March. Just one little correction under ministerial responsibility, Mr. Speaker, it says the Act comes under the responsibility of Minister responsible for Finance, should be Minister responsible for the Economy.

Thank you, Mr. Speaker. We support the Bill.

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

HON. A.M. RADRODRO.- Thank you, Mr. Speaker, Sir. Just a brief contribution on the Bill that is before us and a few comments, Mr. Speaker, Sir.

First of all, I would like to reiterate in this House that this is what we have always mentioned about the use of Standing Order 51, Mr. Speaker, Sir. When the financial year, the fiscal year of Government gets changed, we have strongly opposed and questioned Government on the ramifications of the change in the financial year because this is always not an easy work, to change the fiscal years of Government from December to August. We questioned the Honourable Minister on that, what are the ramifications? That was five years ago, Mr. Speaker, Sir, and we have always alluded to pushing for a proper consultation.

This, as a result, has come to light, Mr. Speaker, Sir, that this is not a small mistake or error that needs to be corrected. The question that I would like to also ask the Honourable Minister is that, from 2016 when the fiscal years of Government changed and this oversight was in place, that means there was no half-year report being done in accordance with the amendments that has now been made today? When the fiscal years of Government changed, what has happened to the reporting period, do they still follow this reporting period or that was not also done, according to what the Honourable Minister for Economy mentioned today?

Also, there is a need for the Honourable Minister, in his right of reply, to advise this House on the consequences of changing this fiscal year. There are other Government Commercial Companies, Commercial Statutory Authorities and other related organisations that follow the Government reporting period. Will this also mean that they will have to adjust?

Again, as we have alluded to, they will have to adjust to the changes that is before this august House, Mr. Speaker, Sir. That is something that the Honourable Minister needs to advise this House, so we can all be informed and get to know the impacts of these small changes.

Mr. Speaker, Sir, as you know there is a bit of long list of debates that will be discussed today in terms of the motions before us and I would like to advise that even though we support the Bill, we see the need for the change that is required to ensure that proper processes, reporting timelines and proper accountability of the respective executives to this august House.

Mr. Speaker, Sir, I need the Honourable Minister to advise on the consequences of changing that and what was happening from the last five years when these dates are now going to be changed? Thank you.

HON. SPEAKER.- I thank the Honourable Member. I give the floor to the Honourable Nawaikula, you have the floor.

HON. N. NAWAIKULA.- A very short contribution, Mr. Speaker. This side of the House supports the Bill but note the concern that it is imperative. The operative word here is 'the oversight in 2016', oversight when they have professional documents. So, in his right of reply, could the Honourable Minister explain the reason why there was this oversight and not only immediate, but it took four long years to detect this? That is the point of concern. If he could answer to that in his right of reply, please. Thank you.

HON. SPEAKER.- I thank the Honourable Nawaikula. I give the floor to the Honourable Bulitavu.

HON. M.D. BULITAVU.- Thank you, Mr. Speaker, Sir. This side of the House, as alluded to by the Honourable Nawaikula, we do not have any issues with the Act and we support the Bill with the changes back in 2016 which was due to *TC Yasa* and also to allow proper Government planning and budgetary preparation. Also now that *TC Winston* and that replacing February 2016.

I think there is a change of circumstances and situation that a natural disaster in December last year after the Budget was passed and also now in the light of the COVID-19 situation that we have. I think this adjustment is needed for the Ministry of Economy in the budgetary preparation which will be vital to the COVID-19 responses that our nation will be awaiting for and that is why we support the Bill that is before the House.

HON. SPEAKER.- Thank you, Honourable Member. There being no further Member to speak, I now ask the Honourable Attorney-General to speak in reply.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. Just a couple of responses, Honourable Professor Prasad, if you notice all the legislation, it always has the Minister responsible for finance. It does not mean that the Minister for Economy title cannot be held. Just because the title has changed, it does not mean that the Minister responsible for finance changes because if you look at the legislation, that is how it is drafted. So, there is no major consequence, nor is there an error in that respect.

If you even look at the Budget Appropriation Bill, et cetera, the change of the financial year obviously had ramifications in respect of the financial year being changed and, therefore, the reporting had all changed. So, we get the yearly report, all the statutory bodies do give their reports now, they have all been aligned and I think the Honourable Minister for Local Government has also brought this to the attention of Parliament that Municipal Councils are now trying to get in alignment to various other statutory bodies. So, that has already been happening.

There is no major repercussion in respect of the changes to the financial year. So, I would like to thank all the Honourable Members for the change of this. As I have said, we come, of course, with clean hands. There was an oversight in respect of that but that does not mean that FRCS has not been giving its yearly reports. We just want to have alignment done so that we get half-yearly reports and it is given to us in the month of March. Thank you, Mr. Speaker, Sir.

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

Question put.

Motion agreed to.

[A Bill for an Act to amend the Fiji Revenue and Customs Service Act 1998 (Bill No. 4 of 2021), moved under Standing Order 51, passed and enacted by the Parliament of the Republic of Fiji. (Act No. of 2021)].

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

CUSTOMS TARIFF (AMENDMENT) BILL 2021

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, pursuant to the resolution of Parliament on Thursday, 3rd June, 2021, I move:

That the Customs Tariff (Amendment) Bill 2021 (Bill No. 6 of 2021) be debated, voted upon and be passed.

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

HON. SPEAKER.- Honourable Members, before I call on the Honourable Attorney-General, I remind that pursuant to the resolution the debate will be limited to one hour. I now call upon the Honourable Attorney-General to speak on his motion.

HON. A. SAYED-KHAIYUM.- Thank you Mr. Speaker, Sir. As explained in the introduction of this particular motion, this essentially seeks to extend the 228 concession which is in Part 3 of Schedule 2 to the Act to provide duty concessions at rates of fiscal, free import excise and free value added tax to bona fide tourists visiting Fiji on vessels and, indeed, it applies to aircraft too. But if you will see, Mr. Speaker, Sir, we are saying for aircraft it is up to 18 months.

Essentially, there have been consultations in respect of this including, of course, the yachting industry, the boat industry in Fiji and generally, the tourism sector too, Mr. Speaker, Sir. The yachting industry and what we call the high-end marine vessel visitations to Fiji has actually increased significantly in the past number of years. We made it a lot more easier, there used to be a fairly high level of VAT, there is now just a 10 percent introduction of ECAL that has now been reduced to 5 percent.

Mr. Speaker, Sir, in the introduction, we had highlighted that quite a few vessels (approximately 100 vessels) during post-COVID-19 last year, came into Fiji through the Blue Lane Initiative where people would come into Fiji through their yachts, et cetera. As we know, there is a culture of quite a few people - the moms and dads who do sailing around from Australia, New Zealand, they like to sail around the Pacific Islands and various other places. So, they wanted to get away, they came to Fiji through the Blue Lane Initiative.

The time period in which that they took to sail, for example, from Auckland Harbour to Denarau, if it was, for example, five days or seven days or whatever it was, that would get counted as a period in quarantine, as long as no one got on or got off after they left the port and then the balance of the days would be served as also the quarantine period. A lot of them had moored in the Wailoaloa Bay area and the surrounding areas.

The Navy had gone and provided that particular security, if you like, in terms of them not getting off their boats. We facilitated any supplies that they required and once they had served their quarantine period, then they would be free. Of course, they were tested, et cetera.

As a result of that, we saw a lot of activity from that Blue Lane Initiative. A few of these vessels have been staying around in Fiji. As provided for under the law, they can only stay here for a maximum of 24 months under this particular code so that they would get caught, they want to continue to stay. So, we have also wanted to extend their period too but also be able to provide another set of new initiatives, again, pre-positioning ourselves in the post-pandemic era.

A number of countries, Mr. Speaker, Sir, have also extended their time period, even countries like Mexico to attract American vessels. They have extended to I think five years also. Some countries have gone for a longer period. However, what this means, Mr. Speaker, Sir, it does not mean that they have a free ride of entry into Fiji, the Immigration laws still apply. They normally come in, they get an automatic period of entry which is three months, four months and sometimes six months, depending on the country they come from and then there is a right of extension. Then

again, that depends on the Department of Immigration ensuring that they met all the various requirements and then they are given an extension.

From the perspective of the application of 228, if they are given an extension under 228, they do not actually have to pay duty and VAT on the vessel, there is no fiscal duty on it too. We have found a lot of the high-end marine vessels that are coming in, a lot of people are bringing chartered marine vessels. So, we have some very wealthy people who bring in their vessel that cost tens of millions of dollars, they then fly in and sail around Fiji. They may leave the vessel here and they fly back out and other people come in and charter that particular vessel.

This creates a whole new industry for us. They go and visit other outer islands which creates also, Mr. Speaker Sir, a lot of economic activity for those vessels. Those people from Vanua Levu would also know that it contributes quite significantly, for example, to the Savusavu economy too.

Essentially, Mr. Speaker, Sir, what this particular Bill seeks to do as provided for in Clause 2, which states and I quote:

“(a) That the vessel or aircraft is imported solely for pleasure cruising in Fiji for a period not exceeding-

(i) for a vessel, 54 months;”

Of course, the six months is already given, so that amounts to 60 months:

“(ii) for aircraft, 18 months;”

We already have the six months built into it, and that six plus 18 gives you 24 months. So, essentially that is what it does, Mr. Speaker, Sir.

We also have a transitional provision which states, and I quote:

“(c) after paragraph (c), inserting the following new paragraph -

(d) Notwithstanding paragraphs (a) and (aa), the Comptroller may extend the time limit for a vessel imported prior to the commencement of the Customs Tariff (Amendment) Act 2021...”

So, essentially, that applies to those people who are currently here and then they can legally get extended, notwithstanding the fact that currently, it only allows them two years.

HON. SPEAKER.- I thank the Honourable Attorney- General. I give the floor to the Honourable Nawaikula. You have the floor.

HON. N. NAWAIKULA.- Mr. Speaker, Sir, thank you very much. This side of the House is supporting this, but as a matter of concern, we wish to raise a few points.

Savusavu especially depends a lot on this business. As a matter of fact, there are about three mariners there - one for Nawi, there is one at the Copra Shed and there is another one at the other end of town. In addition to this, if the Honourable Attorney-General and the Government can also look at a closer regulation of yachties. There is a lot within Savusavu, especially them interacting directly in the villages. There are some now who are going directly to villages and other places. For the future, if that can be looked at.

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

HON. V.R. GAVOKA.- Thank you, Mr. Speaker, Sir. I thought I would contribute to this also, highlighting some of the issues in the tourism industry. We do support the Bill, but I would like to highlight a particular point in here that I think the Government should try and look into and guard against, on what I believe would be a concern to the people in the tourism industry.

Mr. Speaker, Sir, before I do that, we should take the time to offer congratulations to the new President of Israel, His Excellency Isaac Herzog, who has taken over from President Reuven Rivlin who came to Fiji last year and had a wonderful time in Fiji, cementing the relationship between our two countries. So, from us here, we wish to offer our best wishes to the new President of Israel.

Also, Mr. Speaker, congratulate Professor Ahluwalia for the extension of his contract with USP. We also congratulate the Council of the USP, Mr. Speaker, Sir, for extending his contract, and I just plead with everyone, let us move on for the sake of our children and let us leave behind us the ugliness surrounding the case with Professor Ahluwalia.

Mr. Speaker, Sir, on 1.9 of the Bill, it states and I quote:

“If the yacht must remain for longer than the initial 6 months, such persons may transition to Special Purpose Permits which allow them to stay in Fiji for a single term of up to 3 years.”

I would suggest, Mr. Speaker, that quite a number of people in the tourism industry would be a little concerned about this provision, because it has been known in the past that people would come to Fiji and with three years here, they can start operating cruise businesses in competition against our own people. That is something that we should guard against and I am asking the Government to try and watch or make some provision in the Bill to guard against that.

We have a very thriving cruising industry, small ship cruising, and I think my good colleague, the Honourable Minister for Fisheries, who is part of the small ship cruising would agree with me that there needs to be protection. I know there is protection but it is a bit too open for someone to come and cruise around the country for three years which can lead to some of those people taking advantage of the situation and start cruising in Fiji, picking up passengers and developing a cruise operation on the side. So we need to go against that, Mr. Speaker.

That was why, Mr. Speaker, from yesterday we asked whether the tourism industry had been consulted about this Bill because I am sure that they would have commented on this and shown a high degree of anxiety over this for someone to stay here on a Special Purpose Permit for three years.

That is a bit frightening, Mr. Speaker, and I wish if this could be looked into by the Government. Otherwise, Mr. Speaker, we support the Bill. Yachting is a huge part of our tourism offering, a thriving segment and certainly we would like to see more yachts visiting our country. But let us be careful, Mr. Speaker. It will be known that people are coming under the pretext of cruising in Fiji and then operating some other business on the side.

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

HON. F.S. KOYA.- Thank you, Mr. Speaker, Sir. First, right at the outset, I want to offer my support for this particular Bill to amend the Customs Tariff Act 1986 (Bill No. 6 of 2021).

Mr. Speaker, Sir, the proposed amendments to increase the actual period from 24 months to 60 months and to provide extension of rates for free fiscal fee and import excise and free Value Added Tax is an actually very important provision. What this essentially means, Mr. Speaker, Sir, is that tourists come into Fiji through our Blue Lane will be able to stay in Fiji legally and have their yachts berthed on our shores for a longer period of time than initially what was anticipated.

This particular Blue Lane Initiative, Mr. Speaker, Sir, was pioneered through the Fijian COVID Safe Economic Recovery Framework to allow a safe restart for Fiji's growing blue tourism industry and not only is it low risk, the yachting industry is a high value industry compared to our traditional tourism.

Now, Mr. Speaker, Sir, contrary to what the Honourable Gavoka might be saying with respect to consultation, we have consulted with our tourism stakeholders and the members of the Marine and Yachting Subcommittee, the Fiji Hotel and Tourism Association and the Society of Fiji Travel Associates. These are two of the biggest organisations within the tourism industry. These consultations, at no given time, was the issue that he has raised, raised by them with respect of there being a fear that someone might operate a business.

I think, operating a business whilst you are here requires you to go through the necessary process. Everyone does that and if someone is found to do that, the Department of Immigration will take care of that. There is a provision there that says that. So, there is no fear at all with respect to all of these and he should not have any high degree of anxiety (as he puts it) with respect to these particular permits. This does not facilitate the yachties to start a cruise business, et cetera. Yachties, as we all know, Mr. Speaker, if they go somewhere, they will spend a considerably amount of time within our shores and they spend a considerable amount of money because they have time on their hands.

Mr. Speaker, Sir, the amendment in fact benefits the industry because the yachties stay longer and they actually spend more. Many ports around the world are contending with ensuring COVID-related restrictions, with this amendment vessel owners who are actually in the Fiji waters can remain without the need to import their vessels. This is a welcome change by those who have actually stored their vessels in Fiji, many are having difficulties getting back into the country to retrieve their vessels.

The amendment, Mr. Speaker, Sir, will allow the mariners to continue offering long terms storage of vessels in the standard sailing off-season and even if it is just storage will continue to earn revenue without the owners actually being on board. So you can see there are many different facets to this particular provision. This then allows the marine operators to expand on the industry and exploring other revenue streams to developing our infrastructure in the repair and maintenance arenas and boosting the yacht storage and repair business, Sir.

As I said, this is a very lucrative sector in terms of tourism. New Zealand also, Mr. Speaker, extended its temporary import permits earlier this year will also align with respect to the same regulations to theirs. We are reinforcing our position as a premier yachting destination in the Pacific. This allows us to capitalise on the consistent regulations in the Pacific. When you look at the economics of it all, Mr. Speaker, the import duty of revenue collected is relatively small when compared to the annual community spend of the yachting people who are actually are into yachting, Sir.

As at the 1st June, Mr. Speaker, we had received 45 vessels this year alone with 25 on route to Fiji and the hundreds of yachts sailing our blue lane have been spending money on fuel, on basic services, on electrical repairs, food and beverage, yachting provisioning services just to name are few. In addition to the industry, a survey which was actually conducted by the Ministry of Commerce, Trade, Tourism and Transport on yachts arriving by our blue lane revealed how yacht sort more flexible and longer stays

especially considering the cyclone season. As I said, Sir, they generally stay for quite a substantial amount of time because they have time on their hands.

Mr. Speaker, Sir, with restrictions on air travel, marine tourism has become one of the mainstays of our tourism industry and this amendment benefits our international visitors, our tourism industry and the economy. In addition to Australia and New Zealand, we have yachts coming from USA, UK, countries in Europe like Netherlands, Italy, France and by supporting this amendment, Sir, we are actually supporting this initiative and this will allow Fiji to remain in the hearts and minds of our source markets.

I must add, Sir, all of this is being done again in conjunction with the Ministry of Health also so that the necessary protocols are very strictly followed in terms of when they are come into Fiji, et cetera. But I fully support the amendments to the Customs Tariff Act and I just want to say to Honourable Gavoka, fear not, Sir.

HON. SPEAKER.- I thank the Honourable Minister. I give the floor to the Honourable Tuisawau, you have the floor.

HON. RO F. TUISAWAU.- Thank you, Mr. Speaker, Sir. I rise to contribute to the motion at hand, reiterating what Honourable Nawaikula had said regarding the blue lane and the initiative on the yachts and the prior consultation which may have been done or I am not sure before this initiative was launched, in particular with the *qoliqoli* and the landowners; that is a concern.

I would like to register in Parliament the concern of Yavusa Waitui regarding their property Qilaqila in Vanuabalavu. They have expressed concern regarding the movement of yachts without any consultation with them. So I am not sure what kind of consultation or processes are in place, maybe the Honourable Minister for Economy will clarify to us and I register today their lament and they are concerned and they state it is a private property regarding Qilaqila which has been passed down many generations.

“All of a sudden, without seeking permission, strangers begin to trespass - to stay and holiday on parts of the property. They protest to no avail - you only have a right to use, not the right to own, the property belongs to the State. Our ancestors landed on this property hundreds of years ago and the blood of our forefathers and mothers have been shed to protect this property.”

That is their concern and lament. I would like to register that that is only one *Yavusa* regarding *Yavusa Waitui*, their property is Qilaqila on Vanuabalavu. I would like to request that clarification be made on the issue that they have raised regarding the movement of yachts, not only through their waters but also through some of the uninhabited islands. Thank you.

HON. SPEAKER.- Thank you, Honourable Member. There being no one wishing to take the floor, I give the floor to the Honourable Attorney-General to speak in reply. You have the floor.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. I also just checked with the officials and just in respect of the previous Bill, in practice, they actually have been giving their reports in March every year, since 2016-2017. The Office of the Auditor-General obviously has been checking those reports but we just wanted to legally ensure that it is specifically stated in the law so in practice, they actually have been giving it.

Mr. Speaker, Sir, I think most of the issues that have been raised from the other side have been addressed but, Mr. Speaker, Sir, with your indulgence, I could not understand what Honourable

Nawaikula was saying, I could not understand his question. If he could repeat his question that he wanted me to address, please, Honourable Nawaikula.

HON. SPEAKER.- Honourable Nawaikula, could you repeat your question?

HON. N. NAWAIKULA.- Thank you, Mr. Speaker, Sir, I am just asking if he can look into more regulation for the yachties. I have given the example of them going directly to villages and Honourable Tuisawau has also given an example of them going to uninhabited islands and other aspects of the villages in Lau so more regulations, please.

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

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. Mr. Speaker, Sir, I think Honourable Nawaikula's issue about generally having specific laws around yachties - well, we cannot specifically do that. We have specific laws on their ability to enter the country, how long they can stay, what are the concessions they will get. A similar argument can be made about people who may be staying, say, for example, at the Fijian Shangri La and them walking along the road and going into Cuvu Village or wherever else they may walk into, those specific protocols do apply.

I think it is up to the villagers to see how they are enforced, entry, et cetera, but I think for the Honourable Tuisawau, this is a specific area and that does not mean everywhere else is being breached, if you have got a specific issue. If they have got various trespass issues, then you need to raise it with us directly and we can see how that can be addressed but that does not, in any way, negate the fact that the super yacht industry and the yachting industry brings a lot of benefits. We have had a lot of reports from many other villages and other islands where they are saying it is a great thing, a lot of people do come, they do follow various protocols, enter into villages, et cetera, but it also creates a very good economy for them in terms of financial rewards.

The other point that I also wanted to make, Mr. Speaker, Sir, I think the Honourable Minister for Commerce, Trade, Tourism and Transport also addressed this - regarding the fact that there may be people trying to do business but, no, it is not for that. This particular 228, as we have said, is for the actual vessel itself. It does not give the individuals a five-year entry into Fiji or staying without restrictions; that is handled by Immigration, but the particular vessels will get that benefit of being able to stay here till five years without having fiscal duty, et cetera.

In the super yacht industry, it is not like, for example, somebody comes with a super yacht and they will stay here for five years. As I mentioned yesterday, a lot of them will actually probably cruise around for a few weeks or a month maybe and then they leave and then somebody else comes because they want to use that superyacht, that particular facility, and most of these are top-end. We do not have those kinds of vessels available in Fiji and someone else will come and charter it for which they pay a fee to us and then also, that vessel does not get charged duty because we want that vessel to stay in Fiji and generate income for us.

As the Honourable Minister for Tourism also highlighted, it creates a lot of business activity for us, not just in terms of them buying supplies, buying Fiji bitter or whatever the case may be, or buying watermelons, et cetera. There is a very wonderful story from one of the companies that looks after super yachts. This is going back a few years ago when we opened up the market. They said there was a very top-end super yacht somewhere in the Lau Group. They rang him up and said that they wanted 10 watermelons. Apparently, these were, sort of, very rich Russians who were in the super yacht, they had chartered it. They said, "We want 10 watermelons now." He said, "Well, I have to actually hire a seaplane to bring the watermelons to you." They said, "Yes, get it for us". He said he took 10 watermelons from Sigatoka Valley, chartered a seaplane and flew it over for \$10,000. They

paid that kind of money because they like to apparently cut a hole in the watermelon, pour the vodka in and let it cool in the fridge and then they eat watermelon with the vodka - what you call - vodka-marinated watermelon.

This is the kind of market you are looking at, Mr. Speaker, it generates a lot of economic activity. All we are simply saying is that, these vessels can stay here for that particular period of time. Again, the Department of Immigration will be giving them the permits to stay, as to how long they can stay and they also monitor what they are doing because these people are not given actual work permits. They are given time to stay in Fiji. A lot of them also, Mr. Speaker, Sir, as the Honourable Minister Koya highlighted, we have spinoffs, like from the America's Cup. It was held in Auckland, and a lot of these wealthy people sail down from USA and then they want to go and visit other island countries too.

I would like to thank all Honourable Members who have actually supported this particular amendment. It will actually be good for our industry, it will be good for the economy overall. Thank you, Sir.

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

Question put.

Motion agreed to.

[A Bill for an Act to amend the Customs Tariff (Amendment) Bill 2021 (Bill No. 6 of 2021), moved under Standing Order 51, passed and enacted by the Parliament of the Republic of Fiji. (Act No. of 2021)]

HON. SPEAKER.- Honourable Members, on that note we will take a break for morning tea and will resume in half-an-hour.

The Parliament adjourned at 11.19 a.m.

The Parliament resumed at 11.57 a.m.

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

**CONSOLIDATED REVIEW REPORT - FIJI ELECTRICITY AUTHORITY 2017
AND ENERGY FIJI LIMITED 2018 ANNUAL REPORTS**

HON. V. NATH.- Honourable Speaker, Sir, I move:

That Parliament debates the Review of Fiji Electricity Authority 2017 and Energy Fiji Limited 2018 Consolidated Report which was tabled on 8th August, 2019.

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

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

HON. V. NATH.- Thank you Mr. Speaker, Sir. The Standing Committee on Economic Affairs tabled its findings and recommendations on the Fiji Electricity Authority 2017 and Energy Fiji Limited 2018 Consolidated Annual Reports on 8th August 2019.

The year 2018 held great significance not only for the company but to the people of Fiji as well as it marked the successful corporatisation through which Fiji Electricity Authority received its new name - Energy Fiji Limited. As we all are aware, through the corporatization, the Fijian Government extended 5 percent of its shareholding interest to the Fijian people, giving them an opportunity to gain financially from the growth of EFL. As of 2018, 35,736 customers had become shareholders of EFL.

The Committee visited various renewable energy sources around Viti Levu including Butoni Wind farm, Nabou Green Energy plant, Wailoa, Monasavu and Nadarivatu. The Committee applauds EFL for embarking on new projects as well as consistently upgrading existing plants in an effort to shift towards renewable energy.

While conducting its site visits, the Committee was also made aware of the amount of resources (capital, labor and equipment) invested in the maintenance and upgrade of the renewable energy projects and appreciates the continuous efforts EFL makes despite rising operational costs. This was apparent through reduction of fossil fuel usage from 45.45 percent in 2017 to 41.02 percent in 2018 and the increase in renewable energy from 54.55 percent in 2017 to 58.98 percent in 2018.

For the periods of 2017 and 2018, EFL once again delivered excellent performance which was clearly evident as they maintained three straight years of gross profit of over \$70 million until 2018. The Committee also noted the increased numbers of customers benefitting from the various subsidies provided by government. Further to this, we would like to take this opportunity to applaud the staff of EFL for the key role they play towards achieving the mission and vision of the organization.

Mr. Speaker, Sir, with this contribution as member moving the motion, I thank you for the opportunity. Thank you Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Chairperson. I will give the floor to the Honourable Aseri Radrodoro. You have the floor.

HON. A.M. RADRODRO.- Thank you Mr. Speaker, Sir. I rise to make my short contribution on the motion before the House regarding the Annual Report for Fiji Electricity Authority for 2017-2018. Mr. Speaker, Sir, I would like to also take this time to thank the Committee members who have deliberated upon this Report for the two years.

Also Mr. Speaker, Sir, I also take this time to thank the Executive Management and the staff of EFL (Energy Fiji Limited) for always producing their Annual Report on time. I think this is one of the entities that always submitted their Annual Report on time. Mr. Speaker, Sir. I congratulate them for the great work, the great effort put in to submit their report on time and also for keeping the people of Fiji energised during these difficult times. I know it is not an easy task to keep on providing the electricity to households and businesses throughout Fiji Mr. Speaker, Sir.

Mr. Speaker, Sir, I would like to pick on some of the findings and recommendations that have been identified in the Committee's Report. Firstly, they commended the great effort put in by Energy Fiji Limited to recover, especially after *TC Winston*, Mr. Speaker, Sir. But I would like to also highlight Mr. Speaker, Sir, that whilst the performance of the EFL is commended there are some that fall through the gaps in terms of the policies that they have in place.

Mr. Speaker, Sir, just recently we have highlighted to the Executives of EFL one of the households in the Colo-i-Suva area which has been without electricity since after *TC Winston* in 2016. The main reason they have been without electricity is because of the policies of Energy Fiji Limited in terms of the process of outsourcing, where the responsibility of connecting from the grid to the household is that of the householder Mr. Speaker, Sir. There is also the issue of affordability.

I got a quotation for the connectivity of the black wire from the grid to the house and it was somewhere around \$3000, and for a simple farmer, \$3,000 to pay to a subcontractor is a huge amount of money, Mr. Speaker, Sir. Probably that is why the household is still without electricity because of the affordability of charges levied to subcontractors is in line with policies of EFL, so this is something probably EFL, the Executives if you are listening, please, I hope that you also have social responsibility costs that you can dig into to ensure that people that are deserving of connecting to electricity get connected on time, Mr. Speaker, Sir.

The issue about this household, children have to leave the house and stay in some other houses where the electricity is provided so that they can attend schools, universities therefore, they cannot stay with the parents, they have to get out to live with relatives who can provide electricity to allow them to study, Mr. Speaker, Sir, and prepare for their external exams.

Mr. Speaker, Sir, while still on the issues of performance of electricity, I think the Honourable Minister for Economy and Honourable Attorney-General have also highlighted yesterday that the purchase of shares in the Energy Fiji Limited by Chugoku Electrical Power Company, Mr. Speaker, Sir.

I would like to inquire, Mr. Speaker, Sir, (I inquired this the last time) whether proper due diligence was conducted by EFL in this sale transaction. It is quite a big, huge amount and our question to the Honourable Attorney-General is whether proper due diligence process was carried out in this sale exercise, Mr. Speaker, Sir.

Also we note that the shares have been divested to every household who have electricity and we have always requested, Mr. Speaker, Sir, that the very people that provide the resources, they provided the land, they provided the water for the recatchments to allow for the Monasavu Dam areas and also Nadarivatu that they be given special privileges to the diversification of shares that was

issued to households as a token of appreciation for giving up their resources, to ensure EFL carries out their work diligently and properly.

Around that note, Mr. Speaker, Sir, I note in Recommendation 4, the Committee commends EFL's initiative towards replacing fossil fuel generation with renewable energy, and I would like to ask whether the EFL is assisting the Nabou Green Energy. I know, and I stand to be corrected on this, that the last time we have noticed that it has been closed down, whether this is still in operation or whether it is half in operation or in full operation, it is something that probably a committee may have to look into it in the next Annual Report, the assistance that is given by EFL to assist the independent power producers, Mr. Speaker, Sir. I thank you, Mr. Speaker, for your time.

HON. SPEAKER.- I thank the Honourable Member. I give the floor to the Honourable Minister Jone Usamate, you have the floor.

HON. J. USAMATE.- I thank you, Mr. Speaker, Sir. I thank the opportunity to address this agenda item and like the previous speaker, first of all, I want to thank the Members of the Committee for the excellent work that they have done in their Report and also to congratulate EFL, its Board, its Management Team, for what they have been able to achieve during this period from 2017 and now that we are in 2021.

Just a few things that I want to highlight, Mr. Speaker, Sir. I think the Honourable Minister for Economy will address a lot more of the financial aspects. As the Minister responsible for Energy, the two major targets that we have; one is to make sure that we can provide access to energy to the 100 percent of our people; and the second major target that we have in our National Development Plan is, to make sure that we have a 100 percent of access to renewable energy, to move the mix away from fossil fuel focused energy and energy that comes out of the renewable energy.

I am very thankful to see from the Report that we have here, and knowing also of the further developments that have taken place in EFL subsequent to 2017. In this particular Report, we have seen that the renewable energy was running at around 57 percent, and this year and last year, it moved up to 64 percent, and that is something for us as a country that is focused on sea level rise, climate change and reducing greenhouse gas emission is something that is very critical. And we know this is also reflected in the EFL's Corporate Plan and Strategic Plan to reduce the amount of energy that we are getting from fossil fuels.

To that extent, looking at some of the figures that have been able to develop since then, they have managed to reduce the debt, they have managed to attract this company that is going to bring in expertise, finance and a network that will allow Fiji to move much more stronger to the target of a 100 percent renewable energy by the year 2036, which is the target that we have in our National Development Plan.

I noticed that from the end of last year, 2020, about 64 percent of our electricity is coming from the renewable energy and this is from the EFL itself, from its independent power producers, from other agencies and it comes from FSC, it comes from Nabou, that, we talked about. Some issues have been in Nabou Energy but the EFL has been in discussions with the people who are running Nabou to make sure that, that comes alive, because that is something that we need to focus on to get in the 100 percent renewable energy target. It is something that the Government is looking very strongly to EFL to help us to be able to do.

I have also noticed, in particular in EFL, the development and it is focus on the 5 Mega Watts solar farms. The new solar farms that EFL is looking at are in Tavua and Ba, there are developments that are focused on in Taveuni that will bring a solar farm in Taveuni to complement the existing

hydro facility there, so that those in Taveuni who are at least connected to the grid, can take the 100 percent renewable energy. There is another programme that we also have on the Island of Ovalau. So these things are moving us very strongly towards achieving this very important target, and EFL has a major part to play in all of these.

I have noticed also with the interest, Mr. Speaker, Sir, the amount of emphasis that EFL has put onto hydro generation: the Wailoa power generation plant, which produces around 400 million units of electricity for us; Nadarivatu is producing around 100 million units; Wainikasou produces 22 million units; Nagado produces around 12 million units of electricity and Taveuni hydro power 2 million units. So these are existing hydroelectricity plants that we have and we know that work continues on getting additional plants on line.

I understand that there has been considerable development in Qaliwana which hopefully, will come on live, the Wailoa diversion, the Wailoa Ba Development Scheme and the Namosi hydro schemes. So all of these, Mr. Speaker, Sir, I just want to say that from the point of view of the Department of Energy, we are glad to see these continued emphasis and continued focus efforts on moving our power supply away from fossil fuels to the renewable energy.

Also from the Department of Energy, the Ministry of Infrastructure, our target is to make sure that 100 of our people have access to renewable energy. Out in the islands, this is done through solar hydro systems and micro grids, but also some places the grid is already in existence. Government actually pays EFL to extend the grid.

I think the success of EFL so far goes back to show that the policy of Government that was in place a few years ago to move out of direct operations to be governed to create bodies that can deliver that particular service for us while the Government retains the regulatory function and the policy function in bearing fruit in as much as EFL is concerned.

It does not mean that all the problems are solved and that always be challenged. It works in a very competitive environment because they did a lot and they need to create a lot of investment. I think there are some figures of around more than a billion dollars that we have to create at this investment to beat our energy targets. But the development that they now have with the Japanese company on borders major shareholder is something that will help in most towards our national targets that we have in our National Development Plan. Thank you very much, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Minister. I now give the floor to the Honourable Qereqeretabua. You have the floor.

HON. L.S. QEREQERETABUA.- Thank you, Mr. Speaker. I just want to rise to make a short contribution on the Report before us.

Mr. Speaker, I know this Report consolidated the Annual Reports of FEA and EFL from 2017 and 2018 respectively, it does not identify the weaknesses and the strengths of EFL specific projects into which large sums of money have been invested and I refer specifically to the Renewable Energy Projects and the first thing that comes to mind is the Wind Farm in Butoni in Sigatoka. I am interested to know from the Committee Chairman, how much energy is being generated by this Wind Farm and has the Wind Farm been operating in the manner that it is supposed to?

Mr. Speaker, these Reports are for the review periods of three and four years respectively, as we all know, we are now in 2021. First, the Government decided to sell off shares while retaining majority control, 20 percent was bought by FNPF and then the EFL Chairman became the FNPF Chairman.

Now, we have been told that a Japanese Group has bought not only the FNPF shares and the EFL but 24 percent of Government shares as well for \$440 million. Of course, as we were told yesterday FNPF money will not go to FNPF whilst they still proceeds from Government shareholding go to the State. More of the reason for us to help those who are suffering during this pandemic from this fund, Mr. Speaker, or has the Government effectively spent the money already using into pay down some debt?

EFL now has a Japanese 44 percent shareholders. The customers only five percent and Government 51 percent, I stand to be corrected. No doubt, there will be a new way of doing business and our approach to sell this hopefully, result in more efficiency and not a rise in tariff or a reduction on a head count at EFL. If anything I look forward to an improvement in the salaries and wages of the workforce, to ensure the retention of skilled manpower.

I also note that the Committee has stated that only 102 out of the workforce of 805 of females in 2018 inclusive of five holding managerial positions. This is only 12.67 percent and I hope this has improved in the last three years.

Lastly, Mr. Speaker, I just want a report verifying by Government about the status of subsidies offered to families who earn less than \$30,000 per annum. I was informed that this has been halved to 50 units from 100 units. I hope this is not the case but if it is, then it is blatantly unfair given all the talk of policies and programmes initiatives that we have been subjected to over the last couple of days. What is the exact number of customers benefitting from subsidised electricity?

All that said, Mr. Speaker, I want to take this time to thank all the EFL staff, in particular the linesmen and women of EFL and the Customer Care staff of the EFL. Thank you, Mr. Speaker.

HON.SPEAKER.- I thank the Honourable Member for her contribution to the debate. Honourable Attorney-General, you have the floor.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. Just very quickly, the Honourable Minister for infrastructure has highlighted a number of the issues pertaining to the capital works. I think the Honourable Members and also to answer some of the questions that have been raised by the Members on the other side is that if you look at the EFL's financial position, it has improved significantly. Just to highlight one of them, Mr. Speaker, Sir, EFL's level of debt had decreased significantly by a net of \$57.78 million from \$277.5 million to \$219.74 million because of the sustainable cash flow and indeed the prudential management of its debt.

A number of these schemes, Mr. Speaker, Sir, the large schemes whether it is the Monasavu, the refurbishment of the 110 Steel Lattice Towers that you see strewn across Viti Levu coming from Monasavu down to Vuda, and coming across to Suva, they all tend to, of course, rust over a period of time, they all have to be refurbished, that is about a \$16.5 million job that is there in itself.

We have, of course, KOICA that is doing some work with the Ministry of Economy and looking at these renewable energy projects in Taveuni. We have the electrification of the Korovou/Rakiraki corridor, now you will see that people in North West Viti Levu who never had electricity, of course, now have electricity, this \$19 million job in itself. That was partially funded by the Fijian Government and EFL but most of the other projects of EFL, Mr. Speaker, Sir, have been funded by EFL itself.

The EFL Board also endorsed the implementation of EFL's first ever Fuel and Foreign Currency Hedging Policy that was effective from the 1st May, 2018 to mitigate against the risk of rising fuel prices. And in any appreciation the US dollar against the Fijian dollar as EFL is exposed to vulnerability and

variability, Mr. Speaker, Sir, in movements of global Industrial Diesel Oil (IDO) and Heavy Fuel Diesel Oil (HFO) prices and foreign exchange rates, in particular, Fijian dollar to USD dollar.

There is also, Mr. Speaker, Sir, Qeleloa has been highlighted by the Honourable Minister, a 5 megawatts solar farm which will supply clean and sustainable energy. The development of three 5 megawatts solar farms in Viti Levu, these projects are expected to be commissioned between 2022 and 2023. Namosi Hydro Scheme and Lower Ba Hydro Development Scheme. This project is also in its early stages and EFL is currently liaising with potential investors to fund a feasibility study and this is where Chugoku's experience and trailblazer in the area of renewable energy will come to much use for us.

Mr. Speaker, Sir, there is also development of 132 kilovolt transmission network from Virara Settlement to Rarawai in Ba, development of 33 kilovolt transmission network from Vuda to Naikabula (just outside Lautoka City boundary), this is expected to be completed by 2021.

Mr. Speaker, Sir, we are also encouraging the development of independent power producers because as we have seen throughout the world, IPP has contributed quite significantly, they put the capital upfront themselves as long as they have a good agreement with EFL, in this particular case, Mr. Speaker, Sir, to be able to distribute and retail the electricity that they do buy from them.

Mr. Speaker, Sir, the total investments required by 2026 stands at about an estimated amount of \$2.5 billion and EFL with its strong financial position will be able to fund part of the generation of infrastructure by its own balance sheet along with an arm's length agreement between independent power producers. I think there has been one issue that a lot of people do not appreciate is most of the statutory bodies, and now some of them are being corporatized, previously Government saw them as some form of a not cash cow because they did not have much profits but as a means of meeting the requirements that Government should actually provide.

What I mean by that, if Government wants to, for example, have lower electricity cost for low income families, before the Government would say, "do not increase the tariff rates". So that is how they try and mitigate those costs for low income families which is actually a completely wrong exercise because those people who are wealthy also benefit from it, those people who actually use it for commercial purposes may also benefit from it.

What it did do though, Mr. Speaker, Sir, it actually affected the balance sheet of those organisations. So, what we have done, Mr. Speaker, Sir, if you see the past number of years, we are saying, "every household that earns less than \$30,000 a year, we will pay on their behalf to EFL 50 percent of the electricity cost for the first hundred units."

Now, Honourable Qereqeretabua has asked a number of questions, if she was listening to the question that was asked of me, I think by Honourable Qionibaravi a few days ago. She had asked me about EFL and I had answered the question in which I also gave details that the 100 units is still applicable, not 50 units, please do not read social media. We also had said that last year when COVID-19 came to Fiji, EFL came on board with us and said, "we will pay the other 50 percent on behalf of those people who earn less than \$30,000 a year or households that earn less than \$30,000 a year." That contribution of that finished in March.

So, those people since last year until March of this year have not paid anything for electricity cost except VAT of up to 100 units. They have only paid VAT. Of course now they only paying 50 percent because the Government pays the other 50 percent. So, going back to my original point, Mr. Speaker, Sir, is that if Government wants, for example, someone to benefit from water rates or a group of people to benefit from electricity rates or port charges, we must pay those charges on behalf

of the population that we want to benefit from. We should not get those organisations to directly subsidise because those organisations need to run effectively, efficiently and have a strong balance sheet.

I recently heard a former politician, I think who is coming back into politics, now saying, “That is what they should do, they should not increase tariff rates.” No, if there is a tariff rate requirement, there needs to be an increase in tariff rate. However, we will protect as a Government or any future government must protect those individuals directly and pay for that. You cannot make the balance sheets of these organisations weak.

Mr. Speaker, Sir, the corporatisation of FEA to EFL was significant because it did allow, for example, the company to be listed for future purposes to be listed in the stock exchange. As has been mentioned, Mr. Speaker, Sir, the corporatisation also meant that we are able to now give directly Fijians who are account holders in EFL 5 percent of the capital to them, 25 million non-voting shares at nil cost to citizens who are EFL residential customers and Mr. Speaker, Sir, we had also announced that we will divest 44 percent.

Initially, FNPF was interested only in 20 percent. They bought 20 percent, when we spoke to them we said, we should have a claw back process in place, where should someone come along, a future investor then they could also buy FNPF shares at a premium rate. In fact, FNPF has done really well out of this Chugoku deal because they are only holding the shares for about a year. They have got very good pricing. I think the rate of return on that investment has in fact been more than 9 percent, if not exceeding 10 percent. So, they have done quite well from them, of course we still hold on to 44 percent.

We actually are very excited I must say, about this particular partnership with Chugoku. Just for clarity sake, the entity that actually is buying the company is called Sevens Pacific Pte Limited which is actually a consortium of Chugoku Electric Power Company Limited, which is Japan’s sixth largest regional power utility company by electricity sales and Japan Bank of International Corporation which is a policy-based financial institution wholly owned by the Japanese Government which maintains and improves the international competitiveness of Japanese industries. So, Mr. Speaker, Sir, this is a very exciting period for EFL.

In fact, I would like to thank all those who have brought EFL to its current state. I would like to thank the Board, in particular I would like to thank the Chairman, Mr. Daksesh Patel, who has brought a very good sense of commercial discipline to EFL and in fact a particular level of foresight that was very much required.

I would also like to, Mr. Speaker, Sir, very quickly highlight some of the issues. The Honourable Qereqeretabua talked about retention of manpower. Actually, it is not manpower but retention of human resources. Manpower is very gender specific, whilst at the next she talked about there not being any females. It is now called “human resources” not manpower.

Mr. Speaker, Sir, last year or the year before last, in one month, about 20 lines people were actually recruited by a New Zealand electricity company. So, there is, of course, a level of attrition that does place because the EFL personnel actually are very well-trained. They in fact, EFL does have a relationship with the University of the South Pacific, where the people who are carrying out the electricity-related engineering courses are in fact and I quote: “USP Bachelor of Engineering students to gain valuable work experience in EFL.” So there is a work programme, it is part of their course, they do come and work at EFL, they get trained and then, of course, that level of exposure makes them very good and highly sought after personnel.

There are those kind of challenges that EFL does face but I think the reality is also what has been happening with the large amount of dividends that has also been paid out, there is also now a sharing of those dividends and Government is very much supportive of various organisations like EFL. Of course, Fiji Airways has been doing that now and EFL has been doing on a more of an *ad hoc* basis but every time we do talk to them we say, "We can share those profits so a certain amount of money actually has been going to the personnel." So these are sort of new frontiers, if you like, of these very well previously statutory organisations and now corporate organisations.

Mr. Speaker, Sir, as highlighted by the Honourable Minister for Infrastructure, from a climate perspective, we have given an undertaking that we will reduce our carbon footprint by 30 percent by 2030 and of course going to net zero emissions by 2050. We are well positioned regarding EFL and its ability to produce renewable energy-based energy moreso in the future. Chugoku has got a very good footprint in this respect. They have got various enterprise dealings in Australia, New Zealand and some other countries which we hope that we can also tap into.

The last one I also like to make, Mr. Speaker, Sir, there is also opportunities for EFL to do some work and develop some markets for themselves and the rest of the Pacific. As we have highlighted, Mr. Speaker, Sir, we have one of the lowest rates of electricity in the Pacific. In fact, our electricity rates are cheaper than Australia and New Zealand where we have now about 34 cents a unit for domestic usage. In countries like Solomon Islands, Vanuatu, it is about \$1.10, \$1.30 and \$1.40 a unit, so Asian Development Bank (ADB) and various other multilateral development banks are doing some projects in those countries.

What we are trying to do is, trying to tap into those projects with EFL management and expertise to be able to go and develop relationships with those organisations. As we have seen, Amalgamated Telecom Holdings Limited (ATH) do so. The ATH and Vodafone, they have now bought shares in various companies in Samoa and a couple of the other Pacific Island countries which is not only spreading our level of expertise but also it is a good source of revenue for Fiji and for Fijian companies.

HON. SPEAKER.- I thank the Attorney-General. I call on the Chairperson of the Standing Committee on Economic Affairs to speak in reply. You have the floor.

HON. V. NATH.- Thank you, Mr. Speaker, Sir. Just to answer Honourable Qereqeretabua, the Butoni Wind Farm, it depends on the force of the wind. In fact, at this point in time, they produce about one percent of electricity to the grid, from the 58.98 percent. So one percent is already from the wind farm.

To answer Honourable Aseri Radrodro, he did mention about someone in Colo-i-Suva. There is a process in place, Mr. Speaker, Sir. Any customer for that matter who wants to have this grid done, he has to put an application through their Turaga ni Koro or from an advisory councillor. They write to EFL and they drop a copy with the Department of Energy at the Ministry of Infrastructure.

The survey is made and the price goes. The listing of price from the survey team from EFL goes back to the Department of Energy and a copy is given to the applicant and then the Department of Energy makes an application to the Ministry of Economy; this is the process. Prior to 2016, I very well remember when I had the opportunity to join the Honourable Prime Minister in one of the *talanoa* sessions, the applicants had to pay 5 percent or 10 percent of the contribution but because of the our Prime Minister, they are not paying anything now.

Mr. Speaker, Sir, prior to 2016, for example, if I wanted to make an application for my area and some people were against me and did not want to give their 5 percent or 10 percent contribution,

the project would not go ahead. This was raised with the Honourable Prime Minister during one of his *talanoa* sessions and I very well remember that he said to leave it to him, and from there on after 2016 the costs were taken on by the government, Mr. Speaker, Sir.

Mr. Speaker, Sir, I thank all the Honourable Members who have contributed to the debate on this motion; thank you very much for your contribution. I would also like to thank the EFL Board and the CEO, Mr. Patel and his team, the National Control Centre in Vuda where all the staff do a great job and work overtime at times. Whenever we call the National Control Centre during power outage, someone is always there to take the call and we thank them for their contribution. Thank you Mr. Speaker, Sir.

HON. SPEAKER.- Parliament will now vote to note the content of the Report.

Question put.

Motion agreed to.

HON. SPEAKER.- I remind Honourable Members that once the vote is taken on the motion, it ends there and the Report will not be debated again in Parliament. This will be the case for all the Standing Committee Reports that will be debated today, tomorrow and on Monday.

I now call upon the Chairperson of the Standing Committee on Public Accounts to move his motion. You have the floor, Sir.

CONSOLIDATED REVIEW REPORT – OFFICE OF THE AUDITOR-GENERAL 2018 AND 2019 ANNUAL REPORTS

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

That Parliament debates the following Reports:

- (a) Review of the Office of the Auditor-General 2018 Annual Report which was tabled on 5th September, 2019 (Parliamentary Paper No. 110 of 2019); and
- (b) Review of the 2019 Annual Report Office of the Auditor-General of the Republic of Fiji which was tabled on 31st August, 2020 (Parliamentary Paper No. 146 of 2020).

HON. R.R.SHARMA.- Mr. Speaker, Sir, I beg to second the motion.

HON. SPEAKER.- I now invite the Chairperson of the Standing Committee on Public Accounts to speak on his motion. You have the floor.

HON. A.A. MAHARAJ.- Mr. Speaker, Sir, I am pleased to present the Committee's Consolidated Report on the Annual Reports of the Office of the Auditor-General for 2018 and 2019 which was tabled in Parliament on 5th September, 2019 and 31st August, 2020 respectively.

Mr. Speaker, Sir, the Office of the Auditor-General has been established under Section 152 of the 2013 Constitution. It provides a critical role in auditing the public accounts of the state, and control of public money and public property of the State and on all transactions with or concerning public or public property of the State.

Mr. Speaker, Sir, the Audit Act 1969 further empowers the Auditor-General to audit the whole of government financial statements and the reports of all entities of government. It also empowers

the Auditor-General to conduct performance audit of government entities as this assures Parliament that the entities are achieving their objectives effectively and doing so economically and in compliance with all relevant legislations.

The Act also extended the scope of audits to include those that are specified under the Public Enterprise Act, comprising Government Commercial Companies (GCCs) and Commercial Statutory Authorities (CSAs), and agencies specified as Off-budget State Entities (OBSEs) and the Financial Management Act. Also, the Environment Management Act required the Auditor-General to conduct a sustainable development assurance audit on natural resources managed by ministries, departments, authorities or local authorities.

In this Annual Report for financial years 2018 and 2019, the Office of the Auditor-General highlighted the completion of audit of Provincial Councils which were in backlog. The Audit Report on Provincial Councils Volume 1 covering the Accounts of Financial Years as far back as 2000, was included in the 12 Reports that were tabled in Parliament. The Office of the Auditor-General also told us the funding of \$6.6 million approved by Parliament compared to \$4.6 million for the Financial Year 2017-2018.

The Committee was informed that some of the major activities that resulted in the increase in budgetary provision were as follows:

- (1) Creating more visibility for the office;
- (2) Conducive/ideal workplace;
- (3) Improve the Office of the Auditor-General's participation and contribution in international forum; and
- (4) Functional independence.

Mr. Speaker, apart from carrying out audit and reporting to Parliament, the Office of the Auditor-General successfully hosted the 28th Meeting of International Organisation of Supreme Audit Institutions (INTOSAI) Working Group on IT Audit in April 2019 and was preparing to host the 22nd Pacific Association of Supreme Audit Institutions (PASAI) in August 2019.

The Office of the Auditor-General also commends the move to greater autonomy by purchasing a server to host the Accounting and Payroll Software which was also purchased during the year. The Accounting and Payroll Services were being provided to the Office of the Auditor-General by the Ministry of Economy. In addition, the Office of the Auditor-General commends the process of voluntary independent review of its function against the International Standard and Review to modernise the Audit Act 1969 which was last reviewed in 2006.

Mr. Speaker, Sir, the Office of the Auditor-General also submitted 50 years of its constitutional independence in the Financial Year 2019-2020. A total of 16 reports were tabled in Parliament during the Financial Year. The Office of the Auditor-General also commenced operation of its Nadi Office during the Financial Year and successfully hosted the 22nd PASAI Congress. The Auditor-General also assumed the role of the Chairperson of the PASAI Governing Board during the Congress.

A review of the Audit Act 1969 which commenced in the Financial Year 2018-2019 was completed and proposed changes were presented to the Office the Solicitor-General in October 2019. The Report of the Independent Review of the Office of the Auditor-General highlighted areas where it has excelled and those where improvements can be made. The Office of the Auditor-General has developed action plans in areas where improvements have been suggested. The Report on the Fiji Public Expenditure in Financial Accountability Assessment, issued by PIFPAC in February 2020,

also noted the improvements in external audit rating through the works carried out by the Office of the Auditor-General.

Mr. Speaker, Sir, the Office of the Auditor-General also highlighted the approval for the appointment of the External Auditor to audit the Annual Financial Statement of the Office of the Auditor-General for the period of three years from 2020. The Office of the Auditor-General has highlighted the challenges it faced as a result of COVID 19 pandemic and measures which were put in place to deal with them. The Office of the Auditor-General was also not able to host the 2020 Commonwealth Auditor-Generals' Conference which was scheduled for May 2020.

Mr. Speaker, Sir, the Committee acknowledges the role of the Office of the Auditor-General in ensuring the efficient and transparent use of resources and the achievement of Sustainable Development Goals 16, Target 16.6, which is to develop effective accountable and transparent institution at all levels.

The Committee acknowledges the objective approach on gender breakdown by positions provided by the Office of the Auditor-General in its recent Report which promotes Sustainable Development Goal 5 on Gender Equality and the adoption of the Open Merit-Based Recruitment and Selection (OMRS) Policy. The Office of the Auditor-General is positively promoting gender balance in the Audit Office and this shows in the gender breakdown where 52 percent of its employees are females - some hold senior positions, with one of its Directors elected as the President of the Fiji Institute of Accountants in 2016 and 2017.

Mr. Speaker, Sir, I am very pleased to report that in the financial year 2018-2019, the Office of the Auditor-General has continued to make steady progress over the years in carrying out its functions as required by the Audit Act 1969 and the Constitution, and improving its operations to become a modern organisation.

Mr. Speaker, Sir, through the efforts and leadership of the Office of the Auditor-General and his staff, the Office of the Auditor-General has not only improved the type and quality of their report to Parliament, but has created greater visibility which is important for its accountability, not only in Fiji but internationally as well.

Mr. Speaker, Sir, voluntary independent assessment of Office of the Auditor-General improved ratings in PFA and audit of financial statement by an auditor. The appointment by Honourable Speaker, gives an added assurance to Parliament on the credibility of Office of the Auditor-General.

To conclude, I sincerely commend the efforts of the Office of the Auditor-General in providing necessary technical support towards the scrutiny of all audit reports referred to the House to the Standing Committee on Public Accounts. Mr. Speaker, Sir, with those briefs on the two PAC Report, I thank you for this opportunity.

Mr. Speaker, Sir, I thank the Chairperson. Honourable Members, the floor is now open for debate, and I give the floor to the Honourable Aseri Radrodro, you have the floor.

HON. A.M. RADRODRO.- Thank you, Mr. Speaker, Sir. I stand as a Member of PAC and also as a representative of this side of the House to be speaking on the Report and the motion before this House. First of all, I would also like to thank the Office of the Auditor-General for the great work they have been doing in performing their role as auditors of the Government departments and ministries. I would like to speak on the 2019 recommendation before I go to 2018.

Recommendation No. 1: The Office of the Auditor-General should be properly resourced such as provision of motor vehicle. Mr. Speaker, Sir, I strongly agree with this recommendation. As we know, misuse of timely performance of audit of Government ministries and departments, there are over 30 Government ministries and departments, which have been provided for in the budget book, and this is a requirement under the Audit Act. The Auditor General is expected to perform audit of all these ministries and departments on an annual basis, taking away the special audit request and the performance audit request.

Mr. Speaker, Sir, we note that ministries and departments offices are located all over Fiji throughout the respective Divisions and it is always a challenge, as a former Auditor General staff myself, to efficiently carry out the audit work of the respective ministries and departments. This is a challenge that has been ongoing for a long time and we hope that Government will take heed of this recommendation to ensure that the Office of the Auditor-General, whilst performing its duty, is not limited by its limited resources.

Take for example, the Ministry of Agriculture. There is a Head Office in Raiwaqa and it also has offices all over Fiji. To be able to allow the Office of the Auditor-General to carry out the audit of the Ministry of Agriculture, for example, it has to visit all the relevant major stations, say, one in Vatuwaqa, the Department of Animal Health and Production. These are some of the more critical Divisions within the Ministry of Agriculture that needs to be audited and presented to this House. Unfortunately, some times the performance of the audit by the Auditor General is limited because of limitations of resources.

Mr. Speaker, Sir, the other issue that I would like to raise is the independence of the Office of the Auditor-General. This is something that has been highlighted to the Committee when we had discussions with the Office of the Auditor-General and the Auditor General himself. It is the issue of the independence of the entity. There are issues, like when they seek legal opinion. This is something that we had always requested, Mr. Speaker, Sir, on how they determine the independence of the legal advice and legal opinion that are given.

Also, Mr. Speaker, Sir, one of course is the challenge that the Office of the Auditor-General which may be linked to Recommendation No. 7 is the issue of determining Ministries, Commercial Companies and Statutory Authorities that need to be audited by the Office of the Auditor-General. There is a conflicting legislation that is in place, especially for all those entities that are funded through Government budget.

The Audit Act states that the Auditor-General is responsible for auditing of all these entities but upon inquiry, Mr. Speaker, Sir, there is the Public Enterprises Act which gives the Board the autonomy to choose their own auditors and most of the time, they choose outside of the Auditor-General's Office for reasons known to them, Mr. Speaker, Sir.

Mr. Speaker, Sir, on Recommendation No. 3 that the Office of the Attorney-General should carry out the Cost Benefit Analysis on contracting audits and taking in-house of financial audits. This is also some of the limitations that they have because of limitation of staffing resources. They have to outsource the financial audits of Ministries and commercial companies and statutory authorities.

This is something that we have always highlighted in this House that the Office of the Auditor-General needs to be given the power and the leeway to choose outside of the main four audit firms that is available. So, if there is only four options available, this is not outsourcing. You will notice that it compromises the quality of audit that is being given to this House to scrutinise, Mr. Speaker, Sir.

Also, if the Ministry of Education is able to give out auditing of its primary and secondary schools to outside auditors, chartered accountants, why is there a different rule for the Ministry of Education for their audit to be conducted by non-auditors while Ministries, commercial companies and statutory authorities are enforced to go through this process?

I think it is time, Mr. Speaker, Sir, to allow the Office of the Auditor-General to open up the outsourcing to allow other chartered accountants to also undertake this exercise and speed up. I think the Honourable Attorney-General is aware that there is a Fiji Institute of Accountants Act that is due for review which will, hopefully, accommodate the need to open up the auditing criteria for auditing firms.

Mr. Speaker, Sir, in regards to 2(7), the OAG should implement strategies to ensure that the audit fees are collected in a timely manner. All related to limitation of resources. The Office of the Auditor-General, Mr. Speaker, Sir, conduct audit and they bill and wait for the bill payment to come through. This is regarding Municipal Councils and Provincial Councils. Now, this is interdepartmental, Mr. Speaker, Sir. For Municipal Councils, there are issues of delayed auditing and then there are issues of delayed payments of audit fees. I hope, Mr. Speaker, Sir, the Honourable Minister, will be able to enlighten this House whether the reform will improve on this issues.

The other issue, Mr. Speaker, Sir, on the 2018 recommendation is the issue of the OAG partners with the line Ministry Heads, Provincial Councils and Municipal Councils to train their staff to prepare an Audit Quality Draft Annual Financial Statement for audit in the timely manner. As we know, we have always experienced as Public Accounts Committee Members that when entities come for the interview in front of the Public Accounts Committee Members, they seem to erupt into disputes between what the OAG has said and what the Ministries and Departments commented on their audit finding, Mr. Speaker, Sir. This is something that creates a lot of discomfort amongst the entities and Honourable Committee Members and the Auditor-General probably the laxity, inexperience and the lack of training that is provided to Ministries and Departments.

The issue, Mr. Speaker, Sir, is that, I note in addressing this recommendation the Auditor-General has put out some of the revised reporting guidelines and one of the steps they have taken is where management comments are not provided, within 14 days from the date of issues of draft management letter, it will be assumed that the agency entity has agreed to recommendation made and the financial management letter, audit member will be issued as required by section 64 (b) of the Audit Act 1969.

Mr. Speaker, Sir, this is a positive step for the Auditor-General to be able to conduct their reporting to this august House on time which is currently a delay because of attitudes and for departmental heads and department ministries, hopefully this will improve their recording timeline going to the future. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Member. I give the floor to the Honourable Qereqeretabua. You have the floor, Ma'am.

HON. L.S. QEREQERETABUA.- Thank you, Mr. Speaker. I note the contents of the two reports that we have been asked to take note of. The 2018 Report finds that there is a backlog of around 54.16 percent audit reports scrutinised by the Office of the Auditor-General, especially those of Provincial Councils, Municipal Councils and Government Commercial Companies. Then the 2019 Report recommends that the Auditor-General's divisional offices work closely with the Government and internal audit teams from the Ministry of Economy.

Mr. Speaker, it is important to understand the relationship between Government Ministries and agencies and the Auditor-General. 'It is not for the parties to work closely together'. It is quite the

opposite. It is for the Government ministries and agencies to do their job according to the law and this should be a strict compliance with budgetary provisions and not what we saw in 2018 - an election year where funds were redeployed as the final quarter appropriation statement clearly shows. It is for the Auditor-General to independently scrutinise those agencies with a critical eye that distinction should not be lost in any one of us.

If the parties work together as suggested then, suddenly the Auditor-General could be made responsible for any errors or abuses of the Ministry's processes. The Ministry could say, "Well, we work with the Auditor-General and the Auditor-General said nothing about the way we are doing on what we are doing." Even if the Auditor-General was unaware particularly, by practice or abuse, the Ministry could say, "We were working and cooperating with the Auditor-General and the Auditor-General should have known what we were doing." Of course, the Ministries and government agencies should work to a high standard but they can get advice from others. The Auditor-General must be kept separate so that those high Offices can independently scrutinise Ministries' accounts and practices.

Mr. Speaker, for the life of me, I do not understand whether the Public Accounts Committee, in my view, is the most important Parliamentary oversight body that will be making such recommendation. Instead of pointing out flaws in Government accounting, this Committee is asking the Auditor-General to work with the Ministry of Economy.

Mr. Speaker, let me just rewind and recall what happened. The Public Accounts Committee was accused in the past of not being neutral, despite from my memory, two Chairmen had served it with distinction, both from the Opposition as is the accepted practice in democracy. This happened in the 1970s, 1980s and 1990s.

But out of the September 2014 Elections, Mr. Speaker, the wills of transparencies started to grind into a halt. The pre-election position that the Opposition should chair the Public Accounts Committee went out the door. And who advocated? It is none other than the Honourable Minister for Economy. Out went the Opposition from the chairmanship or chairwomanship of the Committee. In fact in 2006, out went the cost benefit analysis of funds disbursed. So, now if \$10 is spent, Mr. Speaker, it is just recorded, no one evaluates what it was spent for or whether it was spent for its intended purpose.

Why work closely with the Ministry of Economy? Had the Auditor-General closely investigated the awarding of \$4.5 million to the COP 23 Presidency communication contract? How was this awarded to QORVIS - the Government's own political spin doctors without a tender? Why?

So, Mr. Speaker, I hope that the Committee will be energetic in its scrutiny of Government accounts. After all, its Honourable Chairperson, on the floor of Parliament, is very energetic in objecting to anything and everything that we, from this side of the House, bring here. And I am reminding the Honourable Chairperson – "walk the talk", otherwise you will be forever known as the PAC Chairperson, whose glossary quote overlooked a long record of financial abuse and management. It is not long now before the people of Fiji will be looking forward to a new government, and that new government will hold you all to account. Thank you, Mr. Speaker.

HON. SPEAKER.- I thank the Honourable Member. I give the floor to the Honourable Attorney-General.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. I just want to highlight a couple of the issue that have not been properly mentioned.

Previously, Mr. Speaker, Sir, the Auditor-General's expenditure was not listed independently. On 1st August, 2017, a separate Budget Head was created for independent bodies which includes the

Office of the Auditor-General. The practice has always been tucked under the previously Ministry of Finance and Ministry of Economy but now, if you look at the specific Head which you will see in the Budget Book, Mr. Speaker, Sir, it is listed under the Independent Bodies which is the Office of the Auditor-General.

What that also does, Mr. Speaker, Sir, it had what we call, 'a one-line item'. In the one-line item, Mr. Speaker, Sir, which is in Head 9, it simply has a one-line item. One-line item basically means that when we meet up with these independent bodies, they come to us and say, "We require this much money."

Generally, with the independent bodies, we do not haggle or we do not push the envelope really tight because they are independent bodies. Of course, last year, we talked to organisations, such as FICAC, the Office of the Auditor-General and various other organisations, even Parliamentary Office, to say, "Look, in these times, you need to tighten up some of your operational expenditure." But the moment, when they get their line items, they spend according to their own will. We do not tell Parliament, for example, or the DPP's Office, or the Office of the Auditor-General, there is no specific virement; we do not check on their funds and how they spend, except that the Office of the Auditor-General will come and audit them.

That, I think, was a very significant move, in the same way, Mr. Speaker, Sir, previously used to actually have the Judiciary, all their specific expenditures used to be highlighted – this much for operating courts, this much for rural courts, this much for capital expenditure, Judiciary now has a one-line item. They have their own tender process because they are completely independent from the Government system. Of course, they, from time to time, want to latch on, for example, Judiciary is building a courthouse will come to the Construction Implementation Unit (CIU) saying, "Look, we do not have the expertise, can you help us?" But that is their prerogative and, in fact, it is better use or utilisation of money that you do that.

Honourable Aseri Radrodro highlighted the issue about why the Office of the Auditor-General is not using other auditors. He knows very well (there is a bit of grandstanding there) that at the moment, like not with just the Office of the Auditor-General but other uses of auditors is that, it is restricted under the Fiji Institute of Accountants Act. And we all know that the Fiji Institute of Accountants Act has essentially been dominated by the four big accounting firms in Fiji, we know that. And it is this Government that is currently working with the Fiji Institute of Accountants, they have got some good officers.

The Solicitor-General's Office has already drafted an amendment to the Fiji Institute of Accountants Act to try and liberalise the accounting fraternity in Fiji, and many people would not know as the Fiji TV matter recently has highlighted that there has actually been a complaint lodged by one of the auditors of Fiji TV. And we have seen that in many instances, some of the big accounting firms, to chase the dollar, have for a number of companies been giving the audited accounts that are simply to please the current Board or the Board at that point in time, so that they can continue to get the auditing work. There has been a practice and the reason why that is happening is because they are self-regulatory.

The lawyers used to have the same thing, Mr. Speaker, Sir. The Fiji Law Society, before to practice as a lawyer, you had to get a certificate from the Fiji Law Society. If you lodge a complaint against a lawyer, for example, if they stole money from the trust account or whatever complaint, you lodge a complaint with the Fiji Law Society and as we highlighted at that point in time, at some time there were over 300 complaints that had been not attended to because at Fiji Law Society, you rub each other's back or scratch each other's back as they say and complaints were never dealt with seriously.

That is why the Fiji Independent Legal Services Commission was created. Since then a couple of lawyers have been debarred for life essentially some of them for stealing money and they had been doing that systematically for decades. The lawyers here who will speak the truth know that and everybody knew within the legal fraternity who was doing it but they were the untouchables because they were the senior lawyers.

So similarly, Mr. Speaker, Sir, we believe and the FIA needs to, we have told them, come to the party, there needs to be an independent body that will actually listen to complaints and carry out disciplinary measures not just for accountants but also for engineers and various other professional services where we need to ensure that the quality of services and the complaints actually about these people are dealt with independently.

Mr. Speaker, Sir, when anyone does any audit and this is one of the issues that we have found with the Office of the Auditor-General in recent times is that, there seems to be some departure away from the normal practice of audit. Whether it is in the private sector or governmental sector, a ministry or statutory organisation or municipal council, you have what you call an entry interview and you have an exit interview where whoever is going to come and audit will come and tell you the scope of the audit, they will tell you what documentation they require and everyone understands what is going to happen and then you carry out the audit.

When you have such a plan put in place then for example, in the case of ministries, they need to know, they have to go and dig up all these documents. The auditors will tell them, for example, “we want to audit the purchase of pearls by the Ministry of Agriculture.” Many years ago they went and purchased pearls, everyone knows that story. So we want to know where did they buy it from, who was it bought by, was there a tender done and who were the beneficiaries? Produce for us all the documents. That is why, for example, we have an entry point and you have an exit plan. This is why, Mr. Speaker, Sir, if you see in the audit reports of the various entities, they will always say, response by management.

We have in recent times found that the Office of the Auditor-General, when they raise queries and the management responded without even taking into account the response of their management, they wanted to table reports in Parliament. That is unacceptable. That is the Office of the Auditor-General playing politics or not doing the right thing. In fact, they are actually breaching the audit code. We also want to know if there has been declarations by the Office of the Auditor-General because we know that there are certain cases that sometimes, the ministries that they are auditing, the people in the Office of the Auditor-General are related to certain to people in those ministries or those statutory organisations. Where are those declarations if they need to be made? What is the SOP surrounding that?

Mr. Speaker, Sir, I think the other point that needs to be made, the Honourable Qereqeretabua obviously is singing a tune that has been written for her but she talked about cost benefit analysis. We have been down this path so many times. It is the executive’s job to make policy; it is the executive’s job to do or implement their policy. So, for example, if the Ministry or the Cabinet decides that we will give \$1,000 grant, for example. It is not the job of the Office of the Auditor-General, nor is it the job of the Public Accounts Committee to decide whether that was a good policy or not. That is the prerogative of being Government.

(Honourable Member interjects)

HON. A. SAYED-KHAIYUM.- That is not their job.

(Honourable Member interjects)

HON. A. SAYED-KHAIYUM.- Their job is to see

(Honourable Member interjects)

HON. A. SAYED-KHAIYUM.- Listen and you will understand.

Their job is to see when Government has announced the policy, if they passed a law, was that \$1,000 disbursed properly or not? Where the government said that this was going to be given to those people who are setting up micro-enterprises or only have a micro-enterprise, was the money given to them? What was the process followed to give those people \$1,000? Was that \$1,000 as a policy given as equal opportunity to anyone that applied for it? Was the same criteria used for everyone when they made the application? That is the audit job.

HON. S.V. RADRODRO.- We get value for money.

HON. A. SAYED-KHAIYUM.- That is the audit job. The value for money, Mr. Speaker, Sir, is what they can come and talk about here. That is not the job of the Office of the Auditor-General.

(Honourable Members interject)

HON. A. SAYED-KHAIYUM.- This is the problem. What they want to do is politicise a basic audit function. This type of contribution, if you look at the Parliaments of the past...

(Honourable Members interject)

HON. A. SAYED-KHAIYUM.- ... and Honourable Lalabalavu can also attest to this because he is one of the old hands at this. Mr. Speaker, Sir, you yourself was a Speaker, previously, Opposition never wrote these kind of methods. They talked about audit issues, they did not delve into the area of policy. There is a huge difference.

(Honourable Member interjects)

HON. SPEAKER.- Order!

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, let me also remind Honourable Qereqeretabua, she is saying, "why are they working closely?" Because by working closely with your recommendation is that, it means they can get the audit done properly. It does not mean....

(Honourable Member interjects)

HON. A. SAYED-KHAIYUM.- It does not mean that, Mr. Speaker, Sir, the Auditor-General is going to lose his or her independence. It does not mean they will lose their independence.

(Honourable Member interjects)

HON. A. SAYED-KHAIYUM.- It is the expeditious access to information.

(Honourable Member interjects)

HON. SPEAKER.- Order!

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, there was a question asked about the internal audit team at the Ministry of Economy. I need to remind this Parliament, at least, one I know from memory who is currently before the courts, a very senior civil servant who has been charged by FICAC. That particular breach of the Financial Management Act, the financial processes was not picked up by the Office of the Auditor-General but was picked up by the Internal Audit of Ministry of Economy.

HON. OPPOSITION MEMBER.- It is their job.

HON. A. SAYED-KHAIYUM.- See now you are saying that that is their job. I completely agree with that but the Honourable Member sitting behind you does not understand that. That is the point I am trying to make because they think there is some kind of surreptitious clandestine arrangement going on. They need to understand the actual workings of government.

A number of cases actually have been picked up by the Office of the Auditor-General. A number of cases also have been picked up by the Internal Audit Group from the Ministry of Economy and, Mr Speaker, Sir, at the end of the day, what do we want? We want that all the ministries, all the institutions, all the entities that are given public funds utilise those funds in the correct manner. So, it is the job of the Auditor-General, it is the job of the Internal Audit Committee to make sure that any breaches does not re-occur.

The Auditor-General's Report is not there to try and have a go at government. The job of it is that, if at one year, if one particular ministry ...

(Honourable Member interjects)

HON. SPEAKER. – Order!

(Honourable Member interjects)

HON. A. SAYED-KHAIYUM.- ... has not done the right, what is the solution. The solution is that, that right thing or the wrong thing does not occur again. What are the lapses? What are the processes that are not being done right? So, let us fix it up. The Auditor-General's Report, Mr. Speaker, Sir, is to make sure that this does not happen again. Let us fix it up.

On the Ministry of Education, I can see the Honourable Minister for Education there. In one of her departments, where we have rural funding for people to run these minibuses where you do not have the normal omnibuses running. So we give money to these rural minibuses to bring the kids. We pay for outboard motor boats to take these school kids to schools. There was a scam; over \$300,000 scam within that department where this one person actually created accounts (and a lot of it was to do with the Western Division) where they were falsely paying out money for people supposedly carrying these kids (when they were not carrying kids) or overpaying them. That matter is before FICAC. What do we want? Do we want that to happen again? No.

If the Office of the Auditor-General had picked it up, they would have said, "This is the process, this is where the hole was, this is where the person was able to get \$300,000. Let us make sure it does not happen again. That is doing a positive thing. So the job of the Office of the Auditor-General is to pick up those things, those loopholes or gaps so we do not have taxpayers' funds wasted. That is the ultimate objective of the Committee to look at the recommendation of the Auditor-General. That is the ultimate objective of the Office of the Auditor-General too. That is what needs to be done, Mr. Speaker, Sir, and I think some of the Members actually are missing the point.

The other point I also want to make, Mr. Speaker, Sir, is that they have gone on about the Chairmanship or Chair (position) of the Public Accounts Committee. In many countries, Mr. Speaker, Sir, the Chair does not have to be from the Opposition. It is how you apply the work or do the work.

(Honourable Members interject)

HON. A. SAYED-KHAIYUM.- Unfortunately, Mr. Speaker, Sir, we had previous Chairs of the Public Accounts Committee in recent times politicising it, giving a running commentary to the media. They have a session from 9.00 a.m. to 11.00 a.m., at morning tea break, Mr. Speaker, Sir, then they go out to the media and say, “We think this is what is happening”.

(Honourable Member interjects)

HON. A. SAYED-KHAIYUM.- You weren't here , you do not know.

We think that this is what is happening. It is like a judge, Mr. Speaker, Sir, hearing a case and at morning tea time, goes off to the media and says, “I think the case is going to go this way”, I think this person may be guilty”; that is how a Chairperson should not conduct him or herself.

Previous Chairpersons of Public Accounts Committee (and I know some of them personally who actually came from the Opposition) never did that. They gave their report in Parliament. They did not give a running commentary to the media. The Public Accounts Committee, like all the other Committees actually play a very key role. They need to carry themselves with dignity. They need to be able to conduct themselves in a manner befitting of a Committee.

Mr. Speaker, Sir, I think that this Report obviously is about the review of the Office of the Auditor-General. We have, of course, Mr. Speaker, in recent times, you would have seen, we have not objected to them expanding their scope. I think the idea about outsourcing is something that is done throughout many of the Commonwealth jurisdictions. There is nothing wrong with outsourcing, as long as the quality is maintained, it will also create jobs.

Honourable Radrodro knows this. He, on one breath talked about the outsourcing, and on the other breath, he is saying “Well, we should expand it”; absolutely. It needs to be expanded. It creates jobs, it builds capacity within the general accounting fraternity, it builds capacity within the private sector too because one of the things we have to realise now is that, the private sector also interacts with government institutions, government ministries, so they also need to know what are the standards in respect of that.

Mr. Speaker, Sir, those are some of my comments in respect of these Reports.

HON. SPEAKER.- I thank the Honourable Attorney-General. I now give the floor to the Chairperson of the Standing Committee of Public Accounts to speak in reply.

HON. A.A. MAHARAJ.- Thank you, Honourable Speaker. Honourable Speaker, at the outset, I think just yesterday or the day before yesterday, I called on NFP Members to sit in my Justice, Law and Human Rights Committee. They basically do not understand the system, they do not understand the process, now I am requesting one of the NFP Members to sit in the Public Accounts Committee.

The Public Accounts Committee has nothing to do with the policy, that is what they are trying to do. As I had stated earlier in Parliament, they want everything to come to Parliament, now they

are trying to run the Government from the other side; that cannot happen. That is not how Parliament operates, that is not how the community operates.

(Honourable Member interjects)

HON. A.A. MAHARAJ.- Mr. Speaker, every now and then it is about their Chairperson, every now and then they keep on bringing to the floor of this House about the Chairperson of Public Accounts Committee. They are obsessed about the Chairmanship. When they got the opportunity, they could not handle it.

Mr. Speaker, I would like to thank the Honourable Attorney-General for clarifying most of the issues that were brought to this floor. I would like to thank the Auditor-General for doing a wonderful job that they have been doing all this while and helping the Public Accounts Committee with the scrutiny of those reports. I do not have any further comments to add, Sir.

HON. SPEAKER.- I thank the Chairperson. The Parliament will now vote to note the content of the Report.

Question put.

Motion agreed to.

HON. SPEAKER.- Honourable Members, on that note, we will break for lunch and we will resume at 2.30 p.m.

The Parliament adjourned at 1.22 p.m.

The Parliament resumed at 2.32 p.m.

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

REVIEW REPORT - FIJI COMMERCE COMMISSION 2016 ANNUAL REPORT

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

That Parliament debates the Review of Fiji Commerce Commission 2016 Annual Report, which was tabled on 4th September, 2019.

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

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

HON. V. NATH.- Thank you, Mr. Speaker, Sir.

Fiji Commerce Commission which has since been renamed as Fiji Competition and Consumer Commission is an independent statutory body that works with the objective to promote effective competition and informed markets, encourages fair trading practices as well as controls the prices of regulated industries and other markets where competition is limited.

In the year 2016, the Commission's Board embarked on development of the first ever strategic plan which was finalized and adopted in 2018. It was also the year which marked the change in Executive Management where Mr. Joel Abraham was appointed as the Chief Executive Officer.

While deliberating on the Annual report, it was noted that fuel price reviews were done on a quarterly basis and recommended for a more regular review to better manage the effects of the fluctuation of global prices to benefit the consumers.

Honourable Members, the Committee is pleased to note that since this recommendation was made, the fuel price reviews are now done on monthly basis. Further to this, the Committee understood the challenges of reporting breaches enforced under the CCA 2010, especially in rural and isolated areas and recommended that means of communication such as toll free line be established for whistle blowers.

The Committee expressed its concerns on the rise in online scams locally and cautions the general public to be extremely vigilant when engaging with online traders to ensure that they do not fall victim to fraudulent activities.

Further to this, the Committee is aware of the important role FCC plays towards achieving key Sustainable Development Goals. In particular, Goal 1 against poverty; Goal 7 on Affordable and Clean Energy; and Goal 16 on Peace and Justice, respectively. The price regulations on products that are in place, regulatory oversight with regards to importing Petroleum and ensuring Fijians have access to consumer protection all reflect their commitment towards achieving the above goals respectively.

Mr. Speaker, Sir, with this contribution as the Member moving the motion, I thank you for the opportunity.

HON. SPEAKER.- Honourable Member, the floor is now open for debate on the motion. I give the floor to the Honourable Gavoka

HON. V.R. GAVOKA.- Thank you, Mr. Speaker. I just want to touch on two recommendations firstly, on fuel prices. The Committee noted that the fuel price reviews are thoroughly done on quarterly basis and recommends a more regular review to better manage a threshold and the fluctuation of global prices to benefit the consumers. Perhaps, in future the Commission could explore the possibility of deregulation fuel prices like in overseas countries to benefit the customers.

Mr. Speaker, what we normally question is, why is it that the world crude prices of oil would drop quite significantly and it does not translate to the prices that we pay in Fiji immediately or in the shortest possible time. This is what we queried with the Commission and they indicated how they reviewed this. They do not always react to any fluctuation in prices but they would carry out quarterly reviews. We are all owners of vehicles and we know how important it is when you pay the prices when you fill up your cars.

I was a Member of this Committee and we really wanted to get to the bottom of this to say how we can do it in a manner that we would be paying low prices almost immediately. If you will remember, Mr. Speaker, at one time the fuel prices, the crude oil prices went up to almost \$110 at one time and it came down to below \$30 and that is when we saw Air Pacific's performance in terms of its profitability because the price of oil come down significantly.

But what the Committee was concerned about what was that it does not always translate to what we pay in the bowsers in Fiji. So, the Commission had agreed at that time to try and set in place a review period that could be more responsive to the needs of the consumers. We understand what is at play here that we buy from Singapore but that cannot always happen immediately.

The concern was expressed by the Committee to the Commission at that time. He indicated that in some countries, it is deregulated and could easily translate to lower prices. Fiji today is still not be regulated but we did ask the Commission if they could look into it and see whether the time has come for Fiji to deregulate its oil prices.

We were quite impressed with the team from Commerce Commission, Mr. Speaker. The CEO is one of the very promising CEOs in the country today. Mr. Speaker, we also expressed our concern about the local scams - too many of our people are giving their money to fraudsters. It was amazing, Mr. Speaker, when the CEO was sharing this with us, to find out how people could be very gullible and send money to someone they did not even know, just because there is a scheme out there. In our recommendation we said that it was happening in this country, and somehow, our people were looking for easy money - so they should try and do something to guard against this and we recommended to them to work with the Consumer Council, work with the Fiji Intelligence Unit to try and stop this so that our people do not become victims of scammers.

I remember in my place, Mr. Speaker, there was this person who was collecting money from people and telling them that there was an employer in America looking for thousands of people to go and work in America. I told them that President Trump was closing the borders and no-one was going to the United States. That was when Trump was President and we knew how he viewed things like this, and yet there was this person who got people to come in busloads from Nadroga to somewhere in Tailevu where this particular person was holding a conference on this one.

One thing I noticed, Mr. Speaker, was that these meetings were always held at night. We never got to know this person and I asked them why they were going to meet outside of Suva – they were

driving from Nadroga in a bus so at least they could meet in Suva. This is how gullible people are, Mr. Speaker, and that is why our concern was raised with the Commerce Commission to sort of fence off these kinds of people from scamming our people, Mr. Speaker.

But all in all, Mr. Speaker, the Fiji Commerce Commission is a wonderful unit. There was a purchase of sales (it is in the recommendation) from British Oxygen Company by Vinod Patel which was touching on monopolies, competition and all that; and normally we bring in people from abroad to come and advise but in this case, Mr. Speaker, they did it internally. So capacity building is happening now and as you can read from the report, Mr. Speaker, we spoke very positively of this organisation and the work they did in 2016. They will continue to do what is required to protect our consumers, and the business in Fiji. Thank you, Mr. Speaker.

HON. SPEAKER.- I thank the Honourable Member. I give the floor to the Honourable Qereqeretabua. You have the floor.

HON. L.S. QEREQETETABUA.- *Vinaka*, Mr. Speaker. I note the contents of the report and as we know the Commerce Commission has changed its name to the Fiji Competition and Consumer Commission (FCCC). I see that one of the recommendation is for the Commission to change their review policy of fuel prices from its quarterly basis to a more regular review, and I note the comments from the Chairman of the Committee.

For more than a year now, Mr. Speaker, fuel prices have risen following almost each review except on a rare occasion. As we saw in the last review, however, the slight reduction on some of the products in the last review makes no dent on fuel prices. So, in this regard, Mr. Speaker, we have twice called on Government to show some compassion and fulfil its obligatory social responsibility by immediately removing the 20 cents per litre extra duty on fuel which it imposed on the 1st of April, last year. The extra fuel tax is now having a crippling effect following the latest increase. The price of motor spirit, as you know, Mr. Speaker, is \$2.36 per litre, kerosene is \$1.43 per litre, diesel is \$1.89 per litre and premix is \$1.97 per litre and this is severely hurting the pockets of the ordinary and poor people.

Mr. Speaker, on 26th of March, 2020, while delivering the COVID-19 Response Budget, the Honourable Minister for Economy justified the imposition of this 20 cents per litre extra tax duty by saying the fuel prices were at their lowest due to dramatic reductions in world fuel price. He then stated that despite the imposition of this additional tax, people would still enjoy one of the lowest prices of fuel in the world but this unfortunately, has evaporated into thin air because now that the world fuel price has risen, contributing to significant increases locally, it is only fair that the 20 cents per litre extra duty is immediately removed, Mr. Speaker, Sir.

It is the duty of any government to pass on the benefits of any price reduction to the people as part of its social obligation. For 13 months now, this Government has extracted extra revenue by imposing extra duty at a time when fuel price was low, therefore people never fully benefitted from the low fuel price. Fuel prices are exorbitant and unaffordable, especially in an economically-depressed climate as we see now. It has a flow-on effect and will also increase delivery of services and cost of doing business which directly and indirectly are reliant of fuel and gas.

Mr. Speaker, we are aware of the Honourable Minister's public statement that he made from Singapore at the beginning of March this year, saying the NFP should make submissions via budget consultations and not play populist politics by asking for the removal of the additional tax and this is after we first called for the removal of this extra tax. Seeking relief for the ordinary people of Fiji, Mr. Speaker, at a time when they are struggling to maintain their livelihoods and put food on the table and feed their families, it is not populist politics but our moral and ethical duty.

Cabinet Ministers and Assistant Ministers are not severely affected by the hike. Apart from the private trips, they have not had to pay for fuel for their government Prados or their 4x4s, the taxpayers fund their fuel bills. Government must now do the right thing for the people and immediately remove the 20 cents per litre extra tax which is becoming a financial burden on the ordinary people and small businesses of this country. Thank you, Mr. Speaker.

HON. SPEAKER.- I thank the Honourable Member. I give the floor to the Honourable Tabuya. You have the floor.

HON. L.D. TABUYA.- Thank you, Mr. Speaker. I rise to make a contribution to the motion before the House, on the report of the Commerce Commission, now known as the Fijian Competition and Consumer Commission.

Mr. Speaker, my colleagues have covered some of the points very well, especially the recommendations stated in the report. What I wanted to touch on was the issue in Recommendation No. 5 about the issue of rent and I believe at that time, there was a rent freeze, landlords could not increase the rent for a certain period of time but then they were also neglecting their properties in the process.

The Committee had recommended that they look into being exempted from the rent freeze so that they can address the issue of being able to afford to renovate or upgrade their properties. What I wanted to address, Mr. Speaker, is what our tenants, both business and residential, are facing now during this crisis.

Mr. Speaker, I know that the FCCC has been quite busy receiving a lot of complaints or lease concerns from members of the public unable to pay for their rent because of loss of jobs or are seeking rent moratorium and understand this is a private contract between landlord and tenant but the FCCC have been receiving these reports and thankful to the CEO of FCCC, as mentioned by Honourable Gavoka who was a very abled young man, Mr. Joel Abraham, who is dealing with these complaints.

They have mediators at FCCC to assist, mediate the discussions between landlord and tenants to issue a moratorium. However, there is a greater percentage of people coming back to say, “Our landlords have not really been very helpful.” In fact, there was a family up in New Town who had their house torn-down by the landlords for three families were living in that home. So, they had to leave and find other places to live and obviously displaced.

Mr. Speaker, Sir, the issue with the rent moratorium. What more can we do? What can we do to assist with the landlords? This is not just for residential but also business landlords. I have had several complaints and queries about business who are not operating and these are small business but the landlord is still charging rent. So, they cannot use the space but the landlord is still charging rate and that is grossly unfair for these businesses. Can we get the assistance to be able to keep up with the rent? Can there be moratoriums? So, it is really a plea on how the FCCC can be more equipped to assist during this time of COVID-19 on how to help both landlords and tenants to come to some sort of agreement.

Mr. Speaker, Sir, it is really getting to the point where it is a point of desperation and that is why my question yesterday on a couple of issues that were not sufficiently answered. Can business owners of these businesses can they withdraw from FNPF in order to assist them during this time of COVID-19? Can they withdraw from FNPF, say for example for the land that they have listed for sale to them from the Housing Authority? Can the business like those that operate and sell infants clothing be open so that our new born mothers can access the new born clothing? They are not asking for Government money, they are not asking for it to be included in the food ration, they are just

asking to have these businesses be listed as essential and to provide this very essential business to new-born mothers.

(Honourable Member interjects)

HON. L.D. TABUYA.- And children who are growing out of their clothes and they need this. So, if that could be looked at by the government or by the Ministry of Trade in terms of that but really coming back to this report, Mr. Speaker, Sir, it is really about empowering our people and seeing what we can do at this time to help those that cannot afford their rent. If we can look about the rent moratorium for residence and also a huge number of people are being displaced now and also there are businesses that are still been charged rent, even though their businesses have closed.

So, that is where my contribution on top of what my colleagues have added but otherwise, I do support the motion before the House. Thank you, Mr. Speaker, Sir.

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

HON. F.S. KOYA.- Thank you, Mr. Speaker, Sir, for allowing me to contribute to the Review Report of the Fijian Competition and Consumer Commission Annual Report 2016.

Mr. Speaker, Sir, the FCCC has effectively been involved in promotion of competition and fair trade and regulating prices of certain goods and services to actually ensure the welfare of all Fijians are fully accounted for.

Before addressing this report, Mr. Speaker, Sir, I would like to take this opportunity to thank the Board and the hard working team and the CEO of FCCC and I see that it is not just us but the Members of the Opposition were giving him glowing references, Sir, and they have a wonderful job in ensuring the Fijians are not cheated and traders continue to trade in a fair and equitable manner, especially in this uncertain times.

The FCCC Team on the ground are also front-liners that ensure that the livelihoods of all Fijians are protected and have partnered with the Ministry to monitor the practices of those businesses that are actually permitted to operate. As we speak, they are on the ground and in terms of the frontline, Sir.

Mr. Speaker, Sir, in 2016, FCCC was allocated an annual grant of about \$1.9 million. The grant was effectively to promote competition and consumer-protection and undertake some daily inspections and monitor trade activities.

With regards to the recommendations that have been put forth, the FCCC has eventually taken note to work towards improving the services provided to the consumers in business in maintaining a competitive environment.

Some of the issues that have been raised are being canvassed, Sir, and one was with respect to fuel to better reflect the volatility in the fuel prices and we all know how volatile it is, which is determined by world market prices.

Since October, 2019, Sir, the FCCC has adopted monthly fuel price reviews, and this has actually enabled the fluctuations in global market prices to be reflected in our local prices on a regular basis. What everyone must understand, Sir, it may not happen absolutely immediately but it does take a shorter period of time for us to feel the benefit of price reduction or the other way round, Sir.

This, Mr. Speaker, was done after some extensive consultations with relevant stakeholders, and this means that this particular process is now reviewed annually to capture the evolving elements and this in turn, ensures that the benefits have passed on to our consumers while suppliers also get equitable returns. Also, I just want to raise something, Mr. Speaker, Sir, that the pricing methodology is actually a fixed template and we actually pass on the increase or the decrease, and FCCC is not oblivious when we diligently pass on the reductions.

The prices in Fiji, as I said earlier, are based on international prices and we have price takers. Sometimes people ask for Government's intervention but we must remember, Mr. Speaker, Sir, it is an independent commission, and I repeat, it is an independent commission. If it is applied consistently, this means that there cannot be any Government interference here, Sir.

Some people have asked for certain things and some people have political landscape and have asked for Government interference. This would actually be contrary to Section 14 of the FCCC Act, where the FCCC is not subject to Ministerial control, Sir. These things that we must remember and we also must remember, Sir, that any pricing system needs to have a degree of certainty and we cannot overnight everyday keep changing the methodologies, the margins and the price restatements, et cetera, on these things.

This would drive market uncertainties and it does not work like that. It will drive market uncertainties which will eventually mean that there is an increased market, in terms of premium and not only the fuel sector, but across all sectors, you cannot do the short-term measures. The general principle is to maintain earnings, volatility, consistency and predictable market, FCCC under any circumstance, we cannot artificially increase or decrease prices as it creates uncertainty in the market.

Sir, as I shared, we are starting to see also that over the past few years, FCCC has invested substantially in digital transformation and made valuable various avenues for the general public to lodge complaints, and these include emails, social media such as Facebook, Twitter, Instagram maintain the FCCC website also includes live chat in a Word-based FCCC Application.

In consideration of that, the FCCC is actually looking at introducing kiosks, e-surveys and monitoring and an online public facing portal from new case management system for complaints, for people to complain to lodge their actual complaints. The FCCC has noted the concerns with regards to online scams locally and they have embarked on strategic partnership through stakeholders such as the Fiji Revenue and Customs Service, the Ministry of iTaukei Affairs, the Reserve Bank of Fiji, Fiji Commerce and Employers Federation and REALB just to name are few, to actually take a holistic approach to tackling these Generation Z concerns.

On the other side, FCCC has also partnered with the Ministry of iTaukei Affairs to address complaints and concerns in the rural and maritime areas. They work in conjunction with the Ministry to ensure these scams et cetera, that I think people are worried about and talking about to instantly try and stamp it up. The messaging was consistent throughout the Ministry, messaging came out from the Ministry, from FCCC and from the Consumer Commission just recently when there was a state of pyramid schemes that had started.

Mr. Speaker, Sir, the FCCC has implemented and is reviewing the tenancy self-regulating guidelines which actually provides guidance to landlords and tenants as this is a critical exercise. The FCCC is actually conducting extensive consultations to ensure that all the areas are covered.

Just regarding what Honourable Tabuya said, Mr. Speaker, Sir, we must also be mindful, and as a lawyer she would know this, that you cannot interfere in private contractual arrangements

between two private individuals in terms of tenancies, et cetera. So we have to be very mindful that that is an area that has to be dealt with very differently.

During unprecedented times, and having said that, Mr. Speaker, Sir, in terms of people during these very difficult times, the CEO has been able to find an avenue where he has been able speak to landlords and he is open to receiving calls from tenants, et cetera, be it commercial tenants or be it just a normal landlord tenant tenancies. He had been able to facilitate for many people, and I take my hat off to him, Mr. Speaker, Sir, despite the constraints that he is under with respect to these things being a private contract.

During unprecedented times, Mr. Speaker, Sir, we need to double our efforts to be even more vigilant. What these means, Sir, we must always promote fair trade, we must protect our markets, we must protect effective competitions, and to do this, whilst protecting customers and eliminating restrictive practices, the FCCC needs to always be an ever more central actor. I would like to commend the FCCC and the Board just like everyone else has in the job that they are doing to try and protect our consumers in promoting fair market practices.

Lastly, Mr. Speaker, Sir, with the issues that have been raised by Honourable Gavoka and Honourable Qereqeretabua, these are issues that are being dealt by the FCCC on a daily basis, and in terms of the suggestion that we remove the 20 cents tax, that is an issue, I am sure the Honourable Attorney-General will address.

I thank you, Mr. Speaker, Sir, and I support the motion before the House.

HON. SPEAKER.- I thank the Honourable Minister. I now give the floor to the Chairperson of the Standing Committee on Economic Affairs to speak in reply. You have the floor.

HON. V. NATH.- Thank you, Mr. Speaker, Sir. I thank all the Honourable Members for their contribution and I also thank the Board and the CEO and the team for a job well done. I have no further comments, Mr. Speaker, Sir.

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 the Chairperson of the Standing Committee on Social Affairs to move his motion. You have the floor.

REVIEW REPORT - FIJI PORTS CORPORATION LIMITED 2017 ANNUAL REPORT

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

That Parliament debates the Review of Fiji Ports Corporation Limited 2017 Annual Report which was tabled on 21st November, 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.

HON. V. PILLAY.- Mr. Speaker, Sir, the Fiji Ports Corporation Limited (FPCL) is a commercial port management company that operates the two main ports of entry in Fiji - Kings Wharf in Suva and the Queens Wharf in Lautoka. Sir, FPCL also leases and operates the Levuka Wharf situated in Ovalau.

In addition, the company oversees the operations an international ship and port facilities security requirements for Fiji's secondary ports of Malau Wharf, Labasa (owned by the Fiji Sugar Corporation); Rotuma Port (owned by Rotuma Council); Wairiki Wharf in Nabouwalu (owned by Tropik Woods Industries Limited); and Vuda (owned by multinational oil companies).

The vision of the FPCL is to be the maritime gateway in the Pacific region through facilitating waterborne transportation, trade and commerce. Its mission is to develop, maintain and improve seaport and ship repair facilities to enhance the economic growth and prosperity of Fiji.

Mr. Speaker, Sir, the Committee, upon being referred the Fiji Ports Corporation Limited 2017 Annual Report invited its senior officials on Monday, 15th May, 2019 for a public hearing. During this meeting, officials from the FPCL enlightened the Committee on the following:

- (1) Port waste management system in advocating Green Port Initiatives. This project is for four years projected from 2018 to 2021.
- (2) Future plans and initiative aligning to the Company's strategic goals and execution of new proposed, planned and pending projects.verall operations of the company aligned to the SDGs.

Mr. Speaker, Sir, the FPCL had a noteworthy financial year in 2017, achieving successful revenue results with strong profits, making possible the payment of a dividend of \$16,082,198 to its shareholders. This was a record dividend from operating profits and represents 217 percent increase from 2016.

The Committee commends the team of committed and motivated individuals who have worked together to bring the FPCL to new heights.

HON. SPEAKER.- I thank the Chairperson. Honourable Members, the floor is now open for debate on the motion. I call on the Honourable Ratu Naiqama Lalabalavu. You have the floor.

HON. RATU N.T. LALABALAVU.- Thank you, Mr. Speaker, Sir. I also wish to contribute to the debate on the Review of the Fiji Ports Corporation Limited 2017 Annual Report.

Sir, my contribution is made in the context of the ownership of FPCL. In terms of ownership, it is common knowledge that Aitken Spence, ends a Sri Lankan conglomerate owns 20 percent of FPCL shares, valued at about \$34.6 million in 2015 when the shares were acquired.

In addition, Mr. Speaker, Sir, Aitken Spence acquired another 51 percent of Ports Terminal Limited, a subsidiary of FPCL with a 15-year concession to manage the two major ports of Suva and Lautoka and which will expire in 2028. Sir, I have taken time to highlight the shareholding position because it will have a long term impact on one of our key strategic assets that is how sea ports of entry.

The concern, Mr. Speaker, Sir, is that we have lost direct control of such strategic assets. The issue here is the long-term implications of selling a fair share of such a vital asset and its management. The reality of the matter is that, Aitken Spence will be more interested in this return of investment

rather than our national goal of becoming the hub of the Pacific. Our long term goal or vision to be the hub of the Pacific is overtaken by short-term profit.

Mr. Speaker, Sir, you may recall during our time in Government, we had a long term vision of the development of our two major ports facilities with the support from the World Bank and ADB in becoming the hub of the Pacific. Against this backdrop, Mr. Speaker, Sir, I would like to turn to the Report proper. The three key issues raised in the Report is the:

- (1) removal of the derelict vessels;
- (2) need to strengthen stakeholders rapport with the Fiji Ports Corporation Limited; and
- (3) Fiji Ports Corporation Limited as a landlord port.

Sir, this is not the first issue on derelict vessels that has been raised. This issue has been raised year in and year out since were reviewed in Government, come 2012 but it seems very little has been done. At one time I was in charge of the transport portfolio and we even had are few Government vessels scuttled out in the deep waters, outside the Suva passage just to kick start this very important role of derelict vessels that are crowding our Suva Harbour.

Sir, it is common knowledge that our port environment is very fragile because the reefs comprise a sensitive marine ecosystem and very close to our shores. I just want to take us through on the boundaries of the Suva Port. It begins from the Nukulau passage, it comes across the sand bank and I understand, Mr. Speaker, you know this area quite well since the *Marama Bale na Roko Tui Dreketi* owns the *qoliqoli* there and then it crosses over to the Suva Peninsula where three *vanua* involved ; *vanua* of Suvavou, Lami and even Navakau. So it is important to take note of this, Sir, when one talks of these three issues that has been approved by the Committee.

Mr. Speaker, Sir, the derelict vessels causes a lot of nuisance to these three *vanua*, not forgetting that of the *Marama Bale na Roko Tui Dreketi*. In their daily sustenance that they derive from the sea, right from the time of their forefathers up until now, Sir. As such, we cannot afford to have derelict vessels abandoned in our harbour since the environmental cost is very, very high. They constitute an eye sore and the Government should ensure that these derelict vessels are removed to minimise the risk associated with them as I have just alluded to, Sir.

To safeguard our major ports, FPCL in particular, Aitken Spence must work with all relevant agencies in providing the necessary international and domestic protocol to safeguard our country in the entry of legal activities like people or contraband, or smugglers and to safeguard our fragile environment from diseases and pests. As a landlord port the FPCL, must focus on improving ageing infrastructure and upgrading facilities to meet demand. We continued with this during the SDL time and we even bought in new cranes to supplement the new machineries that should take care of our role as a Pacific hub.

Mr. Speaker, Sir, there is very little or no indication in the report before the House, to show long-term plans and commitment to ensure that Fiji becomes a hub of the Pacific. It is interesting Mr. Speaker, Sir, that Samoa (I have been well informed) is moving ahead in its efforts to become the hub of the Pacific and we are doing very little, according to this report, or nothing at all in this regards.

Lastly, Mr. Speaker, Sir, I am very much concerned in the recruitment of foreigners to take up jobs that can be easily undertaken by our people. One clear example is the recruitment of the Chief Security Officer who hails from India. The position can easily be filled by local personnel where both international and local experience drawn from the Military, Navy and the Police. I believe Mr. Speaker, Sir, that the Chief Financial Officer is also a Sri Lankan - he has been operating from

New Zealand since the outbreak of the COVID-19 pandemic. Repatriation travel between New Zealand and Fiji has been ongoing since COVID-19 first reached our shores in 2020.

It seems that this very important position in this strategic asset are allowed to operate from abroad rather effort being made for him to be based in Fiji to ensure that a measurement of the finances of this government commercial company. It seems that this foreigner has been given special treatment in terms of being allowed to work remotely and drain our foreign exchange for Fiji, Mr. Speaker, Sir.

Again, Mr. Speaker, Sir, I believe that there are locals who are qualified and experienced to take up these positions. Mr. Speaker, Sir, another concern is the procedure that the company is using in fumigating vessels at the wharf, rather than out in the sea, just to save cost. The danger with this practice is that unknown insects and pests are seen at the wharf and there is a risk that this will infest our country which will be difficult to control and eradicate. Case in point being the irregular termite infestations that we battle regularly over the last few years. This is a clear indication of the failure of the government reforms and the failure of this private public partnerships which will continue to cost the nation in the long term.

Aitken Spence once more, Sir, is more keen on maximising the return on their investment rather than the long-term national interest. It is time the government relook at its reckless approach in sending government strategic assets to raise revenue due to its poor budgeting and bullish expenditure. Sir, there are a lot of lessons to be learnt and the government should take heed of the challenges that we are facing. COVID-19 pandemic has brought out the true situation in the country where there will be more suffering for ordinary Fijians before all these things will get better due to the poor management of the economy by the Fijian Government.

Before I conclude Sir, I would like to thank the Committee, Honourable Chairperson and his Members for the report even the recommendations from the premise of what they were supposed to report on. Secondly, not forgetting to take this opportunity to thank the frontliners, who are seriously working hard, sacrificing all their time and effort to look after the people of our beautiful country and our nation as a whole. Thank you, Honourable Minister for Health. Thank you, Honourable Prime Minister. *Vinaka vakalevu.*

HON. SPEAKER.- I thank the Honourable Leader of the Opposition and I give the floor to the Honourable Tuisawau. You have the floor.

HON. RO F. TUISAWAU.- Thank you, Mr. Speaker, Sir, for the opportunity to comment on the report before us on Fiji Ports Corporation Limited (FPCL). I note the recommendations in the Committee's Report and I thank the Committee for the work done and also thank the staff and management of FPCL.

At the outset it would be good if we are looking at the Report just to highlight some of the key milestones in the history which is outlined in the annual report. How the ports began? The evolution of the ports from the wooden Queens Wharf in 1816 in Levuka, the completion of the Kings Wharf in 1912 and in 1900, the Colonial Sugar Refinery Company was built at Lautoka which was then declared a port of entry.

We can see that Fiji's development has always been intricately related to the evolution of our ports as earlier stated. The Levuka port of entry was built in 1875. They started building it and completed in 1880 and it was a good learning experience for me when I read that it was done by the sixth company of the British Royal Engineers. The Levuka port, of course flourished as Levuka was

our first capital and in 1881, it was interesting to note the land reclamation work started around the harbour area in Suva.

Mr. Speaker, Sir, the other highlight relating to the development of the ports is when Fiji's capacity to import rose tenfold, as stated in the Report from 1881 to 1913 and of course the exports were mainly agriculture items going through our ports, sugar, copra and bananas. We hope that banana can be revived, Honourable Minister for Agriculture and with the supply chain expanding, increasing the importance and capacity of our ports.

Of course the 1950s saw the imports of machinery, transport, engines et cetera. The year 1961, the new Fiji port was opened in Lautoka next to the CSR Wharf. The 1970s again, was a period of great significance in all that and this is the interesting history in the Report when you read it. Of course, again in 1999 the value of Fiji's importing of goods stood at \$1.8 million.

The recognition of the need for further reforms saw FPCL registered as a company in 2004 to operate under the Sea Port Management Act of 2005. In 2005, upgrades of \$31 million at the Port of Suva and \$21 million at the Port of Lautoka were completed. As mentioned by the Honourable Leader of the Opposition, in 2013 FPCL entered in a public-private partnership with Aitken Spence in association with Fiji Ports Limited, this was followed by FPCL's divestment of shares with 41 percent FPCL shares Fiji Government, 39 percent FNPF and 20 percent Aitken Spence PLC.

Sir, the reason I am raising the and also the shares there, is what we, from the Opposition, have always asked for consideration as part of recognising the historical contribution of the landowners and the *qoliqoli* owners. Unfortunately, from what I have read there, there has been no mention of landowners and the *qoliqoli* owners in the history. That is also related to our request, in instances that there is any divestment of shares, the landowners and the *qoliqoli* owners must be considered, as expressed by the Honourable Aseri Radrodro regarding the EFL.

On the highlights, I note positively some of the highlights which includes the Job Evaluation Exercise, which sort of brought the staff in line with the market; the net profit after tax was \$26.26 million and the record total dividend paid in respect of the prior year was 21.7 percent increase - \$16 million. It would be good to recognise historical contribution to share those dividends to the *qoliqoli* owners, the landowners as mentioned by the Leader of the Opposition. That is an area which we, when we come into government, will ensure that there is such dividend policy in terms of you could say, social responsibility, to correct historical issues across the Government and commercial owned entities.

The Report also highlights the derelict removal, which has been mentioned by the Honourable Leader of the Opposition. I will not go into the detail on that, not only derelict removal, but also pollution. There was a recent report from USP on the pollution in the Suva harbour and the extent of that; that is an issue that goes back a number of years and the question is: how has the *qoliqoli* owners, who have lost out, been compensated for this pollution?

I note in the Committee's Report, a concern regarding the compliance with the insurance regarding shipwrecks, and that is an issue that needs to be enforced for those shipping companies and owners coming into Fiji. What kind of insurance do they have in order to cover the cost if their ship is wrecked within the jurisdiction of our ports authorities in terms of covering the cost, because they should pay for it. We hope that, that kind of compliance is enforced and monitored as we move forward.

The Honourable Leader of the Opposition had mentioned some of the staffing issues, in terms of executive appointments, and I note that succession planning is explained there, however, it is

basically for some junior staff. If you look at the organisational structure, it would be good to have a succession plan mentioned in the report and how that would be implemented in terms of the replacement of expatriates. However, positively under executive appointments there are some key promotions there which have involved our local staff, and I would like to thank FPCL in that regard.

Those Mr. Speaker, Sir, are some of my comments regarding the Report before the House and I again thank the Committee and the management regarding the Fiji Port Corporation Limited 2017 Report. *Vinaka*.

HON. SPEAKER.- I thank the Honourable Member for his contribution to the Report. Honourable Attorney-General, you wish to take the floor?

HON. A. SAYED-KHAIYUM.- My apologies, Mr. Speaker, Sir, for coming in late

Mr. Speaker, Sir, I caught the tail end of what Honourable Tuisawau was saying. I understand that other statements have been made regarding FPCL.

Mr. Speaker, as the Report does demonstrate that the FPCL is owned by three entities, if you like, and those three entities are:

- (1) Fiji National Provident Fund;
- (2) Fijian Government; and
- (3) Aitken Spence.

Mr. Speaker, Sir, as of 2017, the FPNF owned 39 percent, 20 percent was by Aitken Spence and 41 percent by the Fijian Government. So, the overall holding of FPCL is in Fijian hands to allay any xenophobic fears that the Opposition may have.

And as I also highlighted, Mr. Speaker, Sir, that all the assets before the divestment took place or the real estate was in fact, transferred to Assets Fiji Limited. AFL holds the real estate. The company FPCL actually leases the estate of the real estate from Assets Fiji Limited.

Mr. Speaker, Sir, why this is done so the business itself is not actually in the business of owning real estate but it has to have access to real estate to be able to generate revenue and profits. So, that is the very simple analysis as to why we have done that.

We know, sometimes people have this fear about real estate going to foreigners, et cetera. This is one of the things that we have done in respect of ensuring that the real estate still stays within Fijian hands. It does not mean that therefore, real estate should never been in the hands of foreigners. Most of the hotels are owned by foreigners in Fiji and the Opposition seems to have no problem with foreigners owning land for hotel purposes.

Highlighted, again, Mr. Speaker, Sir, there are double standards, I caught the tail end of the foreigners, et cetera. You heard Honourable Gavoka going on about Qantas has no problem with Qantas determining our air routes and still calling ourselves a national carriers. Again, this is the hypocrisy and the contradiction, you do not have a problem with Ben Ryan....

HON. V.R. GAVOKA.- A Point of Order.

Mr. Speaker, can you remain relevant please? Yesterday, you reminded us time and again. Only when we do it, they stand up and point a finger at us. Please, stop that aggressing, thank you.

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

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, as you know I am speaking on the point because they have talked about foreigners and the fact of the matter is, I have simply pointing out the contradiction the hypocrisy of the statement that you have. The reality is that, they have been very selective about when they want to go for foreigners and when it is alright to have foreigners.

My point is, it has been the Government point from day one is that, we need to appoint the right people for the right jobs. And if you want to get the best out of that organisation as you want the best out of your rugby team your netball team, your football team and you are quite happy to appoint foreigners, Honourable Rasova in his usual hypocrisy is saying that is a different thing altogether. Well, it is not actually because you know so it is alright for rugby. This is the problem. In the same way, Mr. Speaker, Sir, they do not have a problem with foreigners coming and running hotels but it is a different story for Fiji Ports Corporation Limited or Permanent Secretaries.

Mr. Speaker, Sir, the reality of the matter is this. Sometimes, when you find strategic partners you are able to bring about certain level of efficiency, know-how, information and knowledge that actually does not exist within that organisation at that point in time, the same thing with rugby. Same thing with football. Same thing with netball.

Again, Mr. Speaker, Sir, with the divestment of the shares and the bringing in of this internationally recognised management, the Port turnaround time improved by 30 percent within the first few months. There used to be a levy charged by incoming shipping companies because of the inefficiencies at Suva Port in particular. After the new management came in, the levies were actually taken away. Fiji is now seen as a more efficient port and also more importantly, for transshipment purposes and they do not highlighted that at all. That is the point, Mr. Speaker, that we are trying to make.

We, of course, have to build in local capacities. There is an internal mechanism within the company to have more local training too for senior management positions. That does not happen overnight.

The other point they have missed out on, Mr. Speaker, Sir, is that Ports Terminal Limited which is the subsidiary of Fiji Ports Corporation Limited, and Fiji Ports Corporation Limited actually has profit sharing. Whenever dividends are declared now, all the staff right from the stevedore to everyone up at the top all get it. Before it used to be only on the contractual obligations or contractual responsibilities of the Executive staff. Now, we have junior staff, even the stevedores, who are actually getting a share of the profit. That has been happening continuously whenever dividends have been declared. Again, they have failed to mention all of these changes that are actually taking place, Mr. Speaker, Sir.

Mr. Speaker, Sir, there is obviously a number of issues that need to be addressed too. There is a strategic plan in respect of the Suva Wharf in particular, where most people came to think about they tend to think less about Lautoka Wharf which is mentioned less but there is a lot of potential in Lautoka. As highlighted by the Honourable Minister for Commerce, Trade, Tourism and Transport some time back that we are looking at developing a particular site in conjunction with the FNPF in Lautoka to build what we call a clean manufacturing technology industrial area and we hope to then use Lautoka Wharf a lot more.

There is a lot of rehabilitation work that needs to be done. A lot of these sites are actually old, there are certain sections of the Suva Wharf that you cannot use for heavy uplift or downloading of containers, et cetera, because it cannot handle the weight. A lot of investment that needs to be done, we are talking about millions of dollars in that respect.

Mr. Speaker, Sir, we are looking also at some partnership. The ADB actually has been working with the Fijian Government to look at perhaps, alternative sites as to where we can have the port relocated to, perhaps another area where we have good draft where the bigger ships can come in, where we can have your shipyard, we can have the ship repair work, et cetera. This is not actually an easy task but this is some of the works that has been carried out and looking at various alternative sites.

There has, of course, been the mention of derelict vessels that has been a problem. Mr. Speaker, Sir, there are about 11 derelict vessels identified by FPCL that will be served with order removals, they are owned by the following companies:

- Eight fishing vessels are owned by Sea Quest Fiji Limited:
 - (1) Sea Maru;
 - (2) Sea Will;
 - (3) Seaka;
 - (4) Sea Knight;
 - (5) Sea Green;
 - (6) Southern Pacific;
 - (7) Pacific Wind; and
 - (8) Enemellay.

- Two tugboats are owned by Pacific Building Solutions:
 - (9) Tug Kongou; and
 - (10) Tug Ballina.

- One cargo vessel is owned by the Cruz Holdings Limited:
 - (11) MV Komaiwai.

Mr. Speaker, Sir, the reality has been that in the past number of years, there has been not much work in respect to the derelict ship removal and there has been a huge focus on that. Sometimes they have as you saw the one that was recently went under the water with the insurance now being in place that some work was done regarding that.

Mr. Speaker, Sir, of course the global pandemic has had an impact not just on air travel but also in respect of the movement of sea vessels. In 2020, 1,083 berthed Fiji's port with gross raised a tonnage of 30,362,294 tonnes and the significant decrease of vessels by 18 percent from the previous year which is expected in this particular climate

Nonetheless, Mr. Speaker, Sir, there is also proven to be an alternative source of transportation of goods and services. So again, Mr. Speaker, Sir, the focus has been to build a stronger balance sheet, to bring about efficiencies as we have seen that is happen with EFL and we hope to maintain the financial discipline.

Of course, Mr. Speaker, Sir, we do not want to willy-nilly give share here and there, there needs to be people to have skin in the game and eventually when you have statutory organisations or corporate organisation that is owned by Fijians we want to ensure where a particular Government has dividend opportunities. In our opportunities that we maximise the dividends because when Government actually receives dividends we then are able to share those dividends with all Fijians. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Attorney-General for his contribution. I give the floor to the Chairperson of the Standing Committee on Social Affairs, to speak in reply.

HON. V. PILLAY.- Thank you, Mr. Speaker, Sir. I once again would like to thank the management and staff of FPCL and also the Honourable Attorney-General for providing clarity to the number of issues raised by Honourable Members. Thank you, Sir.

HON. SPEAKER.- Parliament will now vote to note the content of the Report.

Question put.

Motion agreed to.

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

**REVIEW REPORT – FIJI ROADS AUTHORITY 2015 ANNUAL REPORT
AND JANUARY-JULY 2016 ANNUAL REPORT**

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

That Parliament debates the Review of the Fiji Roads Authority 2015 Annual Report and Fiji Roads Authority January–July 2016 Annual Report which was tabled on 21st November 2019.

HON. A.T. NAGATA.- Mr. Speaker, I beg to second the motion.

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

HON. V. PILLAY.- Mr. Speaker, Sir, the Fiji Roads Authority (FRA) is responsible for planning, developing and maintaining Fiji's road infrastructure. It plays an important role in managing the current vested assets related to roads, streetlights, traffic signals, bridges, crossings and jetties throughout the Fiji Islands. Under this obligation, the Authority carries out periodic maintenance to all assets and delivers capital improvements to provide a more efficient transport network.

Mr. Speaker, Sir, the Committee upon being referred the 2015 and January to July 2016 Annual Reports of the FRA, invited its Senior Officials on Tuesday, 9th July, 2019, for a public hearing. During this meeting, Officials from FRA enlightened the Committee on the following:

- (1) Its future plans and initiatives in stabilising the infrastructure network and developing a forward-looking workplan with the focus on ensuring public safety and bringing the assets to a condition where they can be effectively maintained in going forward.
- (2) Its overall operations aligned to the SDGs and the measures being undertaken by the Authority in building resilient infrastructure and providing access to the rural community. This relates to access to basic services and reducing vulnerability to climate-related extreme events and other economic, social and environmental shocks.
- (3) The progress made in expanding the role of Fijian involvement and Fijian companies in the Authority's supply chain.

Mr. Speaker, Sir, the Committee noted that the Authority has continued to develop and expand over the course of 2015 and it is positioning itself to have the required capacity and capability

to transition from the core professional services contracts. Sir, 76 percent of contracts led by the Authority are being delivered by local contractors as it continues to open up more opportunities to local contractors by providing tenders based on price.

In 2015, the Authority recorded a successful year where it successfully delivered more than half a billion dollars' worth of programmes mainly on physical work and maintaining and improving Fiji's network of roads and jetties. Mr. Speaker, Sir, the Committee commends the work of FRA. Thank you, Sir.

HON. SPEAKER.- I thank the Chairperson. Honourable Members, the floor is now open for debate on this item. I give the floor to the Honourable Salote Radrodoro. You have the floor.

HON. S.V. RADRODORO.- Thank you, Mr. Speaker, Sir, and I rise to make a contribution to the Fiji Roads Authority Annual Report 2015 and January to July 2016.

Mr. Speaker, Sir, before I make a contribution on the Annual Report may I share an experience that I came across when I was on my way home last night in regards to the frontline workers. As I was stopped at one of the checkpoints, I said in the vernacular, "*Dou bula vinaka, au se qai suka tiko mai*", and the police officer also responded in the vernacular and said, "*Oi vinaka vakalevu nasi, vinaka na veiqaravi.*" So, I just said thank you, goodnight and went on my way home.

On that line, I would like to acknowledge and thank all the frontline workers; the police officers, medical professions, the military, the navy and all of them.

(Honourable Members interject)

HON. S.V. RADRODORO.- May I also on the same note make a plea to the Government side particularly to the Minister for Health, because this morning I was also reliably informed that our frontline workers, in their various Ministries, could be ensured that they are well equipped and are well resourced. I also understand because of the financial difficulties that maybe the various Ministries and Departments are faced with, maybe their overtime hours are not paid right now but I would plead that at least when the time is right, if these kinds of incentives could be looked into. For now, if all our frontline workers could at least be paid the right rate of meal allowance. Thank you, Mr. Speaker, Sir.

Now, on the Report, I would like to comment on the recommendations in regard to the conditions of our roads and that is on page 8 of the Report in regards to:

- Fiji Roads Authority's performance be monitored and assessed to ensure value for money for all resources that has been allocated;
- Fiji Roads Authority engage in prudent recruitment of overseas contractors to avoid the early termination of contracts; and
- Fiji Roads Authority allow for greater participation of local contractors.

Mr. Speaker, Sir, we continuously catch on the mainstream media and also on the social media on the deplorable and pathetic conditions our roads are in.

I recall, I believe mainstream media or one of the people writing to the media calling the potholes that they were big as *lovo*. This is particular in the Central Division and another example I can give is right there in front of the CWM Hospital, I think in front of the Emergency Department. It is really pathetic there, it is always busy but that condition has always been there for a long long time. It is like part and parcel of that building at CWM, Mr. Speaker, Sir.

Also in here we have requested the Minister responsible in regards to this but he does not seem to have taken any real consideration to our request from this side of the House. Even though I recall at one time he was being called by one of my colleagues here “Minister for Pothole” but still that does not seem to come through and we continue to see this problem which is a nagging and ever-present problem which FRA just does not seem to be able to resolve.

Mr. Speaker, Sir, our road users whether you are a driver or passenger in one of the vehicles, continuously raise this problem that they are really fed up with this problem and it is also posing a lot of danger, not only to the users but also the pedestrians. I will give you another example.

Mr. Speaker, Sir, in one of those days because of the traffic jam, I decided to take a taxi to come to Parliament and while in the taxi, the driver was always dodging potholes. Then I said to him, “You are really good in manoeuvring the potholes.” Then his response was, “It is better just to go straight because if you dodge one pothole, you will meet another two or three on the other side”.

Mr. Speaker, Sir, those are the kinds of danger that the road users are faced with on a daily basis. This particular taxi driver also shared his concern on the damage to his taxi. He says he continuously have to get the car for repairs particularly for shock absorbers. He also raised the issue that even though as road users and drivers, we pay for our taxi....

HON. CDR. S.T. KOROILAVESAU.- Talk on the Report.

HON. S.V. RADRODRO.- Is that Honourable Koroilavesau? Yes, I am talking on the Report.

He shared his concern and disappointment that even though we pay these taxes, the FRA does not measure up and provide the kind of services that they are supposed to be providing. Mr. Speaker, Sir, we know that there has been an increase in associated deaths on our roads and this could be attributed to the poor condition of our roads and dangerous driving because of the poor conditions of our roads.

Mr. Speaker, Sir, we know that budget is coming up soon and that there is a big chunk of our national budget that goes to FRA. They really have not measured up to that as recommended in the Committee Report, that we should get the value for money that has been going to FRA. Even with that kind of budget going to FRA, let us look at the human resources factor. The Honourable Attorney-General mentioned about expatriates. We know that there has always been a change of guards in expatriates to the CEOs in FRA, and we also know that reform was taking place in FRA, but nothing seems to reflect the effectiveness and the efficiency of the recruitment of these expatriates and also in regards to the reform that they had been mandated to undertake in FRA.

Mr. Speaker, Sir, I believe, part of the reform was doing away with the Public Works Department. The main reason for that was to make that improvement, that PWD was not good enough and this new reform with the new human resource expertise being brought in under the reform, is going to give us the value for money and it is going to provide us with good roads. But, up until now, we still have the same problem or the problem is more compounded now. The problem is getting worse as we can witness that around our country.

That, Mr. Speaker, Sir, tantamounts to poor maintenance and repair works. I will give you another example, Sir, from the Princess Road, up that area of Tacirua and Tamavua, year in year out we see the repair people on the road. So it is an annual event now that the road gets repaired and maintained but still, we are a very rainy country, as long as there is a good rain for a week, the same problem comes up again. So, that questions the standard of work that is being carried out by FRA

particularly as part of their reform agenda. That reform is not working and we are not getting the value for our money, Mr. Speaker.

I would like to again highlight the need that the Government really must look at FRA, the reform agenda and consider whether it is better to bring back the Public Works Department because the reform agenda that they had taken away from PWD has not really achieved the intended targets of the reform agenda because we still have these deplorable pathetic road conditions around the country.

While still on the reform agenda, Mr. Speaker, I will now speak on the other point on the recommendation which is in regards to the improvements needed to outer island roads, bridges and jetties. The recommendation is that the Fiji Roads Authority ensure the upkeep of roads, jetties and the construction of passenger waiting sheds.

That is a recommendation, Mr. Speaker, and I know and I have raised this issue continuously from this side of the House even though the other side of the House tried to shut me down, but I will again raise it now and I will give the example of the maritime islands first, particularly for Vanuabalavu because I am very familiar with it. The roads are very narrow and even at one time I was there, the vehicle had to stop and toot the horn if there is no response from the other side because there is a big bend then we will continue. If you do not then you will fall right into the sea.

Mr. Speaker, at one time I was there in Vanuabalavu and I was talking to the communities and one of them raised, without even my probing that much that, “*au vakabauta ni a tiko ga na PWD e vinaka cake*”. He said that and I asked why? He said because the machineries were always there, they had the depot there so it was easier for PWD to maintain the roads as they were based in the depot. Also, in the outer islands, I believe the road conditions must be similar, if not the same or worse off.

I was in Beqa recently and I noticed there is no road whatsoever and it is very expensive having to travel in the boat and I believe this is all the same for Kadavu. The road conditions are very bad in Kadavu and the boat fare or the boat cost to travel from village to village is also very expensive.

In regards to the jetties and construction of passenger waiting sheds, I know I have raised this. Even though they promised in the budget that they will look at the construction of waiting sheds, there is still no waiting shed in Vanuabalavu, there is none in Lakeba, there is none in Moala; I just do not see any in the maritime.

HON. GOVERNMENT MEMBER.- Talk on the Report.

HON. S.V. RADRODRO.- This is part of the Report if you listen. Listen to what I am telling you.

(Honourable Members interject)

HON. SPEAKER.- Order!

HON. S.V. RADRODRO.- Mr. Speaker, another one that I am very familiar is the Nabouwalu Waiting Shed. I have brought this up time and again. It is a good waiting shed, newly constructed but it does not have electricity or power supply.

I have raised this with relevant or respective Ministers but there is really nothing that has happened much. It will be good if power supply is connected in the Nabouwalu Waiting Shed particularly now because it is a very busy port connecting from Natovi and the increase in the routes that has been added on by Goundar Shipping.

So, these are very busy ports in Natovi and Nabouwalu. The Natovi issue, and I raised this before, the waiting shed. That is the waiting shed from decades ago. I am not too sure, but one of the women vendors who sells food parcels in the waiting shed actually mentioned that, that waiting shed was probably built by Patterson Brothers Shipping Company Limited, yet I am not really sure, but that denotes the age of that waiting shed. It is really in a pathetic condition particularly now during night trips, Mr. Speaker, we owe it to our traveling public and that waiting shed needs renovation or may be just do a new one completely. There has been a slight improvement in the toilet facilities in Natovi, and I say ‘thank you’ to the Honourable Minister for Local Government, Mr. Speaker.

On social distancing, with COVID-19 restrictions in place whereby we have to do social distancing and whereby last night, a Bill was passed that if you do not practice social distancing, you will be taken to task. But having to do the law and then we do not do these subsequent requirements to be able to ensure the effective implementation of the law, I am saying that in regards to the provision of waiting sheds so that they are big enough for the travelling public to be able to practice social distancing. It is very irresponsible for the Government to bring up a law, and try and implement it without having to provide the necessities for people to be able to comply with the requirements of the law.

On that note, Mr. Speaker, Sir, I will end there, and thank you very much.

HON. SPEAKER.- I thank the Honourable Member. I give the floor to the Honourable Tikoduadua, you have the floor.

HON. LT. COL. P. TIKODUADUA.- Thank you, Mr. Speaker. Mr. Speaker, I hope I do not have to take too long on my contribution on this matter that is before the House. However, FRA has always been sort of very close to my interest as much as it is for Honourable Bala, as much as it is currently now with the Honourable Usamate because six years ago I was at the helm, not only at the helm of looking after roads but you can say that I was pretty much in that may be perhaps the architect on the reform that changes from DNR to FRA. I am not pushing the blame here because I was at its inception and I continue to witness it eight years later.

Mr. Speaker, why it is close to me, is not only because of the reform itself, but because dominant at the time through my work I had to touch into the lives of many people and, suffice to say, there were more than 2,000 people that had to be laid off to make allowance for the reform from DNR to FRA, and it was not an easy task. I continue to believe that idea now concrete to what many people might think.

I hear the Honourable Member saying that we should go back to PWD. I beg to disagree with that and I will say that now because what needs to happen now is FRA itself now needs to be reformed. There is a reason why, and it is because what FRA was and the reasons for it at the beginning is no longer what it is now. It cannot be, because the intentions of the reform was supposed to restart and ultimately our roads in Fiji are to be up to New Zealand’s standard or Australia’s standard by now - six years down, but that has not been and that is due to so many reasons.

Part of the reason is FRA itself has not quite involved in a long time because we are looking at the period from January to May 2015, and at that time, I was Minister for Roads before the Honourable Bala took over. So I need to look at this Report as it is being tabled, and with that in mind.

Mr. Speaker, Sir, let me say this from the outset, that FRA has not been able, up until now, eight years later, to deliver the intentions of the reform for which it was created. I want to make that very clear.

I know on so many occasions, I had this debate with the Honourable Seruiratu then Minister for Provincial Development, as he tried very hard for me to have a look at the provincial roads which essentially are still very much in similar condition, and I sympathise with that now because rural roads, I understand, have always been the poorer cousins of urban and peri-urban roads, that is the truth because why, not enough resources, not enough time was always allocated to it, and that is just the reality of the matter.

Bottom line, at the end of the day, a lot more still needs to be done and there are so many theories behind it whether it should be dedicated resource on the island, like the Honourable Salote Radrodro is saying, whether there should be no more money and now I believe, I was informed by I think earlier on, some Parliament Sittings back then, the Honourable Minister for Provincial Development said that there is now a special allocation in the Unit that is dealing with rural roads, so that may be a solution. I do not know how that is kind of gelling into the operations of FRA so that is why, FRA, as an entity, in itself, needs to reform.

Now, I will add further here, Mr. Speaker, one of the major issues, part of my own experience and even later on as I know about FRA, its work plan and the priority of the work that it should do in terms of the allocation that was given to it because there is never enough money. There is always more work, it is that political interference that has always engulfed FRA from top to bottom, that is the truth.

Now, I have always been very resistant to that because I believe during the reform that every reform should really be left to the experts to do it. That is why we pay them big money. It is no point doing the reform and then we have in our fingers in the pie as well, trying to determine which road needs to get fixed, depending on the interest or the political interest that guides, you know the decision on the day but that needs to come back. Of course, I know that I have political interest that needs to consider the kind of priority of work but we must leave the work to the professionals themselves to do it because we paid big money for them to come and do the work and that is the whole reason for the reform.

But I must say, Mr. Speaker, that FRA needs to evolve. It needs to evolve because it has not achieved the outcome that it is supposed to deliver for the people of Fiji and, two budgets ago I had been referring to Government's performance and I have always related it to the washroom doors at the CWM Hospital. Now unfortunately, you cannot hide what is happening on our roads, that is the reality of the matter.

If you talk about FRA and the reform, people will continue to say that the reform has not worked and it pains me in particular because at the beginning we have had to sacrifice with so many people to let it happen so it needs to work. It needs to work. Political interference needs to be minimised and, of course, let the professionals do the work and hopefully it is going to come about and then the smooth transition to allow our local people to actually do all of our work.

Yes, I recognise also in the past, the Honourable Usamate give the reason about roads and water being that they are in this current state that we have because there are chronic issues over time that have not been able to be fixed, it will take a long time, eight years is a long time for reform, I take it it has not done it, it needs to change. There needs to be a whole lot of other reform, sorry, a new rethink of FRA because yes, there needs to be some element of public, private sector involvement to get it work for the very reasons for which it was created, so that it spreads the benefit

of it to the people, and I think the Honourable Attorney-General had been arguing about that but with all that understanding and the merits that are being raised on the floor about these reforms, unfortunately, for FRA, it is not showing on the ground, it is not.

Now, Mr. Speaker, Sir, even last week the Honourable Attorney-General said that the roads were in good order and he asked for proof and this week someone sent me something on social media with the message that perhaps I should deliver to the Honourable Attorney-General, together with the facts and the figures.

This person here concluded the message by saying to the Honourable Attorney-General that “the best facts, figures and research are all around you. All you need to do is get out of your luxury air-conditioned office, step out of your tinted luxury pajero vehicle and walk barefoot down any pothole in Thurston Street in Lautoka or Nadi. Now, that is coming from the people and it aches me when they say this because the Honourable Attorney-General himself perhaps it is much more greater involved in the FRA reform than I did at the beginning. But when we get something like this, it is telling us that it is not working.

Now, Mr. Speaker, Sir, the Fijian Government has inflated the annual budget of Fiji Roads Authority of the past eight years and unfortunately, Fiji Roads Authority have shown very little to know value for the taxpayers, for the money that had been given to it. In 2012, FRA has been allocated a total sum of \$4.415 billion in all budgets but has actually received \$2.616 billion in total over the last eight years.

Now, Mr. Speaker, Sir, this does not include the budget funds allocated in the 2020-2021 Budget. This represents only 63.1 percent of the budgeted sums for the last eight years. Now, this to me is yet another sign that the inflated sums allocated each year were really untrue and if not, they were bogus amounts as were delivered to the people. But even \$2.616 billion is a massive amount of money. The scope of works done over the years does not really seem to justify the value for money which is my argument here, in terms of what has been spent in the last eight years and what we see on the state of our roads today.

For example, \$166 million was allocated for the start route from Nadi Airport to Wailoaloa Junction for the 4-lane highway. This amount equates to \$41.5 million for 4 kilometres. Two lanes were already in existence and needed remedial works only. Now, this is one example, Mr. Speaker, Sir, where things have really gone bad as a consequence of perhaps poor planning and a disregard for the value for money.

Now, Mr. Speaker, Sir, unfortunately the government has been misleading the people of Fiji by making gross over-allocation when FRA did not actually receive the budgeted funds, and I have already alluded to that earlier, 63.1 percent of the budgeted sum over the last eight years. Sir, the leases have continuously been a challenge for FRA because there is never enough money to complete all the work and it points to the fact that now that reforms need to be relooked at. FRA needs to continue to evolve to make it relevant for the reasons that people are telling government the experiences of our road conditions today.

Mr. Speaker, Sir, for example, in 2019-2020 Budget, FRA was allocated \$490 million but the 2020-2021 Budget forecast an expenditure of \$276 million. This is a reduction of \$443 million but the Honourable Minister has informed Parliament in a view quite misleadingly when delivering the budget that FRA allocation has increased by over \$70 million to \$348 million when last year \$490 million was allocated.

Mr. Speaker, Sir, the FRA is the elephant in the room. It is perhaps the most visible of all service choice of government because we travel on these roads everyday. Yes, I understand that some of the issues about the roads are not simple. There are chronic issues from the past, they have to be dealt with. A lot of money has been spent to date over the last eight years. I can say, right hand to my left chest, the reform has not worked.

The FRA, for the intentions it was established to take over from DNR to make the roads better, to make the asset management of our roads better, has not quite taken off. It needs to be reformed, it needs to change so that at the end of the day, we can all be pleased to understand that we have got value for money where the people of Fiji have put their money on the roads, particularly when it is significant every year. Mr. Speaker, Sir, I hope that the Honourable Minister for Economy is hearing this and of course my friend the current Honourable Minister, please there is no need to pretend that everything is good or hunky-dory.

The state of the roads tell stories for themselves, even the rural roads are worse. The FRA needs to change at the end of the day and leave the work up to the professionals, they will give us value for money because that is why we pay them big money, and at the end of the day there should not be any political interference. The professionals should do their work, for the kind of money we give them and of course the work we entrust upon them to make our roads better for our people and children in the future. I thank you, Mr. Speaker, Sir.

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

HON. J. SAUKURU.- *Bula*, Mr. Speaker, Sir. Thank you for giving me the opportunity to speak on the motion. Firstly, I wish to thank the Committee on Social Affairs for their deliberation on the Fiji Roads Authority Annual Report 2015 and January to July 2016.

Mr. Speaker, Sir, roads make a crucial contribution to economic development and growth and bring important social benefits. They are of vital importance in order to make a nation grow and develop. In addition, providing access to employment, social health and education services makes our road networks crucial in fighting against poverty. Roads open up more areas and stimulate economic and social development. For those reasons, Mr. Speaker, Sir, road infrastructure is the most important of all public assets. I note that there are eight recommendations made by the Committee, and I wish to talk a little bit on Recommendation Nos. 1, 3, 4 and 6.

Recommendation 1 - Vehicle Overloading; Mr. Speaker, Sir, due to use and time, without doubt, our road infrastructure is becoming aged and what may look subtle on the surface, can be hiding the significant problems just below. As a result, it requires maintenance, renewable and modernisation. Therefore, adequately maintaining road infrastructure is essential to preserve and enhance those benefits.

On the other hand, a backlog of outstanding maintenance has caused irreversible, deterioration of the road network. If insufficient maintenance is carried out, roads can need replacing or major repairs after just a few years.

Mr. Speaker, Sir, that deterioration will spread across the road system very quickly resulting in soaring costs and major financial impact on the economy and citizens. With this in mind, the importance of maintenance needs to be recognised by decision-makers.

The main objective is simply to apply the right treatment at the right time to achieve the desired level of service indicating that the road infrastructure is a financial assets for society and the economy. Sir, the Committee had actually pointed out the importation of oversized and larger

combination vehicles as one of the causes of having potholes on our roads, and yet they are suggesting that LTA Regulation 2000 should be strictly observed.

On the other hand, Sir, a developing nation like Fiji is dependent on its transport sector as it employs considerable amount of people in both the formal and informal sectors with the latter being the most vibrant in the land transport industry.

Sir, transport plays a critical role in Fiji's economy contributing around 10 to 12 percent of GDP. Therefore it is only proper that the FRA should be exploring future solutions by constructing higher design-standard roads. This lockdown period is the ideal time to fix those roads.

On Recommendation No. 3 - Design and Construction Capability and Capacity; Mr. Speaker, Sir, we have agreed that we need to promote Fijian made products. According to the Reports the FRA confirmed that bringing in overseas consultants and contractors is very expensive and does not necessarily a guarantee of better quality.

I am pleading with the Government and the line Minister to consider the recommendation made that we need to build the capacities of our people working in FRA and our local contractors through training and work attachments overseas.

On Recommendation No. 4 - Uncontrolled Urban Development; Sir, an issue that clearly stands out of this is the frequent hours of congestion on our roads in the morning and afternoon. The Committee had made a few recommendations on the subject but I believe a lot has to do with Town and Country Planning - on how they design future solutions for our metropolitan areas.

To address traffic congestion in our cities and towns, Sir, I would suggest that the Town and Country Planning studies all entry and exit points and consider possible alternative route to ease traffic movements. I will give you two examples, Sir:

- (1) An alternative route to enter or Lautoka City is a route that starts from the National Control Centre Road at Lomolomo just before Viseisei Bypass to the Tavakubu Roundabout; and
- (2) On the Ba end of the city, the vanua o Vitogo is prepared to work with the Lautoka City Council in their proposed development of the Lautoka foreshore and for the construction of a road from the FSC Mill Bridge along the Marine Drive, Lautoka Waterfront and Namoli Village to Vunato.

Sir, I am sure that we all have alternative routes to all our urban centres that the Town and Country Planning may need to explore.

Sir, Recommendation No. 6 - Improvement to Outer Island Roads, Bridges and Jetties; for the future, I believe that Government can actually take more economic developments and offer more social benefits to Fiji's rural and outer islands by having road networks that connect all villages and settlements within a remote island that is adequately serviced by a centralised port facility or jetty.

Coupled with my call to the Honourable Minister for Infrastructure, Meteorological Services, Lands and Mineral Resources to replicate NDP or to tailor-make something similar for other parts of Fiji, especially for the Eastern Division, that will certainly do wonders to our economy.

Sir, in our work with Honourable Anare Jale's petition regarding services to the Lau Group which is going to be debated later, our Natural Resources Committee witnessed firsthand the

hardships our people are facing and the greater difficulties faced by shipping companies in trying to reach everyone.

Sir, I stand to be corrected but I failed to find any Annual Report on FRA's financial position and how they are accountable to Government grants. If it was overlooked by the Committee then I would urge the Committee to consider this in future reports.

Again, I thank the Committee once again for their Report and to your good souls for giving me the opportunity to comment, and I support the motion before the House.

HON. SPEAKER.- Honourable Members, we will now take a break for half an hour. After the break there will be the Honourable Minister for Infrastructure, Meteorological Services, Lands and Mineral Resources, followed by the Honourable Attorney-General, before the Chairperson.

We take a break for half an hour.

The Parliament adjourned at 4.26 p.m.

The Parliament resumed at 4.59 p.m.

HON. SPEAKER.- Honourable Members, we will continue and I give the floor to the Honourable Minister for Infrastructure, Meteorological Services, Lands and Mineral Resources. You have the floor.

HON. J. USAMATE.- Thank you, Mr. Speaker, Sir for the opportunity to talk to this particular item on the agenda for today.

At the outset, I would like to thank the Honourable Members of the Committee for the work that has been done. I think they have done a good job and they have come up with a report that has some very specific recommendations that are to be discussed today. I also want to thank our FRA, its Chairperson, the past Chairperson's, the staff, the contractors they have been working together with FRA, the former CEO, a current Acting CEO and all of their staff of the hard work that they do in trying to make sure that we can maintain our roads that we have in this country and to continue to improve on that.

Before, I go into the report itself I just like to address some of the comments that have been made by the former Minister for Infrastructure, Honourable Tikoduadua and also the Honourable Salote Radrodro. If you are going to make statements on whether the roading infrastructure is better now, or worse than it was before we need to have some sense of common indicators on what has improved and what has not improved. Has there been something that has improved or has there been something that has not improved. It is on the basis.

For instance the Honourable Tikoduadua likes to talk about this broken washroom door and having one broken washroom door is not an indicator of the whole health system. One door that is not working is not an indicator of how well the health system works. So too the number of potholes in a particular area is not an indication of the road infrastructure in the country as a whole. If you want to talk about health when you want to look at the indicators you have to look at neo-natal death, post-natal death, the reduction in the people that give birth and die all those things, you need to look at the whole set of indicators before you can make a statement whether something has improved or not improved. That is something that is absolutely fundamental.

So, in any situation you can pick out a number of things that have not gone well and you highlight those things. I think that is what both of the Honourable Members have done. The FRA and the roading infrastructure that we have in Fiji is not perfect, no road infrastructure in the world is perfect but there have been some significant improvements. Have there been areas in which there are opportunities for improvement? Yes, and this is the true for any country, it is the truth for any sector in the world.

If you look at what the roading infrastructure has been trying to do in FRA ever since 2012 when FRA was put in place, from that inception FRA's main emphasis was creating new access; creating new access for people that did not have access before give them that access to other areas in the country so that they can move, they can travel, they can generate economic growth and also create new access and create capacity for the increase in vehicle numbers.

From 10 years ago to today, the volume of traffic in this country has increased by 78 percent. So when you are comparing what is happening now to 10 years ago it is not the same with the amount of traffic that we have, the sizes of vehicle that we have is vastly different. So you are not comparing apples and apples, the situation has totally changed.

From that time, FRA's emphasis was increased create this new access and create the capacity. Just to give examples how it was spending its efforts to address these targets. Just create that Northern project in the Northern Division during this time where we have:

- Nabouwalu Road from Dreketi to Nabouwalu - 70 kilometres of unsealed road changed to highway standards sealed road.
- Bainikea to Kavula Road - 2 metres of unsealed road.
- Koroinasolo 70 kilometres unsealed road.
- Nasevaci to Korotasere Road - 4.5 kilometres unsealed road with one lane crossing.
- Lekutu River Road to Nakutulevu - 4.5 kilometres unsealed road with three low-level crossings.
- Lagi Road- Lagi to Duavata - 4 kilometres unsealed road with two low-level crossing.
- Nakoromatari Crossing.
- Nayarabale Crossing.
- Taqaniwaqa Crossing.
- Waibula Crossing in Taveuni.
- Vesidrua Bridge from a one-lane bridge to a two-lane bridge.
- Korovuro Bridge from a one-lane bridge to a two-lane bridge on Nabouwalu Road.
- Nakasava Bridge from a one-lane bridge to a two-lane bridge on the road to Savusavu.
- Northern Division Street Light Programme.
- Labasa Town Footpath.
- Naqarani Jetty.
- Nasinu to Nausori Four Lane Project.
- The Kings and Queens Road Street Light Project.
- Namata Unsealed Road.
- Antioki Road, including the crossing.
- Kaba Peninsula Road, including the crossing.
- Vuniduva Unsealed Road.
- Veisa Road.
- Nakorosule/Nawaisomo Unsealed Roads and Crossings.

The reseals, cases that were sealed before, stripping it out and resealing it again. The Suva Road Upgrading Programme that you are seeing, all across the major roads that we have in Suva.

In the Western Division, the:

- Kings and Queens Roads Streetlight Programme.
- Nadi Footpath Upgrade.
- Lautoka Footpath Upgrade.
- Nasoso to Narewa Road Upgrade Project - four-laning of that road, four lanes that we never had before, a vast improvement from what we had in the past.
- Savusavu Crossing.
- Nausori Crossing.
- Emuri Crossing.
- Burelevu Crossing.
- Navaqa Bridge.
- Natabuta Bridge.
- Balenabelo Bridge.
- Wailoku Crossing.
- Legalega Crossing.
- Rabaraba Crossing.
- Solovi Crossing.
- Niah Majan Crossing.
- BS Chauhan Crossing.

- Draubuta Village Access Road.

So when you are looking at whether we had approved it or not, you cannot just look at one or two little things, you have to look at the totality of what has been achieved in light of what we set out to do. I think that is what we intend to do, we intend to look at one thing that has gone wrong, do we have a challenge with potholes, yes. Is it being addressed? Yes, it is being addressed. But when you look at the totality of what FRA has been trying to do these past few years, you have to look at the things that have not gone so well which are being addressed now and what is phenomenally the change and that overall gives you a picture, what this reform has been able to do.

I think when we are going to talk about any organisation, whether it is government or not, we have to choose the indicators and you look at things holistically whether it has an impact on the people that we have every day. So having said that, Mr. Speaker, Sir, the Honourable Tikoduadua talked about the budget. He said the budget was this much. Perhaps, all that money was not given to FRA. A budget is a plan. When you have a plan, when you have a budget, you look at the situation that is there at a particular point in time and you say this financial year, I am going to send this amount of money to do these things.

As you go through the year, things might change. Various things change. For instance, in this financial year and this year we had *TC Yasa*. We had to pull out more than \$20 million from existing projects and fix those roads and crossings that were affected by the cyclone. That is the reality. Crossing budgets and plans are not etched in stone. These are not the 10 Commandments. We have a vision of what we want to change, we make plans and budgets to get there but as we move along we adjust according to the situation that we find ourselves. So that is where we are, Mr. Speaker, Sir.

Now, let me turn to the recommendations that we have. Once again, thank you to the Committee for the recommendations that you have come up with. I am looking at some of these recommendations that we have. The first recommendation that we had, talked about the need for FRA to strengthen its partnership with the Land Transport Authority and other stakeholders such as the Fiji Police Force, logging companies, all of these to strictly enforce the LTA regulation.

HON. SPEAKER.- Honourable Members, when I was considering this, I was going to finish this agenda item on the old rules and the next item was going to be on the new rules that have been agreed to by the Whips, but we are at cross-purposes here. That is why I am letting it.

After this, the Honourable Attorney-General will speak, then the Chairperson, then we go to the vote, then we go to the next one and those new rules come in. I hope everyone is in line with that. Honourable Minister, you have the floor but keep it short because we want to move on.

HON. M.R. LEAWARE.- Stop meandering!

HON. J. USAMATE.- Mr. Speaker, Sir, was everything that I was saying was not heard?

HON. SPEAKER.- No, it was heard but the thing is, do not listen to him.

(Laughter)

HON. J. USAMATE.- Thank you, Mr. Speaker, Sir,

HON. SPEAKER.- Just keep it short.

HON. J. USAMATE.- Thank you, Mr. Speaker, Sir, in addressing the recommendation that FRA will work with the various stakeholders, yes, this is happening. FRA is working together with LTA to review the weight exemption permit. Currently, we have the total load that is allowed is 39 tons on 6XL vehicles depending on the length.

The private sector asked for more and we need to be very strict on what we can allow in order to maintain the condition of the roads. So, LTA, the Fiji Police Force, together with FRA are working very closely on these things. One other thing that FRA is doing, when we have new roads they want to put in this weigh emotion machine so when you have a road, they put it like a bridge thing across the road and you have sensors there that can sense the weight, width of the vehicles that is passing. That is something that we need in order to manage the weight of vehicles that are crossing on our roads.

In the second recommendation that we have on page 8. It ask that we should consider stopping the use of river gravels. Using hard rock as a source of replacement and there are some recommendations at the end of this. FRA is working together with the Mineral Resources Department. The Mineral Resources Department will look at the amount of projects that FRA needs to do and then evaluate where we need to source the aggregate for this project, whether it will come from rivers, or it will come from cadastral sources. So, these two agencies will be working together and FRA is also undertaking this exercise to see its planned projects ahead of time to see what the quantity of resources that will require in terms of gravel, sand and aggregates, et cetera. So, there is going to be a working together between these two parties.

In the second recommendation on page 8, in terms of FRA's performance be monitored and assessed. I think that is something that we have discussed here but also in terms of financial monitoring, FRA is still waiting for the Office of the Auditor-General Performance Audit for 2016 to 2020 but despite that, we have about 60 percent to 70 percent of the required manpower it has been able to extend its budget where allocated together with effectively attending to the disaster response works.

As for the selection of the contractors, FRA focuses very strongly on getting the right contractors. There were some recommendations here for local contractors. One other things that has been great or one of the great reforms that has come out of FRA, that they have seen the development of these local contractors. According to FRA, at the moment we currently have around nine major local contractors and these contractors execute the work between the value of \$3 million to \$10 million.

Some of these contractors operate as contractors to FRA and some of them are sub-contractors. So, we have created this new level of expertise, organisations that we did not have before. We are beginning to create our own abilities to be able to deliver this work in Fiji.

The recommendation on page 9 on urban development and uncontrolled urban development. Since 2016 FRA has engaged with the Director of Town and Country Planning to address uncontrolled development within the urban and peri-urban areas pertaining to infrastructure standards and land use plan and also all along this the FRA roads within them have an ongoing mechanism, the preventative maintenance mechanism to try to keep the roads in the best possible condition as possible.

There was one recommendation here and I think it was on page 9. Recommendation for the Fiji Roads Authority to build more durable and sustainable bridges to replace the existing Irish crossing. One of the challenges that we have, we have more than 800 low level crossings and we have more than 566 bridges. So, for us to be able to convert all of these crossings to bridges is going

to take an extraordinary amount of money. So, what FRA does it looks at all of its crossings, it looks at its bridges and it looks at the ones that really need and the status that they are in now they need to be fixed and replaced within the next three years to five years.

These are the ones that we talked about as critical bridges. So, every year, they have around 10 bridges and around 10 crossings that we need to change every year. Looking at the whole spectrum of the amount of bridges and crossings that we have, we have around 42 critical bridges and around 40 crossings. So every year, it is going to be a number of these that would be selected to be fixed, some low level crossings. We are not in a position now to convert all low level crossings to become bridges, that is not something that we are able to do. We have to manage that, given the kind of resource we have.

The FRA, since 2016, has built 44 low level crossings with the 75 year design life and these are providing better service ability and significantly reduced routine maintenance cost. The construction of new crossings now includes river bank protection, very important and the concreting of the approach road to the crossing. Before, we saw the crossing there, the water comes and take out the approach. Now we concrete the approach so we can maintain the approach to the crossing and the crossing itself.

Weight has been identified at the existing crossing structure life of 15 years, FRA has programmed these crossings to receive river bank protection as I have said. On the improvements needed to the outer islands, bridges and jetties, there is a planned approach to routine and periodic maintenance to roads and bridges, these are ongoing and a major road upgrade works were recently taken after *TC Yasa* and *TC Ana* covering most of the islands: namely, Moala, Koro, Bau, Cicia, Vanuabalavu, Lakeba, and Yasawa. Another comment that was made by the Honourable Radrodro, she said people preferred the old PWD because the machine was always on the island. The machine might have been there, but it was not always fully functional. Sometimes it sits there but it is not fully functional.

The FRA approach now at the moment, they have the contractors before the cyclone season, these machines go they fix up the roads. Soon after the cyclone season, they will fix it up again or during the cyclone season. So the emphasis is targeted on the times in which it is likely that the roads would be damaged and the machine bought in is the kind of machine that can do the jobs with. So, there is a focus on the rural roads and the jetties.

Currently, we have been doing investigations and designs of jetties and waiting sheds on Koro Island, Kadavu, Vunisea, Moala, Nabukeru, Makogai and Lomaloma all of these are in progress and so the designs are to be finalised by December this year. But to that, of course, will depend on our COVID-restrictions. For the major jetties at Natovi, Nabouwalu and Savusavu, the design works were awarded in May, 2021 and we may expect the designs to be completed by December 2023. Whilst the designs of these new structures are in progress, the FRA will continue to execute periodic and routine maintenance to maintain the current provisions.

The last one that we have here, Mr. Speaker, Sir, suggesting that FRA takes into account the issues about SDGs when it is reporting. This is something that is going to be done in the reports, that would be coming forth from the FRA at the moment. And for FRA's participation, that would be reported in the annual reports from 2018 to 2019 edition.

The FRA is looking after one of the most significant assets that we have in Fiji. It has not been an easy role, I think it has been doing that for the past year and we will continue to improve with a Board in place, with the leadership we have. We look forward and I salute and thank everyone who have been part of the FRA, the Board, the staff, the contractors all of them have been trying to

make sure that we can improve our road network and our jetties in this country. *Vinaka valevu*, Mr. Speaker, Sir.

HON. SPEAKER.- I give the floor to the Honourable Attorney-General.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. I will be extremely brief. The Honourable Minister has actually covered most of it, but I just want to fundamentally look at some of the philosophy behind this and I am glad that Honourable Tikoduadua as a former chair of FRA and indeed the Minister responsible for Infrastructure, has actually stated unequivocally that FRA is a necessary entity, which obviously differs significantly from SODELPA who say they do not need FRA, they want to bring back PWD.

The other point that I also want to make is that, he has also recognised the fact there needs to be constant reforms. We agree with that it needs constant reforms, but he is probably not aware of the reforms that are already taking place within FRA. One of the main ones and he is aware of this also, that in those earlier days we had organisations like MWH, which was providing a lot of the oversight in respect of the works that were being done.

If you look at the overall staffing of FRA, we have over 200 staff now within the FRA and if you look at the FRA budget as opposed to the line budget, they increased expenditure for operational matters. Now operational matters obviously takes into account salaries.

The FRA in the past number of years actually has built capacity internally to be able to carry out the oversight regarding engineering works in terms of certification of roads so rather than outsourcing that, there has been internal capacity building to be able to carry out those due diligence and in fact some of the designed work sometimes is also being done internally as opposed to the actual physical contractual work which is being outsourced. And also apart from the fact that there has been, as highlighted by the Honourable Minister for Infrastructure, they are not only local contractors but there is also good blend of foreign contractors too. A lot more works are actually going to local contractors either as subbies, or as the main contractors that are carrying out the works.

Honourable Tikoduadua, I do not know when you last saw our vehicle. We have not been driving Pajeros for more than seven years. We drive Toyota, I mean, I can and these kinds of superfluous comments saying, “someone came along and said this to us”. I have got numerous comments about people saying stuff about you or your leader and other people in SODELPA but we did not bring it to the floor of the House to justify some particular comment of yours.

The other point that I also wanted to make, Mr. Speaker, Sir, in respect of the FRA itself, as the Minister has highlighted, if you look at today, there are far more kilometres of tarsealed roads than ever before, far more kilometres of double-lane roads or three-lane roads. A classic road is Edinburgh Drive and I am sure, I do not know whether you were around that time or not, when they did rehabilitation work on Edinburgh Drive, it actually is on the earthquake fault line, they dig deep fissures in the road itself so we have to address that but that road is a lot better now.

Mr. Speaker, Sir, the other point that I also wanted to make is that the Honourable Salote Radrodro said, “Fiji is a rainy country.” Well, Fiji is not a rainy country. Some parts of Fiji have high levels of rainfall, the western side does not. The point of the matter is that different soil makeup actually has to have different builds on it and as has been highlighted, I think, Honourable Saukuru highlighted the fact that there are far more vehicles now. In fact the weight of the vehicles have increased. The roads that were built 30 to 40 years ago were not actually designed to carry the weight that it is currently carrying. And, of course, we need to be able to ensure that when we do the rebuilds, the sub-based, et cetera needs to be a lot better and equipped.

Mr. Speaker, Sir, the issue was raised about the four-laning of the roads in Nadi and that two lanes already existed. Honourable Tikoduadua, I think you are a bit disingenuous when you actually do a four-lane road, you are not going to simply leave the two-lane road that is actually in a deplorable condition and just do two better two-lane roads on either side of it. You actually have to rip it all out to be able to do a better road and the other point that people do not recognise, a lot of these four-lane roads that are being done, actually we have undergrounding of cabling so the costs are built into that.

Water Authority of Fiji actually had to put in their pipes before the roads were built. We are undergrounding electricity cables because we are building resilience in our infrastructure, similarly various other resilient factors are built into the cost of the roads.

Mr. Speaker, Sir, the other point that I also want to make before I finish is that, SODELPA says that we are giving too much money to FRA. Honourable Tikoduadua is saying that we are giving too little money to FRA. They obviously have different views on this, but the reality of the matter is, Mr. Speaker, Sir, what they do not consider either of the party is that, on one hand they also demand better services on the roads. You need to actually put in the money.

You need to be able to be cognisant of the engineering challenges that we face and also at the same time, Mr. Speaker, Sir, as alluded to by the Honourable Minister for Infrastructure, we have had massive cyclones in Fiji. We have had 13 cyclones in the span of four years or so. These things actually cost a lot of money and, of course, yes, when you do not anticipate a cyclone in 2016 that wiped off one-third of the value of our GDP within 36 hours, obviously you are going to vire funds from other sources and one of them, of course, is FRA. That is what we do. That is what happened when you have schools and homes being damaged, you need to vire funds. We have had two cyclones last year, FRA then, of course, has to move away from its planned budget work and has to go into areas where it did not plan to do so. Obviously, there needs to be a level of flexibility in that respect.

Mr. Speaker, I like to highlight lastly two points that really does bother me. Honourable Salote Radrodoro said, “Well, yesterday, we approved a law that was passed overnight and then we do not have the social distancing ability in the wharves, et cetera”. There was no law passed regarding social distancing yesterday. The law that was passed yesterday was an amendment for the Minister to simply to be able to give fines; that is all there was. This is the kind of obfuscation and Mr. Speaker, I like to please also on notice highlight Honourable Tabuya last night in her post said, “It is now law that you can only enter supermarkets if your careFIJI App is on”. There is no such law. This was posted last night and then someone questioned her and she said, “No, it is law and no the AG said that everyone can afford a smartphone”.

HON. L.D. TABUYA.- Point of Order, Mr. Speaker.

HON. SPEAKER.- Point of Order.

HON. L.D. TABUYA.- I think the Honourable Attorney-General needs to stay abreast of what his Government departments are issuing out because there is a release going out that states exactly what those are and what the laws are. In any event, we are trying to be helpful here. He said about inculcating our people, then you need to get it out there, they need to be aware that there is going to fine zooming up; this is our job to be helpful.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, the disingenuity of the Honourable Member is breathtaking. It is breathtaking, Mr. Speaker, Sir, she says here that it is law when there is no such law. Which Ministry is saying that there is a law? The regulations have not even been gazetted yet. How can she say that? She is spreading misinformation, she is saying that she is helping us. This Honourable

Member will do all sorts of ducks and weave just to protect that particular lie and that is what is happening. Honourable Salote Radrodro has joined the foray.

I resent, Mr. Speaker, Sir, how Honourable Salote Radrodro continues to flaunt the Standing Orders of this Parliament. She speaks in the vernacular, when we say the language we speak is in English language. I have quoted people who have spoken to me in other languages but I never mention them in Parliament but I have actually translated them. If someone says to me something in Fiji Hindi, when I come and repeat it, I say the English version of it. She completely tends to flaunt it. On one hand they talk about inclusivity, but she is quite happy to be exclusive when it comes to these things. Mr. Speaker, Sir, they continuously flaunt the Standing Orders and she deliberately does it. This kind of hypocrisy needs to be flagged. Mr. Speaker, Sir, thank you.

HON. SPEAKER.- I thank the Honourable Attorney-General. I give the floor to the Chairperson of Standing Committee on Social Affairs.

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

HON. SPEAKER.- Honourable Members, Parliament will now vote to note the content of the report.

Question put

Motion agreed to.

HON. SPEAKER.- Honourable Members, we now go on to the new rules that have been agreed to by the Whips. You know what the rules are, you can take the floor but keep to your speaking time.

And regarding the vernacular I had asked earlier on about 12 months ago if you speak in the vernacular, give a translation - simple as that. So take note of that.

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

REVIEW REPORT - CONSUMER COUNCIL OF FIJI 2016-2017 AND 2017-2018 ANNUAL REPORTS

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

That Parliament debates the following Reports -

- (a) Review of Consumer Council of Fiji 2016-2017 Annual Report which was tabled on 21st November, 2019 (Parliament Paper No. 96 of 2019); and
- (b) Review of Consumer Council of Fiji 2017-2018 Annual Report which was tabled on 23rd March, 2021 (Parliamentary Paper No. 163 of 2020).

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

HON. SPEAKER.- Honourable Members, the floor is now open and we are on the new rules that were being agreed upon. I give the floor to the Honourable Tuisawau.

HON. V. PILLAY.- Mr. Speaker, Sir, I need to speak on the motion.

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

HON. V. PILLAY.- Mr. Speaker, Sir, the Consumer Council of Fiji is an independent statutory body established under the Consumer Council of Fiji Act 1976. The Council is a watchdog that protects the rights and interests of consumers by promoting a fair and just delivery of goods and services.

Through the scrutiny of the Council's Annual Reports, the Committee was able to understand the overall operations of the Council and its future plans and initiatives. The Committee was also made aware of how the Council overcame challenges associated with being a small organisation and having limited resources to carry out its functions and achieve its strategic goal.

In addition, we also learnt of how the Council gathers feedback on the effectiveness of its activities and programmes designed to provide consumers with practical knowledge and skills to make informed decisions. The work of the Council is directly aligned to the Sustainable Development Goals. The Council's work is aligned to three of the goals:

- (1) Goal 1 – No Poverty;
- (2) Goal 3 – Good Health and Wellbeing; and
- (3) Goal 12 – Responsible consumption and production.

Moving forward, Mr. Speaker, Sir, the Council is looking to involve itself with new initiatives to further the Green Consumer Agenda and ensure that consumer rights and responsibilities continue to be protected in the face of technological innovation and advancements. Being a small organisation, the Council manages its available resources prudently and efficiently to achieve its strategic goal.

Mr. Speaker, Sir, the Council strategically plans its activities and resource utilisation through annual work plans, departmental business plans and individual work plans which is not static and continuously evolves to address any unforeseen issues which arises. The Council has also established and maintained an excellent working relationship with local news agencies to ensure that consumer advisories and alerts are published and reached the consumers.

Generally, the Committee is satisfied with the performance of Consumer Council of Fiji in the 2016-2017 and 2017-2018 financial years. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Chairperson.

Honourable Members, the floor is now open for debate and for those who speak, you speak for five minutes. I give the floor to the Honourable Ro Filipe Tuisawau. You have the floor.

HON. RO F. TUISAWAU.- Thank you, Mr. Speaker, Sir. I rise to contribute to the Consumer Council of Fiji Review Report. Just quickly, I note one of the recommendations regarding the ability of the consumer to push their interest and I believe that one of the issues here is not only that but also what institutions can do to fight for their interest, such as the Consumer Council.

One of the issues currently with the people is the high cost of supermarket prices and variations. I believe there needs to be a thorough inquiry into supermarket prices, how it is set and there is concern from the public that the current situation has been exploited. I believe it is good to have an inquiry so that you look into various matters such the power held by different suppliers in

the market, the supply of goods, how the concentration of this power in the markets between suppliers, bargaining power of suppliers in the markets and the imbalance in their power, the domestic supply chain and the relationships especially possible collusion in pricing. That is a very real concern and also the risk involved, the effectiveness of the current Acts and regulations, whether it addresses the different levels of power relations between suppliers and consumers and how these Acts and regulations interact.

We could recommend improving competition by addressing harmful behaviour which is identified between suppliers, addressing collusion, leverage existing regulatory arrangements and assessing the potential impact of the option taken by suppliers.

Mr. Speaker, Sir, there is also a need to assess the impact of the reduction of duty on food prices. I refer in particular the Budget Supplement where it states fiscal duty on most fruit products have been reduced substantially and the listing on that, most of the imported food items, the rates have been reduced from 32 percent to 5 percent. I question whether this has been passed to the consumers and there is a need for a survey on that together with this enquiry.

We have just discussed the Fiji Ports Corporation Limited that there are concerns by importers on the price of services rendered by Fiji Ports Corporation Limited. I note in their income comparison 2017 against 2016 on the different types of income categories, dockage, wharfage, other service income and these have increased over the years probably due to the increased charges. That is an area which I feel should also be incorporated in this enquiry into the price of goods or food in terms of our assessment, the TOR I mentioned and also the impact of reduction of duty and also the impact of port charges on our importers. Thank you, Mr. Speaker, Sir.

With those sentiments, I would like to thank the Committee on their work and also the board, staff of Consumer Council of Fiji. *Vinaka*.

HON. SPEAKER.- Thank you, Honourable Member. I give the floor to the Honourable Dr. Lalabalavu, you have five minutes. You have the floor.

HON. DR. RATU A.R. LALABALAVU.- Thank you, Mr. Speaker, Sir. Mr. Speaker, Sir, thank you for the opportunity to speak on the motion before the House, and I must thank the Consumer Council of Fiji, its management and staff for its work that they do in advocating for consumer rights. The Consumer Council is an important organisation due to its core role and responsibilities, that is advocacy and also in watchdog role on behalf of consumers against trading organisations.

Mr. Speaker, Sir, as a member of this Committee, we could not deliberate on the report itself as we could not conduct site visits due to COVID-19 restrictions and also could not conduct face to face submissions from Consumer Council but nevertheless we dissected thoroughly the Report, and what was available to us and for that I thank the secretariat staff of Parliament and the Committee as well.

Just to go through some of the points with regards to the recommendations on the need for greater advocacy to consumers that is very much needed. This is to be commended and encouraged, and I request that all available resources are directed to the Consumer Council so that it effectively carries out its role, especially in rural areas, Mr. Speaker, Sir.

Another one is educating and informing traders and service providers about consumer protection. The Consumer Council partners with relevant Ministry and departments and other

enforcement agencies to make sure that they comply with the relevant consumer legislation, best practices for the protection of consumer interests, Mr. Speaker, Sir.

From the Report, it can be seen that this is an area of concern and that at times, it affects the role of the Consumer Council, and by taking the recommendations on board, they can tap into the resources of relevant ministries, departments and enforcement agencies.

Another recommendation was the poor standard of inter-island shipping services, Mr. Speaker, Sir. Issues relating to the shipping services are of great concern for the Council in many instances, such as issues of financial burden on consumers and compromises the health and safety of consumers utilising shipping services, Mr. Speaker, Sir.

It is to be commended that a few days ago, the Honourable Minister for Transport has brought to the attention of this august House possible amendments in the Maritime Safety Act in order to protect the rights and interests of the consumers. Just to bring to the attention of the august House, in general, some of the main complaints from us who regularly travel to the outer islands and also for those in non-economic routes, one is the issue of time of travel. Now and again, the passengers are not usually content with the time of travel sometimes it takes longer, sometimes 14 hours or even 24 hours, Mr. Speaker, Sir.

On the quality of service, safety issue is a concern and I am sure that the Marine Safety Act will look into this. One of the main complaints, Mr. Speaker, Sir, is the price of items on board. This is a regular complaint of sea travellers and it needs to be looked at.

Overall, again, I thank the Consumer Council of Fiji for the role that they are playing and hopefully that they will take our recommendations on board for the consumers, Mr. Speaker, Sir. That is all.

HON. SPEAKER.- I thank the Honourable Member. I now give the floor to the Honourable Koya. You have the floor and you have five minutes.

HON. F.S. KOYA.- Thank you, Mr. Speaker. Sir, I thank you for allowing me to contribute to this debate. First of all, let me just quickly raise a couple of issues that have been brought up by the Honourable Tuisawau and Honourable Dr. Lalabalavu.

First of all, this Report is relative to the Review of the Consumer Council from 2016 to 2017. I think some of the issues that they have raised are relative today, and I will address that quickly. With respect to one issue raised by collusion that issue was actually being dealt with by the FCCC on a daily basis, and I can assure him that it is a very strong point, with respect to FCCC, they do take care of that to ensure that that does not happen.

I think he also raised some issues about the prices flowing on from the duty reductions, et cetera. That did not and does not form part of 2016/2017, but again it is something that the Consumer Council actually looks at very carefully and in conjunction with FCCC. They make sure that something happens about it whenever someone does complain.

With respect to the shipping services that have been raised by the Honourable Doctor Atonio Lalabalavu, Sir, I cannot assure you that at hand MSAF is actually doing its absolute best to ensure that maritime travel is at its best, because we are in the process of making sure that we have a level playing field for everyone, and the most important thing too is the safety of our maritime passengers,

and the fact that they actually get treated fairly in terms of prices, et cetera, that you actually spoke about.

Mr. Speaker, Sir, the main objective also for the Council is to seek fair legal representation for consumers. It has been successful in collaborating with other stakeholders, and one of the biggest stakeholders is the FCCC. The Council's engagement with the FCCC has brought successful outcomes for all our consumers and some of the positive outcomes include traders, and I mention that these traders are adhering to price regulations for price-controlled items, and traders are refunding consumers any excess amount charged. We do not only just have a phenomenal CEO at FCCC, we also have a phenomenal CEO at Consumer Council who has done a phenomenal job and you know they have been working in conjunction with each other on behalf of the consumers in Fiji.

In addition to that kind of collaboration, Sir, the Council actually works with the Ministry of Health and Medical Services and Biosecurity Authority of Fiji, a Taskforce organised by the Fiji Police Force so that complaints do not get lost whenever something does get referred to the Police, we make sure that we have through the Ministry to assist in getting that done. Also with the Land Transport Authority and the respective municipal councils to actually try and solve consumer complaints will ease so that consumers do not have to run around from pillar to post. This actually shows that the Council is actually taking a realistic approach to address and assist in the consumer issues in order to safeguard that.

The Council, as part of their outreach and awareness programmes and this is also again part of the recommendations that are there, has conducted numerous workshops and these campaigns are targetted towards educating and empowering the consumers on current and emerging consumer issues.

The success, Mr. Speaker, Sir, and the effectiveness of these efforts are clearly indicated in the increase in complaints and there is a toll free line that people can actually get to, it is 155, and that has actually been a phenomenal success and highlights that consumers are aware and they are making their voices heard, Sir.

So while looking after consumers' rights and responsibilities, the Council also takes notes of the Committee's recommendations to review its Human Resource Policy and now continue to encourage its staff/employees. Recognition awards for their efforts to promote best and fair practices, and protection of Consumer Rights. Additionally, the Council aims to cultivate a competitive work environment where staff are able to have better social connections and show empathy to one another and collaborate.

The Government continues, Mr. Speaker, Sir, to support the Consumer Council of Fiji as a commitment to ensure that consumers are protected and their interests are safeguarded and I urge everyone if there is any issue big or small, please, always feel free to keep in touch with us and let everyone know about the Toll Free Line that they can actually use.

I would like to acknowledge the hard work of the Board and the Council in terms of promoting and advocating consumer rights and I thank you, Mr. Speaker, Sir, for giving me the floor to contribute in support to review the Report on Consumer Council of Fiji 2016-21017. Thank you very much, Sir.

HON. SPEAKER.- I thank the Honourable Minister. Anyone else wishing to take the floor? I will give the floor to the Chairperson to speak in reply. You have the floor, Sir.

HON. V. PILLAY.- Thank you, Mr. Speaker, Sir.

Mr. Speaker, Sir, I just like to thank the Honourable Minister for Commerce, Trade, Tourism and Transport and the two Honourable Members from the Opposition for their input on the motion, and also for Honourable Minister for clarifying on most of the issues raised. Thank you.

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

Question put.

Motion agreed to.

**REVIEW REPORT – MINISTRY OF EDUCATION, HERITAGE AND ARTS
JANUARY-JULY 2016 AND 2016 -2017 ANNUAL REPORT**

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

That Parliament debates the Review of the Ministry of Education, Heritage and Arts January-July 2016 Annual Report and Ministry of Education, Heritage and Arts 2016-2017 Annual Report which was tabled on 21st November, 2019.

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

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

HON. V. PILLAY.- Mr. Speaker, Sir, the Ministry of Education, Heritage and Arts is responsible for the design, implementation, monitoring and evaluation of educational legislation, policies and programmes in Fiji. The Ministry provides the structures, human resources, budget, administrative and management support to ensure that the quality of service delivery is maintained at a high level.

The Committee upon being referred the Ministry of Education, Heritage and Arts Annual Reports, invited its Senior Officials for a public hearing and also received written responses on the Committee's additional inquiries. Upon receipt of oral and written submissions, the Committee was enlightened on the following, the:

- (1) Ministry's future plans and initiatives;
- (2) progress of the rehabilitation of schools damaged by *TC Winston*; and
- (3) approach taken by the Ministry in expanding its Digital Literacy Programme to secondary school students and strengthen community library services through digitization of library systems.

Mr. Speaker, Sir, the Ministry has also drafted a strategic plan for 2019-2023. This is to cater for the sectors' inputs, so the plan will include what the Ministry can do, initiate and facilitate and also identify other stakeholders' responsibilities.

The Committee also noted that in 2016, a total of 495 schools were damaged by *TC Winston*. Over 60 schools that sustained minimal damage utilised their Free Education Grant to do their own

repairs. Also around 60 schools were either adopted or partially adopted by donor governments and other agencies.

The Ministry, amidst challenges posed by *TC Winston*, highlighted notable achievements in ensuring service delivery was always its priority by providing equitable and affordable education to our students.

Mr. Speaker, Sir, the Ministry through the collaboration of various departments has been extensively involved in plans and developments towards Technology Enabled Learning and Digital literacy projects, focussing on the deployment of computer education, specifically in basic computing skills, research work, content evaluation and online safety to all secondary schools.

Also, the initiative to introduce Microsoft Office 365 in education was successfully deployed in two schools which are actively using the programme. This initiative is a collection of services that allow teachers and students to collaborate and share the school work.

Mr. Speaker, Sir, other initiatives that the Ministry will focus on are:

- Development of e-books whereby textbooks will be converted to e-books for secondary school students.
- Online learning (through the use of Moodle) to upload all educational resources for Year 11, 12 and 13 for ease of access for students.
- Use of smart projectors to enhance learning in classrooms.
- Prioritising the need to have all schools connected to the internet.
- Distance learning – live broadcast from a studio within the Ministry to students of identified schools. This platform aims to enhance students' preparation for more remedial activities provided prior to external examination.

Mr. Speaker, Sir, additionally, the Library Services has automated its public library services to strengthen its services to the community it serves. All library branches within the Ministry across Fiji are now automated with the Liberty Library System which can be accessed via the Library Service website.

With the tremendous amount of work undertaken in the course of the year, notwithstanding the challenges faced by *TC Winston*, the Ministry of Education, Heritage and Arts has continuously strived to ensure a high quality of service delivery. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Chairperson. Honourable Members, the floor is now open for debate on the motion and I give the floor to the Honourable Kepa, you have five minutes.

HON. RO T. V. KEPA.- Thank you, Mr. Speaker. Firstly, I would like to thank the Standing Committee on Social Affairs for this report. This is June, 2021, Mr. Speaker, four years after the original report was written in 2016 to 2017. So I will just look at some issues that are still pertinent, some others that are redundant, Mr. Speaker, I will not go into.

Sir, there are some similarities, Mr. Speaker, between 2016 and 2021. The review for 2016 being a unique year due to *TC Winston*, as has been alluded to by Chair of the Committee and there were damages close to 495 Early Childhood Education (ECE), primary and secondary schools that were either damaged or destroyed.

Looking at 2020-2021, Mr. Speaker, Sir, all schools right now are affected. All students and teachers are affected by COVID issues. Just looking at the school roll, Mr. Speaker, in 2016, the school roll for ECE, primary and secondary was 224,000. In 2017, it was 232,000. In 2021, these numbers would have increased exponentially, Mr. Speaker, so you would be looking at something like a 250,000 students that are affected and disrupted by the COVID-19 issues, that are not in school right now. We all thought, Mr. Speaker, Sir, that 2016 was bad enough with *TC Winston* but 2021 is far worse, with children on an extended holiday since the last week of Term 1 (one), since April, maybe seven weeks now, Mr. Speaker, they have been out of school.

Looking at the Report, I go right into the SDGs are addressed in this Report, Mr. Speaker. SDG 1 looks at equal rights to ownership, basic services, technology and economic resources which the chair has alluded to. For these students, who are not in school, they were given worksheets, radio broadcast and television education programmes were prepared for them but Mr. Speaker, my question is who is monitoring and supervising these students.

The teaching is happening but who is monitoring them. Who is checking to see that they were tuning into broadcast programmes? Whether the worksheets are done correctly, they need text books, Mr. Speaker but one of the Government initiatives is that free text books be given to students, so these students, because they do not own the text books, they are not allowed to take the text books home, so how can they do these worksheets and other assignments when they are not allowed to take text books home, so there is a catch-22 situation for students.

Mr. Speaker, so how are students expected to look at these assignments that had been given to them, so I think, Mr. Speaker, that the Ministry of Education will have to come up with better strategies, COVID strategies for students to learn while they are at home because there will be other disruptions, Mr. Speaker, because the COVID is not under control yet, so for the television education programmes on the *Walesi* Platform, many students, Mr. Speaker, do not have any internet access, so no text books, no *Walesi*, no internet, what are these students doing when these programmes are on air. Will they be tuning in?

Some of our Honourable Members have children at home, some of them are parents, some of them are grandparents, are any of their children at home tuning in to these educational programmes, I hardly think so, Mr. Speaker, so I would think that something that the Ministry of Education has to do is to look at a survey or a study to see what children are actually doing. The results would be really enlightening, I am sure. What strategies to use to get better results? This might not be the end of the COVID-related times away from school, Mr. Speaker, so they need to have laptops so that they are looking at, to help them out for these COVID times.

Some teachers in the rural areas, I am talking about SDG-13 as outlined in the review report which looks at combatting climate change, so advocating for climate education is the way to go, Mr. Speaker, as the pandemic just exposed, amongst other things, the depth of educational inequalities. Who has textbooks? Who has no textbooks? Who has *Walesi*? Who has none?

HON. SPEAKER.- Honourable Member, you five minutes is up.

HON. RO T.V. KEPA.- Those are just some of the questions, Mr. Speaker, Sir, that maybe the Ministry of Education has to look at in terms of helping the students. Thank you Mr. Speaker.

HON. SPEAKER.- I thank the Honourable Member. I give the floor to the Honourable Minister for Education, Heritage and Arts. You have the floor, you have five minutes.

HON. R.S. AKBAR.- Thank you Mr. Speaker, Sir. Mr. Speaker, Sir, I take the floor to debate on the Review Report of the Ministry of Education, Heritage and Arts. I would like to commence Sir, by not acknowledging but commenting on the comments made by Honourable Kepa. Honourable Kepa, we are living in a time which is unprecedented and we are all aware of the welfare and the safety of our people. As a COVID-19 safety measure, we are keeping our schools closed and we are not opening it up for teachers and students.

You mentioned how students will have access to these materials that the Ministry of Education has prepared. Honourable Kepa, these are supplementary resources and at the moment it is very difficult for us to monitor what they do. So, in all our media releases, we appeal to the parents for parental engagement. As a former Education Minister you are probably of the framework, that Pillar 4 of the National Curriculum Framework that talks about on parental engagement. So, during these times the work that we have set aside for our children was, they remain indoors and still be engaged in educational activities. We appeal to our parents and grandparents to ensure that these works are supervised. I have said it again, these are not mandatory, these are just complete complementary and supplementary educational resources.

In the next few weeks, we will be launching a new programme, that is, a Learning Hub which will involve all parents of data. We understand parents come to us talking about data. This is going to be a free learning hub, which we are working with Telecom Fiji where resources will be uploaded and parents and children will be able to access it by their phones and other internet facilities.

Mr. Speaker, Sir, I also would like to move on to the next recommendation by the Committee that talks about the progress in relation to the school rebuild programme and I am proud to say that as of today we have completed 100 percent of rebuild and rehab works for all our *TC Winston* damaged schools. At this point in time, I would like to acknowledge all our partners and donors, who came on board to ensure that the Fijian Government was successful in rebuilding our *TC Winston* projects. The Fijian Government in total spent \$230 million in rebuilding these projects and, of course, with our donor partners. We are now in a position where all our children learn in conducive classrooms.

Mr. Speaker, Sir, I would also like to update the work done this year in terms of *TC Yasa*. When children do return to school after this COVID-19 situation, I expect all the students in the North to be in newly-rebuilt or newly-rehabilitated classroom and I, once again, thank all our partners.

Mr. Speaker, Sir, the Committee Report talks about the improvement in the Recruitment Policy across all Government Ministries. The Ministry of Education is also following the OMRS to ensure that we appoint teachers at the school and other admin following the OMRS guidelines and we strictly follow that.

Mr. Speaker, Sir, I also would like to say that the Report mentions shortages of teachers in Math, Physics, PEMAC, Industrial Arts and other science subjects. To date we do not have shortages in these areas and in fact last year we re-engaged our retirees in the industrial arts section while we waited for new graduates to graduate from our tertiary teaching universities.

Mr. Speaker, Sir, the Committee Report highlights the need for the Ministry of Education to include new programmes as part of the drug policy. We do understand that our students are exposed to new drugs that are coming around and of course these drugs are not only impacting our students' studies but all sectors of our community.

The Ministry to date has reviewed our drug policy and now our new policy includes specific procedures when addressing students involved, in using and abusing both legal and illegal drugs.

Our internal disciplinary process is linked to our behaviour and management policy, and, Mr. Speaker, Sir, we do not condone students using such drugs in our premises or being in possession of that. So the Heads of Schools are mandated to report those instances to the Police Force so that our students can be taken to that processes. Of course, counselling continues in our school so that we keep advising for our children not to get involved in this kind of drugs.

Mr. Speaker, Sir, the other recommendations that the Committee has stated and due to time limitations, I am not able to provide for all of the updates, but I can say that the Ministry has made progress. We are close to a thousand primary, secondary and ECE Centres with the 240,000 students that we look after. Right now, our priority is to keep our children safe and while we cannot monitor their work at home, we will continue to work with the parents. The Heads of schools will continue to work with parents using a communication platform so that the children are updated of what they are required to do.

Mr. Speaker, Sir, I just like to conclude by saying that I appreciate all the work that our teachers are doing, all the work that the frontline workers are doing and I hope these efforts will not go unseen and we will definitely come out of this situation and hopefully, go back to normalcy as soon as possible.

Mr. Speaker, Sir, can I end with saying how disappointed I am with Honourable Tikoduadua because he just demoralised my staff who actually stepped up to assist the children of Fijian families who were suffering. Honourable Tikoduadua, as leaders, let us leave politics aside and let us stand with our disadvantaged and vulnerable community and give our helping hand as far as we can. Keep my teachers out of this, please. Thank you.

HON. SPEAKER.- I now give the floor to the Chairperson of the Standing Committee on Social Affairs to speak in reply. You have the floor.

HON. V. PILLAY.- Thank you, Mr. Speaker, Sir. I do not have any further comment to add, thank you.

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 the Chairperson of the Standing Committee on Public Accounts to move his motion. You have the floor.

REVIEW REPORT – 2016 AUDITOR-GENERAL'S REPORT FOR VARIOUS SECTORS

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

That Parliament debates the review on the follow up of selected 2016 Auditor-General Report for various sectors, which was tabled on 21st November, 2019.

HON. V. LAL.- Mr. Speaker, Sir, I beg to second the motion.

HON. SPEAKER.- Very good, very good, do not rush it. I now invite the Chairperson of the Standing Committee on Public Account to speak on his motion. You have the floor.

HON. A.A. MAHARAJ.- Thank you. Mr. Speaker, Sir, I, as the Chairperson of the Standing Committee on Public Accounts to move the motion, take this opportunity to speak on the motion on PAC Review Report on follow up of Selected 2016 Auditor General Report for the various Sectors (Parliamentary Paper No. 109 of 2019).

Mr. Speaker, Sir, international standard of Supreme Audit Institution (SAI) enforces the significance of follow up mechanism for Supreme Audit Institution, the institution is required to have its own internal follow up to ensure that the audit entities properly address their observation and recommendation as well as those made by the legislature. One of its commissions for the audit is governing board as appropriate.

The Supreme Audit Institution is also required to submit their follow up reports to Parliament. The Office of Auditor-General has carried out this follow up to ascertain whether appropriate and timely corrective action has been taken to implement the management action plan and to advise Parliament on the result of the progress of these issues.

During the audit of the 2017, Agency Financial Statements, recommendations by the Auditor-General in the audit reports of selected Ministries and Departments in each budget sector were followed-up.

Mr. Speaker, the findings of the audit indicates that:

- (1) one agency had fully implemented all the recommendations;
- (2) three agencies were yet to implement any of the recommendation;
- (3) 48 per cent of the total recommendations were fully completed;
- (4) 28 per cent of the recommendations has been partially implemented; and
- (5) 24 per cent of the recommendations were not implemented at all.

Following the Committee deliberations, the Committee resolved to conduct a public hearing with the Ministry of Local Government, Housing and Environment; Ministry of Fisheries; Ministry of Forests; and the findings of those hearings are annexed in this Report.

In addition to the above, the Committee had requested for written responses from the following Government Ministries and Department pursuant to Standing Order 112 (1)(b), namely:

- (1) Ministry of Civil Service;
- (2) Judiciary Department;
- (3) Ministry of Agriculture;
- (4) Fiji Corrections Services;
- (5) Ministry of Foreign Affairs;
- (6) Ministry of Defence and National Security;
- (7) Ministry of Women, Children and Poverty Alleviation;
- (8) Ministry of Infrastructure, Transport, Disaster Management and Meteorological Services;
- (9) Ministry of Lands and Mineral Resources; and
- (10) Ministry of Health and Medical Services.

The Committee notes the recommendations made in the 2016 financial audit reports for different agencies were yet to be fully implemented at the time of the follow-up audit was conducted.

However, it is encouraging to note that 76 per cent or 13 Ministries and Departments listed in this report have implemented the recommendations which reflects positively on these agencies.

The Committee has noted the number of the recommendations provided by the Auditor-General. In view of this, the Public Accounts Committee has made recommendations for the various concerned Permanent Secretaries to take note of.

Mr. Speaker, the Committee commends the work of the various Ministries and Departments in terms of implementing the various Auditor-General's recommendation highlighted in the audit report. However, necessary actions should be taken to implement these recommendations. Strengthening Public Financial Management in the Civil Service is paramount as this is consistent with the objectives of Supreme Audit Institutions, as well as creating an effective oversight functions of the Public Accounts Committee.

I thank you, Mr. Speaker, for this opportunity.

HON. SPEAKER.- Honourable Members, the floor is now for debate on this motion. I give the floor to the Honourable Nawaikula. You have the floor.

HON. N. NAWAIKULA.- Thank you, Mr. Speaker. As the Chairman has stated the subject matter of the motion, is the review, reviewed by the Auditor-General of Government Ministries. He has stated correctly that about 75 percent of them had adhered to or address the audit issues that were raised.

However, the remaining in which the report concentrated on what the remaining few that did not adhere to those audit recommendations. That is the gist of the report so they zeroed in on the Ministry of Local Government, Ministry of Fisheries and the Ministry of Forest as the Department or Ministries that did not adhere to.

If I could just read out what they are fail as noted by the Auditor-General and also this Committee. So, for the ears .of the Honourable Minister for Local Government, Housing their finding was the Committee was informed that salary and wages reconciliation were not conducted on a timely basis. Also there was poor resource management.

For the Year of the Minister for Fisheries, this is the finding. The Ministry of Fisheries, there was no regular evaluation of internal control that in place and correlative actions taken to address such weaknesses. Also lack of policies to address.

In relations to the Ministry of Forests, it highlighted that there is no regular evaluation of internal control that are in place. So, collectively, Mr. Speaker, if you look at all the three Ministries altogether, their common problem is internal control, simple bookkeeping. Something which they should look into and try to address.

(Technical glitch in virtual connection)

HON. SPEAKER.- I give the floor to the Honourable Aseri Radrodro.

HON. A.M. RADRODRO.- Thank you, Mr. Speaker, just like to make a brief contribution to the motion before the House this evening. Just in addition to my colleague Honourable Nawaikula's contribution to the recommendations, Mr. Speaker, Sir, I like to particularly point to Recommendation No. 3 in with the Auditor-General has highlighted that the Permanent Secretary do not receive timely updates in terms of recommendations regarding their Accounting Heads on various ministries and

departments. Audit was carried out in 2017 so it is quite recent and hopefully, going forward the relevant ministries and departments will take note especially the three ministries that were highlighted to have not implemented any recommendations. To ensure that there is communication between ministries and departments.

Mr. Speaker, Sir, I will also highlight the need to have conducted regular training between finance staff and all other ministry staff. I think before what used to happen in the Public Service Commission is there has to exams for new intakes become aware of the environment that they work in, to ensure that they understand the processes that they follow and also understand the processes that needs to be adhere to in terms of reporting timelines, the importance of sticking to the rules and regulations of the Ministry.

Mr. Speaker, Sir, I thank the Auditor-General for conducting this audit, to check the recommendations that they have recommended to the various ministries and departments. I thank the various ministries and departments in one particular agency fully implemented all the recommendations of the Auditor-General and that is the Fiji Correction Services. So we hope the other ministries will take their cue from the Fiji Correction Services in how they have implemented the recommendations of the Auditor-General, to ensure that good governance and accountability of the respective ministries and departments is maintained at the fullest, Mr. Speaker, Sir, thank you.

HON. SPEAKER.- I thank the Honourable Member. I give the floor to the Honourable Minister for Local Government, Housing and Community Development. You have the floor.

HON. P.D. KUMAR.- Thank you, Mr. Speaker, Sir, for the opportunity to speak on this motion.

Mr. Speaker, Sir, the Ministry of Local Government acknowledges the findings of the Standing Committee. I wish to inform this House that the Ministry notes the need to audit annual accounts and submit annual reports in a timely manner, not only because it is a legislative requirement but simply because it is important from the Government's perspective.

Mr. Speaker, Sir, our internal controls were largely affected due to high staff turnover and internal investigations arising from disciplinary issues. Since then, the Ministry between August to October 2019, has recruited four qualified accounts personnel.

Mr. Speaker, Sir, this was done to increase our staffing capacity to effectively undertake the financial duties. With the better qualified team, we are able to provide high level financial advice and support services to other Departments within the Ministry. This has ultimately strengthened the internal control mechanism of the Ministry.

Mr. Speaker, Sir, for the most part of the 2016 Financial Year, the finance section was not operating in full capacity while overseeing portfolios of Local Government, Housing and Environment which are now three separate Ministries.

Mr. Speaker, Sir, the Ministry has also undertaken in-house capacity building which Honourable Radrodro had just mentioned with the Accounts Staff on procedures and processes pertaining to effective management of internal controls. The Ministry has also strengthened its human resource capacity by recruiting a Principal Administrative Officer in 2017.

Mr. Speaker, Sir, the Department of Town and Country Planning is a highly technical department for which the right skills are relatively scarce. We also need to take into account a number of the required qualifications which were not available locally. This meant a number of technical staff of the Ministry had to go overseas for their studies and training. This eventually resulted in high staff turnover because of better opportunities overseas.

Mr. Speaker, Sir, we are not only recruiting more staff, we are creating a team where we have specialised people and that is why we are also establishing a project monitoring unit that will play a very central role in the Ministry.

Mr. Speaker, Sir, we also allocate more resources to policy and research to ensure the Ministry of Local Government becomes a more modern institution that continuously evolves. In this way, we will adopt the digital solutions that will strengthen our internal controls and provide efficient service.

One of the major issues, Mr. Speaker, Sir, was that the staff did not have a clear succession pathway, nor a strategic vision. With the new reforms and capacity building, there will be improvement in all areas mentioned in the Report. This includes matching the right position with the right skills and expertise.

Mr. Speaker, Sir, the Ministry of Local Government has suffered from some neglect, however, it is one of the most important Ministries driving economic development, investment, new projects and new towns. This is why, Sir, we have been taking measures to strengthen our institutional capacity by implementing a modern structure, supported by research and policy and principles of good governance. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Minister. I now give the floor to the Chairperson of the Standing Committee on Public Accounts. You have the floor.

HON. A.A. MAHARAJ.- Thank you, Mr. Speaker. I would just like to thank all the Honourable Members who have contributed towards the debate. Thank you very much, and I have no further comments.

HON. SPEAKER.- Parliament will now vote to note the content of the Report.

Question put.

Motion agreed to.

HON. SPEAKER.- I give the floor to the Chairperson of the Standing Committee on Public Accounts to move his motion. You have the floor, Sir.

REVIEW REPORT - COP 23 PRESIDENCY TRUST FUND: THIRD SEMI-ANNUAL REPORT

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

That Parliament debates the Review of the COP 23 Presidency Trust Fund: Third Semi-Annual Report for the Period 1st May – 31st October, 2018, which was tabled on 21st November, 2019.

HON. J.N. NAND.- Mr. Speaker, Sir, I beg to second the motion.

HON. SPEAKER.- Thank you. I now invite the Chairperson of the Standing Committee on Public Accounts to speak on his motion.

HON. A.A. MAHARAJ.- Thank you, Mr. Speaker. The Public Accounts Committee review was undertaken to look at the COP 23 Presidency Trust Fund: Third Semi Annual Report for the period 1st May 2018 to 31st October, 2018. The COP 23 Presidency Trust Fund was established to

manage donor funds intended to support the successful execution of Fiji's COP 23 Presidency. The Fund was guided by the COP 23 Presidency Trust Fund Act 2017 for the period of the Semi Annual Report and the COP 23 Presidency Secretariat was responsible for the administration of the Trust Fund.

Mr. Speaker, the Committee noted that pursuant to section 8(1) of the COP 23 Presidency Trust Fund Act 2017, the Ministry responsible for the finance must prepare a report every six months on the activities and expenditure of the COP 23 Presidency Trust Fund, including financial statements for the Fund and submit the report to Cabinet within six months from the end of the six-month period to which the report relates.

Mr. Speaker, the COP 23 Presidency Secretariat was established in March 2017 to oversee and manage the operations of the Fund. Utilisation of the Fund for procurement is in accordance with the Procurement Regulations 2010. Further, a Financial Policy Guideline consistent with the Financial Management Act 2004 and Finance Instructions 2010 has been developed for the Fund. The Ministry of Economy also assisted with the accounting functions of the Fund.

The COP 23 Presidency Trust Fund was established to manage donor funds intended to support the successful execution of Fiji's COP 23 Presidency. The Fund was guided by the COP 23 Presidency and Trust Fund Act 2017.

Mr. Speaker, Sir, to highlight some of the outcomes of COP 23 in Bonn Germany in which Fiji worked closely with the co-host Germany and staged a successful COP that brought to the fore both the human challenges and innovation of the Pacific response to Climate Change and the *bula* spirit of the warmth and inclusiveness and these includes key 2017 COP 23 outcomes as outlined below:

- (1) Talanoa Session;
- (2) Financing for vulnerable nation;
- (3) Inclusive processes;
- (4) Koronivia Joint Work on Agriculture;
- (5) Ocean Pathway and Partnership laws;
- (6) Green Coalition for Climate Action; and
- (7) Fiji Pacific Outcomes;

Mr. Speaker, the Committee was satisfied with the response provided by the Ministry of Economy in relation to the queries made by the Members in relation to the contents of the COP 23 Presidency Trust Fund Third Semi –Annual Report for the period 1st May-31st October, 2018, which was attached to this Report.

Mr. Speaker, overall, I would like to commend the COP 23 Presidency, the Honourable Prime Minister as through his vision our people in the Pacific have benefitted on the outcomes of our participation in COP 23, which is immeasurable and our contribution to the key development agendas such as climate change has also impacted the international community.

Mr. Speaker, Sir, with those words, I thank you for giving me time to provide some insights from the Committee's perspective.

HON. SPEAKER.- Honourable Members, the floor is now open for debate on this item and I give the floor to Honourable Aseri Radrodro. You have the floor.

HON. A.M. RADRODRO.- Thank you, Mr. Speaker, Sir. I would just like to take a few commentaries on the Report that is beforehand. I would like to make some commentaries on the recommendations of the Committee. First is the progressive six-monthly report and the Committee recommends rightly so in terms of what needs to be scrutinised by the Committee in terms of the report that is submitted. I think the six-monthly report that is submitted, Mr. Speaker, Sir, was not audited at the time of the scrutiny of the Committee and we had requested that the reports needs to be audited before it is submitted to the Committee for scrutiny.

The other thing, Mr. Speaker, Sir, is we acknowledge the projects that were done as a result of COP 23 especially for the Vio Village Project which we were fortunate to take visitations on, Mr. Speaker, Sir. There were some instances of concerns that were raised in terms of the level of watts that were given and hopefully Mr. Speaker, Sir, we would request that a follow-up audit probably by the Auditor-General to monitor the progress of these projects that were implemented in Vio to ensure whether it is really delivering as intended, Mr. Speaker, Sir.

Also as we note, Mr. Speaker, Sir, on Recommendation 3 that future projects will be undertaken and hopefully, the Office of the Auditor-General will conduct further audits in terms of the projects especially the process and how the projects have been utilised by the villagers. During the time of our visit to Vio, Mr. Speaker, Sir, there were talks of more usage in terms of the 315 watts of electricity maximum a day.

The private company that was engaged in the projects, there were a lot of logistical arrangements which had teething problems and hopefully by now they would have sorted it out in terms of requesting for more energy and the amount of money that they will have to pay per household on a weekly or monthly basis. So these were some of the things that we would like to see that the Office of the Auditor-General would conduct in a follow-up audit to monitor the implementation of these projects, and also those projects that will be undertaken under those programmes.

Mr. Speaker, Sir, we acknowledge that this Report was not audited by the Office of the Auditor-General but by the private auditors.

HON. SPEAKER.- I thank the Honourable Member. I give the floor to the Honourable Qionibaravi. You have the floor.

HON. ADI L. QIONIBARAVI.- Thank you, Mr. Speaker, Sir. Just a brief comment on the Report. I thank the Chairperson of the Committee and the Members for their Report. I note in his foreword to the Report he has made a recommendation that the annual accounts of the COP 23 Trust Fund be tabled to Parliament. That is currently not included in the COP 23 Trust Account and I had raised this matter in 2019 when they tabled a Second Annual Report. I am happy to note the Chairperson's recommendation that the annual accounts of the COP 23 Trust Fund be tabled to the Parliament, and that is the audited accounts. It would give an opportunity for the Committee to also review the audit of accounts.

On the current Report, I took note that on 19th May, when I went in to relieve for a little while in PAC, we were told that we would not be able to review the Report because of the wording of section 8 of the Act which states and I quote, "The Ministry must prepare a report every six months on the activities and expenditure including financial statements for the Fund and submit the Report to Cabinet within six months." It submits its report to the Cabinet and when it gets to Cabinet under sub-section 2, Cabinet must file the report to Parliament, so it does not go through PAC. I am happy that they were able to scrutinise this Report, Mr. Speaker, Sir. This is the Third Six-Monthly Report of COP 23.

I also note from their Report, they raised a query on the payment of US\$1.4 million to QORVIS and they actually asked as to what services was provided and that was provided to them. I would like to ask a question on paragraph 4.6 on the Ocean Consultant's Salary. A good sum of money was also paid to that firm and I would like to know whether the requirements of the COP 23 Act, section 6 which states and I quote, "subject to regulations it may be prescribed by the Act the procurement regulations 2010 must be complied with in relation with the utilisation of the fund." So, I am just wondering whether both the payments to QORVIS company and the Ocean Consultant's Salary went through Regulation 2010 on the procurement of services. I think that is all that I would like to bring up in Parliament today and I recommend the recommendations of the Committee to the House. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Qionibaravi. I give the floor to the Honourable Professor Prasad. You have the floor.

HON. PROFESSOR B.C. PRASAD.- Thank you, Mr. Speaker, Sir. I will be very brief in my comments. In September 2020, during the debate on earlier COP 23 Presidency Semi Annual Report, Honourable Qereqeretabua asked the Honourable Attorney- General to inform Parliament whether procurement regulations and tender processes were waived for any other entity engaged in providing services to COP 23 Presidency. Of course, this is apart from QORVIS, often described as a friend of the Fijian Government.

Unfortunately, Mr. Speaker, this Report shows that yet another waiver happened in the case of Baker & Mackenzie, it was almost the same, if not higher in value than payments made to QORVIS.

Mr. Speaker, this, in our view is a clear abuse of authority and it is in close violation of the procurement regulations in my view.

Mr. Speaker, in 2019, after sending the name of the COP 23 Presidency to Climate Change Trust Fund, there was an under-amendment made to delete this specific reference to Procurement Regulations that make general reference to Financial Management Act 2004. As a result, the waiver procurement for QORVIS was repeated again. So, we wonder why transparent procedures were placed in respect of the waiver of Procurement Regulations when it came to COP 23 Presidency.

Mr. Speaker, if you look at the Verbatim of this Report, it actually shows that the Committee was informed that Cabinet had approved the services of Baker McKenzie. If true, the question is, how can the Cabinet turn a blind eye to Transparency and Accountability in this particular case? I mean, we were often lectured by the Minister for Economy about good governance and accountability and he earlier said that with respect to the debate about how the Office of the Auditor-General's needs to work.

He talked about the description about value for money and policy. We understand that Government makes policy but the value for money is not just looking at where the money went, whether the regulations have been followed or not. It also means where the money is used and whether the money was used for the purpose that it was approved for. I mean, this is why when we talk about wastage, we had this debate on FRA earlier, and one of the reasons why after spending so much money on FRA, we still have so many issues with respect to roads, maintenance, upkeep of Government quarters, Government facilities and hospitals. So, the value for money is all right to allocate the budget for a particular thing but value for money, what is done with that money is also very important, and I think the role of the Public Accounts Committee, without questioning the policy is to also look at whether the money that was approved and allocated, is actually used for what it was and what sort of value did we get.

Mr. Speaker, I would say that this sort of violations, through proper financial procedures and procurement regulations should not happen. I think this is a good example of how it happen.

HON, SPEAKER.- Thank you, Honourable Professor Prasad. I give the floor to the Honourable Attorney-General.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. I would like to thank the Committee for the work. The Honourable Qionibaravi would also note that PricewaterhouseCoopers had concluded its audit of COP 23 Presidency Trust Fund Financial Report for the Financial Year ended 1st August, 2017 to 31st July, 2018, concluding in their opinion:

- (1) the financial report presents fairly, in all material respects, the actual payments and donations received for the purpose of the Fund in accordance with the accounting policies set out in Note 2 for the financial report; and
- (2) the Fund payments provided by Donors have, in all material aspects been used in compliance with the Act, the Guidelines, the Procurement Regulations 2010 and in conformity with the applicable conditions in the Funding arrangements and agreements with the Donors.

The copy of the audited accounts was attached as Annex 2 in respect of this COP 23 Third Semi-Annual Report that was actually submitted to the Committee itself. So, Honourable Member, you have the Audited Report by PwC that is there. So, audited accounts have been presented, as required for under the law itself.

Honourable Professor Prasad and his team continue about the law not being followed, but the regulations actually were followed as seen by the external audit. There is provision under Regulation 48(3) of the Procurement Regulations that allows the waiving of tender requirements in particular, for example, where there is an emergency, or where you know there is no other contender or applicable tender for that particular procurement. And he knows that, we have used that particular provision, it has been used previously and everyone can put their hand on their heart in respect of why it is used. There is also a letter here from the Ministry of Economy that was sent and I do not know why they keep on harping about it, maybe they are just obsessed with QORVIS.

Mr. Speaker, Sir, the other point that I also wanted to highlight because they need to understand how the COP 23 Presidency works. Even France when they had the big Paris Agreement, they themselves hired consultants. The Moroccans did it. We obviously were thrust with the COP 23 Presidency which is a great honour for us, but we had to obviously ensure that we organise ourselves within a very short period of time and, therefore, we needed the best experts.

One of the things that they do not also realise and do not mention which was actually mentioned in the Reports is that, Baker McKenzie was the one that actually helped raise the funds itself too and provided a huge number of experts and expertise in respect of ensuring that COP 23 Presidency was highly successful.

One of them, of course, was FREF, I mean, everyone knows that FREF - the Vio Foundation. It was through the connection with Baker McKenzie we were able to get the Leonardo DiCaprio Foundation that provided the seed funding to Vio Island. I mean, they forgot to mention all those things.

As a result of their highly successful relationship that has developed with the NGO and various other organisations, we were able to launch Vio. Yes, there were some issues about some people want higher voltage but everyone wants higher voltage, two TVs, washing machine and all of that but , of

course, in a non-grid connection situation but the reality is, they never had electricity before. Now, they actually have electricity.

Mr. Speaker, Sir, as a result of that, we had identified five rural communities that needed to be connected. There were tenders that were called in early March after significant delays incurred due to *TC Harold, Yasa* and *Ana*, as well as COVID-19 restrictions. However, the tender was called back and bidders were not able to undertake detailed site inspections due to the second wave of COVID-19 lockdown.

But, Mr. Speaker, Sir, we are hoping that, notwithstanding the greater Suva lockdown, the new tender will be called and despite this delay, we expect five rural communities to be electrified by the end of 2021 and these include; Nagado in Diridirisina Settlement, the Noikoro School in Navosa, Nubuyanitu Village in Noikoro, Sawaieke Village in Lomaiviti and Yadrana Village in Lakeba, Lau.

Mr. Speaker, Sir, also in partnership with the European Union, Noikoro Village will also be getting solar power system benefiting about 41 households. A similar hybrid solar power system was commissioned in Yasawa High School that has enabled about 385 people to experience sustainable electricity 24/7.

Mr. Speaker, Sir, as most people know, now that we have mentioned in Parliament after the COP 23 Presidency, we, in fact, brought about we renamed the actual fund to the Climate Action Trust Fund. Of course, from that, we have been able to do a quite a lot of Drua Incubator is one of the key effects from the COP 23 Presidency by Fiji in rolling out the first ever climate and disaster risk, parametric micro insurance product, in collaboration with United Nations Capital Development Fund (UNCDF) by October this year. This innovative product will benefit 500 fishers, including men and women, of course, low income farmers and women who own micro small and medium enterprises in the pilot phase which will be scaled up to about 15,000 low income beneficiaries.

Mr. Speaker, Sir, I was talking to someone from the UN, we are hopefully getting about \$10 million fund in respect of the coral rejuvenation and protecting the ocean. As we made the undertaking that we protect 30 percent of our sea areas that we have got, put into what we call 'Marine Protected Areas (MPAs)' and we obviously are getting a lot of support.

All of these, Mr. Speaker, Sir, have been direct results of our participation in COP 23 and the ability to be able to utilise those funds successfully. I would like to thank all those people involved and in particular, I would like to once again mention, John Connor, who some people have tend to forget. John actually successfully ran the office for us. He is now in Australia and in fact, we are having a discussion with him because he now works for one of the key agencies in Australia where they hope to actually start talking to us and we are looking at things like carbon trading and getting landowners to benefit from carbon trading because you know, for example, areas like mangroves and the forests that we do have, have a very high rate of carbon sink which we want to take advantage of and actually turn that into tangible benefits for all Fijians. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Attorney-General and I give the floor to the Chairperson to speak in reply. You have the floor.

HON. A.A. MAHARAJ.- Thank you, Mr. Speaker. Mr. Speaker, once again I would like to actually thank all the Members who have contributed to this particular debate and I would like to actually thank Honourable Attorney-General for clarifications that he has provided on the issues that were raised by certain Members. Thank you, Mr. Speaker.

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

Question put.
Motion agreed to.

HON. SPEAKER.- I call upon the Chairperson of the Standing Committee on Economic Affairs, the Honourable Vijay Nath, to move his motion. You have the floor.

REVIEW REPORT - FIJI DEVELOPMENT BANK 2018 ANNUAL REPORT

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

That Parliament debates the Review of Fiji Development Bank 2018 Annual Report which was tabled on 21st November, 2019.

HON. S. ADIMAITOGA.- Mr. Speaker, Sir, I second the motion.

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

HON. V. NATH.- Thank you, Mr. Speaker, Sir. The Standing Committee on Economic Affairs tabled its findings on the Fiji Development Bank 2018 Annual Report on 21st November, 2019.

Mr. Speaker, 2018 was the year that the Fiji Development Bank (FDB) celebrated 50 years of its existence in Fiji, 50 years of contributing towards Fiji's economic growth as well as uplifting lives of countless Fijians. It was also the year FDB started the implementation of their 2018 - 2022 Strategic Plan, which enabled the Bank to make significant progress in areas such as Green Climate Fund activities, improved cost management, diversifying established funding based on revenue streams.

Despite its many challenges, it was noted that the Bank had achieved a reputable net profit of \$7.411 million during the period under review. It was very pleasing to note that for the year 2018, the trend of new loan approvals was at 69.3 percent equivalent to \$84.5 million for the focused sectors and 30 percent equivalent to \$37.3 million for the non-focused sector. The Fiji Development Bank continued making efforts towards the agricultural sector which was reflected through an increase in lending by 11.5 percent in 2018 compared to 2017.

The Committee was very pleased to note that FDB, in line with their vision to be a dynamic financial service provider in the development of Fiji, introduced new products and services such as the Yaubula term deposit and FDB Agriculture Family Loan Facility. While deliberating, the Committee was in agreement that initiatives such as FDB's Disaster Rehabilitation Package, which plays a major role in supporting rehabilitation and construction through loan flexibility, must be encouraged.

To conclude, the Committee was pleased with the overall performance of FDB. Mr. Speaker, Sir, with this contribution, as the Member moving the motion, I thank you for the opportunity. Thank you, Sir.

HON. SPEAKER.- I thank the Honourable Chairperson. Honourable Members, the floor is

now open for debate on the motion and I give the floor to the Honourable Kuridrani. You have the floor.

HON. I. KURIDRANI.- Thank you Mr. Speaker, Sir. I thank the Standing Committee for Economic Affairs in compiling this Review Report of the Fiji Development Bank Annual Report 2018.

Mr. Speaker, Sir, I believe this is one of the hardworking Committees in Parliament today and I thank the Honourable Chairperson and his team. I also want to take this opportunity to thank the FDB Executive Management and staff for their perseverance and commitment that has kept the bank floating despite the still competition from commercial banks.

Mr. Speaker, Sir, reading through the FDB Annual Report and the Committee findings and recommendations, I identified that there is a gap which I believe would have been contributing to the higher unemployment, higher poverty and hardship that we are currently facing and it could have also contributed to a robust economy growth instead of the fake boom economy that we have been having.

I commend the bank for the Yaubula term deposit and the Agriculture loan package that was introduced by the banks. The gap that I want to mention that I identified is the absence of a special loan scheme for our local resource owners. It is public knowledge Mr. Speaker, Sir, that the resource owners are asset rich but financially poor. We need to re-introduce the Special Loan Schemes for our local resource owners to develop their untouched resources such as forestry, fisheries and minerals.

The Special Loan Scheme Mr. Speaker, Sir, the bank need to introduce again a subsidise interest rate of 8 percent, that equity contribution to be reduced to 20 percent, with the government helping the land owners meeting up 10 percent of that. The term of the loan to depend on the volume of resources the owners have and the security offered could be taken as assignments over the income proceeds derived from the investment.

Mr. Speaker, Sir, I believe that the government should introduce a legislation or a Bill to allow the Ministry of Forest, Ministry of Fisheries and Ministry of Lands to provide a feasibility studies for all resource owners free of charge, like in Forestry, we need to know the volume and the value of our forests. Likewise in Fisheries, we have 1.3 million square miles of Exclusive Economic Zone (EEZ) waiting to be developed and managed sustainably. We need to take stock of marine resources that hold potential market value.

Mr. Speaker, Sir, in tourism at present the landowners have no idea of the market potential of their land for tourist development. This is where the Ministry of Lands and iTLTB can make valuations for all potential tourist market and development. Once the landowners know the market potential of their land, they will be in a better position to make a better decision in investment. This also allows participation of resource owners through joint ventures with foreign investors.

Mr. Speaker, Sir, in the mineral sector the same strategy to apply in the mineral sector; to value all potential land that holds potential minerals and ground water so that the landowner can make a best decision for development.

Mr. Speaker, Sir, these are my views that I feel the banks initiative that will help in revitalising our economy during this crisis. If we have the status available than the resource owners will make better investment decisions. Foreign investors will be interested to invest in our country, joint ventures will thrive and FDB will be in a position to provide loans.

Mr. Speaker, Sir, these strategies only improve the standards in the communities, the nation will have the space to respond to the predictable and natural disasters and global pandemic like COVID-19. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Member. I give the floor to the Honourable Minister for Commerce, Trade, Tourism and Transport.

HON. F.S. KOYA.- Thank you, Mr. Speaker, Sir, for allowing me to contribute to the Standing Committee on Economic Affairs Report on the assessment of the Fiji Development Bank 2018 Report. I must say, Sir, that 2018 was actually a very special year for the Fiji Development Bank (FDB), as it marked their 50th Year Anniversary since it was established. I wish to provide my comments specifically on Recommendations 3 and 6 of the Standing Committee Report.

Recommendation 3 of the Report commends the FDB's continuous efforts towards the agricultural sector, Sir, and FDB had actually increased its lending to the agricultural sector by 11.5 percent in 2018, despite the high risks that were involved.

It must be noted, Sir, that the FDB continues to be the major financier of projects and businesses in the agricultural sector and there is a market share of 58.6 percent, and this is for all Fijians. In 2018, the FDB assisted farmers and businesses with the purchase of farm vehicles, equipment and crop establishment and land acquisition. When I say 'all farmers', their customers are not singularly based on one part of the actual country or one part of the society.

Additionally, Mr. Speaker, Sir, the FDB is actually the catalyst in revolutionising the way that sugarcane is actually harvested. They have continued to contribute to the mechanisation of the industry. In fact, Sir, together with the Ministry of Sugar, a core finance cooperative in obtaining sugarcane harvesters and other machinery and the Ministry of Commerce, Trade, Tourism and Transport has partnered with the FDB on numerous occasions in actually implementing a number of livelihood assistance programmes, and one of which I spoke about on Tuesday, Sir, the Northern Development Programme (NDP) and one of the key components of the NDP is the enterprise fund where by equity assistance is provided to applicants as part of the investment funding.

They have also been a part of funding that was made available for people who had applied for land through the Land Bank, Mr. Speaker, Sir. This formula was actually successful and the earlier formula I talked about with the NDP has been successful in bringing about some positive growth and the ones with the Land Bank also a positive growth in the Micro, Small, Medium Enterprises (MSMEs) in the North where they played a crucial role as one of the key financial lending institutions.

Recommendation 6, Mr. Speaker, commends the role by the FDB in partnership with the Ministry in the development of the MSME entrepreneurs through grant disbursements which benefitted around 38,000 recipients and a success rate of about 75 percent. Since the launch of that Micro and Small Business Grant (MSBG) programme in 2015, we have been actively working with the stakeholders and other Government Ministries in promoting MSMEs in their business development to boost entrepreneurship skills, business innovation and expansion and reduce poverty, so they have actually been a part of the processes of the Ministry. I am told a number of the recipients that we had have actually gone on to access finance through the FDB to grow their businesses.

Honourable Kuridrani may have missed out, Sir. The FDB has also funded large tourism projects that had been taken on board by landowning groups where they have taken over the resorts in its entirety. Just a little bit of research might have gone a long way, so they have been assisting in

different parts of the sector and they have been assisting across the board to all Fijians, Sir. That is what they are all about.

I commend the tireless efforts by the Board and the Executive Management and the staff of FDB in their continued efforts, despite the diverse challenges of development that we have, and I look forward to more collaborative efforts in improving the livelihoods of all our ordinary Fijians. I thank you, Sir.

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

HON. A. SAYED-KHAIYUM.- Thank you, Sir, I will be extremely brief. I think the point of the matter is that, FDB is focused on its core functions which is developing various industries, including the agriculture sector.

Honourable Kuridrani's analysis is always very limited in respect basically and fundamentally on ethnicity. He obviously did not hear what we said yesterday that the Reserve Bank of Fiji (RBF) is now lending to FDB at 0.5 percent, which essentially means that the FDB will be able to give access to all Fijians at very low interest rates, and across all the different sectors, not just agriculture but any other sector.

I think if you take a holistic national approach to development, then you would be able to understand specifically how it is all intricately tied in. In the same way, for example, we have specific policies regarding iTaukei Land Development where they actually reap the benefits of that and be able to, at the same time, make land more available for productive use, either for themselves or for others they can lease to, but they actually do not get peppercorn rent as they used to.

Mr. Speaker, Sir, he needs to fully understand that as opposed to this very, kind of, blunt instrument that was used post-1987 where it did not actually give much benefit and many of the projects, in fact, failed. And the one case and example, regarding FDB is EMCOL, which failed completely and just disappeared.

We need to be able to understand that you need to apply the financial discipline, the commercial approach to it, but also make funds available to anyone who wants to develop their land or their resources, et cetera, but at affordable rates. Thank you, Sir.

HON. SPEAKER- Thank you. I will give the floor to the Honourable Gavoka. You have the floor.

HON. V.R. GAVOKA.- Thank you, Mr. Speaker, very briefly on Recommendation No.4, it says and I quote:

“The Committee welcomes and commends the new products and services designed by FDB, such as...”

- (ii) FDB Agriculture Family Loan Facility - designed to assist farming families who have no lease or formal ownership of land which they occupy and work on.”

Mr. Speaker, when we debated Honourable Kuridrani's motion to support the non-sugar sector, I brought up this point about the high level of interest in the villagers now to go back into farming. And I said that it is subsistence, the type of farming, and this facility that is set up by the Bank can meet the needs of these subsistence farmers in the villages.

There was a question that was raised by the Honourable Minister for Economy that landownership is an issue but, Mr. Speaker, at the village level, we know exactly who farms where and that is it. It has been like that for generations. My point is that, if you want to boost the non-sugar sector of our economy and you divert some of the energy into the villages and with equipment and good husbandry, you can improve and increase the output.

The Honourable Minister has said that the output for non-sugar was \$600 million and I told the Honourable Minister that if you do this and you boost what is already there, I can tell you – you have not seen nothing yet - it can be done in a big way. So, Mr. Speaker, Sir, I would encourage the Honourable Minister for Agriculture to pursue this. There are about 1,500 villages in Fiji and the mindset has changed, they all want to farm now and with this kind of facility and with direction from the Ministry, Sir, we can see huge improvements in non-sugar agriculture.

That, Mr. Speaker, is my contribution on that. I am reading this and remembering the debate the other day. I am quite excited about this and I believe the time should be able to suit this policy by FDB and suit that segment of the population that farms on a subsistence basis. Thank you, Mr. Speaker.

HON. SPEAKER.- I thank the Honourable Member. I now call on the Chairperson of the Standing Committee to speak in reply.

HON. V. NATH.- Thank you, Mr. Speaker, Sir, I do not have any further comment. I thank all Honourable Members for their contribution. Thank you.

HON. SPEAKER.- Honourable Members, Parliament will now vote to note the content of the report.

Question put.

Motion agreed to.

HON. SPEAKER. Honourable Members, I give the floor to the Deputy Chairperson of the Standing Committee on Foreign Affairs and Defence to move his motion.

CONSOLIDATED REVIEW REPORT – MINISTRY OF FOREIGN AFFAIRS & INTERNATIONAL CO-OPERATION 2014-2017 ANNUAL REPORTS

HON. DR. S.R. GOVIND.- Mr. Speaker, Sir, I move:

That Parliament debates the Review of the Consolidated Report of the Ministry of Foreign Affairs and International Cooperation 2014 Annual Report; Ministry of Foreign Affairs Annual Report 2015; and Ministry of Foreign Affairs Annual Report 2016-2017; which was tabled in Parliament on 21st November, 2019.

HON. S. ADIMAITOGA.- Mr. Speaker, Sir, I beg to second the motion.

HON. SPEAKER.- I now invite the Deputy Chairperson of the Standing Committee on Foreign Affairs and Defence to speak on his motion. You have the floor.

HON. DR. S.R. GOVIND.- Thank you, Mr. Speaker, Sir. The Standing Committee on Foreign Affairs and Defence, after reviewing the Reports, identified pertinent issues that contain the Ministry of Foreign Affairs at the time of review and their observation to-date.

Findings are reflected in the main Report. Based on those findings, the Committee made the following recommendations:

Recommendation No. 1:

The Committee recommends that all future reports should have their Annual Corporate Plans and their linkages to the Key Performance Indicators and Key Result Areas and MDGs/SDGs targets displayed at the beginning of the reports so that it is easy to assess the performance of the Ministry against the targets and budgetary provisions.

Recommendation No. 2:

Fiji has ratified and deposited with the Ministry including the progress on implementation. This will allow the Committee to oversight and update Parliament on how well Fiji is adhering to its global commitments in comparison with other nations.

Recommendation No. 3:

The Committee recommends that the Ministry considers creating a position for a Foreign Affairs/International Relation desk officer in each Ministry/Agency and have systematic mechanisms be developed to monitor and evaluate the implementations of the MOUs with other countries at regular intervals as agreed by the parties. This information must be captured in subsequent Annual Reports.

With that, Mr. Speaker, Sir, I support the motion.

HON. SPEAKER.- Honourable Members, the floor is now open for debate on this motion and I give the floor to the Honourable Jale.

HON. A. JALE.- Thank you, very much Mr. Speaker, Sir. I think the first point that I would like to raise before I touch on the report is that the importance of this report that we just noted and agreed to. This report need to go to the Ministry or the organisation concerned so that they be informed about the decision of Parliament and the recommendation of the Committee are very important recommendations that need to be taken on to improve the functioning of the ministries and organisations.

I will be talking only on the first recommendation, Mr. Speaker, Sir. There is concern that about annual reports must also have the corporate plan of the particular ministry. I think it is important because corporate plan as you know, Mr. Speaker, Sir, should have the vision, mission, the organisational structure, the work plan and the budget allocation of the ministry. Here it is important, Mr. Speaker, Sir, that the work plan must identify the key result areas that the particular ministry or organisation need to deliver in the course of that year.

Secondly, the key performance indicators and when are these key result areas to be achieved. As I see, Mr. Speaker, Sir, corporate plans are the indication of the performance of the ministry. It is also the indication of the performance of the head of that particular ministry or organisation. If the corporate plans are not achieved as expected then it reflects the performance of that particular permanent secretary or the chief executive of that particular organisation.

I think it is important when you have key result areas indicators because it is tied to the budgetary provision that this Parliament provide that organisation or ministry. When we do the review, we need to live that. The ministry or organisation will need to specify the budget that was

allocated by Parliament to them, so that we can also see that the budgetary allocation has been channelled and used the way the Parliament approved. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Anare Jale. I give the floor to the Honourable Prime Minister. You have the floor, Sir.

HON. J.V. BAINIMARAMA.- Thank you, Mr. Speaker. It is quite clear that the Ministry of Foreign Affairs is responsible for implementing Fiji's foreign policies and maintaining and strengthening Fiji's diplomatic relations around the world. In doing so, Mr. Speaker, Fiji's good positioning internationally is the top most priority and core role of the Ministry, given the rapidly changing geopolitical environment. We have strategically built bridges of cooperation with development partners and increased trade with many nations.

Mr. Speaker, the Reports reflect the time of shifting sands in both, domestic and international backdrops where we were equipped to adjust ourselves appropriately. As the elected Government with an overwhelming mandate in 2014, we had to fine-tune to the shift in regional and international priorities. At the same time, our growth had to be benchmarked against the United Nations Millennium and Sustainable Development Goals that was officially launched in 2015. Fiji's leadership was established at the regional level and the report echoes our step-up in engagements multilaterally.

During this period, Mr. Speaker, Fiji continues to lead at the international platform and we were the first country in the world to ratify the Paris Agreement in 2017, as everyone now knows. Fiji remains committed to the objectives of the Agreement, Mr. Speaker, and we will continue to urge other nations to deliver its obligations.

In the same year, Mr. Speaker, we co-hosted the first-ever United Nations Conference with Sweden, a noteworthy achievement for Fiji and the region as it gave prominence to SDG 14 -Life below Water, a significant goal for Fiji and the Pacific.

Our COP 23 Presidency in 2017 was based on other achievements in the two years prior. In 2014, we established Fiji's Permanent Mission in Geneva and joined the Global Green Growth Institute and, of course, re-joined the Commonwealth. We were also instrumental in the leadership of the United Nations Framework Convention for Climate Change, the UNFCCC. Nothing happens without precedent in our Foreign Policy. It is well thought-out and executed, and this was the result of good strategic planning during the reporting period.

Mr. Speaker, Sir, our bilateral engagement was also strengthened during this period with high level visits by the Head of Government of India, China, Indonesia and numerous Ministerial engagement with Australia and New Zealand. It was during this time that Fiji notably established the registered Seasonal Employers Scheme with New Zealand in 2015, and is a lifeline for about 400 Fijian families to-date.

Mr. Speaker, Sir, at an operational level, we undertook restructuring within the Ministry. We ensured financial compliance and rewarded deserving staff at our Corporate Excellence Awards in 2015. Professional development remains a key priority within the Ministry and during the reporting period, the Ministry continued to build the capacities of most of its staff, taking advantage of each opportunity offered by our multilateral and bilateral partners, whilst also making good use of Government-led trainings.

Mr. Speaker, while applauding the achievements of the Ministry, the Committee also identified some opportunities for improvements. We are taking every step to strengthen the level of

engagement we have, including other Government agencies and members of the public. I want to mention, Mr. Speaker, that during the reporting period, we had collaborated with line agencies to secure cooperation with different development partners to meet Fiji's sectorial priorities.

The collaborative work has led to the proper alignment of our plans in the Ministry with priorities of line agencies. These initiatives are being reinforced with senior and middle management of the Ministry. I am satisfied that my Ministry was able to achieve more with less. I, therefore, thank all my staff for achieving a lot in terms of political and high level engagements.

The reporting period of 2014 is notable because we were successful in ratifying several important Treaties and Conventions. I acknowledge the Committee's recognition of the essential role of the Ministry in advancing Fiji's foreign policies and the ratification and implementation of International Treaties and Conventions. These Treaties, Mr. Speaker, have provided a legal framework for delivering tangible and enduring benefits for our fellow Fijians in an evolving and demanding international environment.

Our commitment to advancing Fiji's foreign policies are paramount. We will continue to use all the tools at our disposal through our engagements in bilateral, regional and multilateral settings to achieve our national goals and priorities.

Mr. Speaker, Sir, the Reports reflect the achievements of the Ministry from 2014 to 2017, and I strongly believe that the Ministry staff and our Diplomatic Missions are capable of achieving greater outcomes in the coming years. The submitted Reports reaffirm the fact that all fundamentals have been put in place. Our strategic vision is clear, that is, to lead at the global and regional space. We are also focussed on tangible returns from our Missions.

The Ministry has fulfilled the expectation of Government through its own reform agenda including, of course, the implementation of the Civil Service Reform initiative. As a result of this, Mr. Speaker, the Ministry has undertaken a number of initiatives that has improved its level of efficiency and effectiveness.

The Ministry notes and acknowledges the contents and recommendations of the Committee's Consolidated Review Report on the Annual Reports for 2014, 2015, 2016 and 2017. These, we have taken into account in the compilation of future reports to Parliament.

Mr. Speaker, Sir, let me assure the Committee that the Ministry is committed towards the implementation of its recommendations. In saying this, I acknowledge the feedback provided by the Committee and I, therefore, do support the motion. Thank you, Sir.

HON. SPEAKER.- I thank the Honourable Prime Minister. I give the floor to the Honourable Qionibaravi. You have the floor.

HON. ADI L. QIONIBARAVI.- Thank you, Mr. Speaker, Sir. I commend the recommendation before the House except two issues to raise, page 12 of the Committees Report. First, I thank the Committee for the work that they have carried out.

I wish to raise on page 14, paragraph 1.2.5 which states, and I quote:

“The Committee noted that the responsibility of Treaties and Conventions were shifted from the Ministry of Foreign Affairs to the Office of the Attorney-General in 2015. In view of the Committee's role under section (109)(2)(e) of the Standing Orders, the Committee feels that the Office of the Auditor-General should be updating the Committee

on the stages of implementation of the provisions of Treaties and Conventions and monitoring of the same, noting that the Annual Report of the Office of the Attorney-General will now not be referred to the Standing Committee on Foreign Affairs and Defence.”

That is the first issue, Mr. Speaker, Sir. Treaties and Conventions are important for Fiji, whereas this responsibility has always been placed with the Ministry of Foreign Affairs, it is just now in the ambit of responsibility of the Attorney-General. Given the matter that has been raised by the Committee on consideration, I would like to put forward that recommendation that this be relocated back to the Ministry of Foreign Affairs so that they can monitor the compliance of Treaties and Conventions by the Ministry of Foreign Affairs.

The other outstanding matter is on page 13 of the Report, paragraph 2.11(16.3). The Committee sought clarification on the terms of agreement for our soldiers who were abducted while serving as peacekeepers in Golan Heights which was highlighted in the Annual Report. The Ministry could not provide the answer and referred the Committee to the Ministry of Defence and National Security as it feels that is in a better position to comment on the matter. That is the other matter that is outstanding so we would expect an update on that in the next Report of the Ministry of Foreign Affairs.

With those comments, I commend the recommendations to the House.

HON. SPEAKER.- I thank the Honourable Member. I give the floor to the Honourable Tikoduadua. You have the floor.

HON. LT. COL. P. TIKODUADUA.- Thank you, Mr. Speaker, Sir. I thank the Committee for their Report. The Report noted for 2014 that the Mission in Geneva was established. The Report is for the period when Fiji established diplomatic missions all over the world and we probably became the only regional nation with so many Missions. But, Mr. Speaker, Sir, come July 2020, the Honourable Minister for Economy announced during the 2020-2021 Budget the closure of five Diplomatic Missions. Undoubtedly, that caught the staff serving in those Missions by surprise, but that is another story.

What is intriguing, Mr. Speaker, is the closure of Missions in Washington, Brussels and Port Moresby (PNG). These are key and important Missions. To merge Washington with New York, in my view is nonsensical, because New York is primarily involved with the United Nations. Brussels is another important Mission as it was the hub for our sugar protocols and deals. Merging it with Geneva, also in my view, is illogical. There is the Port Moresby Mission - PNG is our MSG partner, we have Fiji businesses operating in Port Moresby and many citizens also work there, not to mention the consolidation of regional solidarity and also regional security.

Mr. Speaker, we have Diplomatic Missions in Indonesia and Abu Dhabi, but the question is, what value for money are these Missions providing us? What is the significance of these Missions? How much trade we have with these nations? How important are these two Missions to negotiate deals and facilitate negotiations to reviving our economy?

Mr. Speaker, Sir, maybe Abu Dhabi is there because we have a lease arrangement with the Dubai Aerospace Enterprise in respect of our airbus aircraft, in particular the A350 aircrafts. But seriously, even these lease arrangements does not necessitate the continuation of this Mission over other Missions closed last year, but decide to flex our muscles and have a footprint all over the world.

Last year this Government realised it has bitten off more than it could chew when it closed off all the other Missions including the one in Africa. Mr. Speaker, I will say that this time of

experiment at the cost of jeopardizing the greater good of the nation has been the norm of this Government.

Mr. Speaker, I support the motion before the House.

HON. SPEAKER.- I thank the Honourable Tikoduadua. I give the floor to the Honourable Attorney-General.

HON. A. SAYED-KHAIYUM.- Just some points of clarification, Mr Speaker, Sir. The Honourable Qionibaravi raised the issue regarding the treaties.

The Ministry of Foreign Affairs still actually does lodge the documents for us, they lodge the Instruments because they are the agency that handles that so they still do that. But the implementation of the Conventions because they have legal implications, obviously, that is why it rests with the Attorney-General's Office, for better use of resources, you actually have lawyers there, you have specialisation whether it is to do with various Conventions regarding treaties, whether it is right from CEDAW, to whether it is in respect of the various Conventions regarding Commercial Conventions, whether it is to do with ICESCR and ICCPR, et cetera, all of that is implemented there. You have the respective agencies that deal with it. For example, CEDAW, is the Ministry of Women. The legal input is provided, for example, by the Attorney-General's Office, but any Instruments and new protocols in respect of the Optional Protocols that may be linked to CEDAW, obviously is lodged by the Ministry of Foreign Affairs. So, it is a multi-approach to it but the legal aspect, of course, rests with the Attorney-General's Office - that is the issue. Perhaps, the Committee was not fully grasped of this particular nuance approach to it and the subtlety of it.

Honourable Tikoduadua raised his concerns about the closure of the Embassies. He gave his opinion. We already stated that many, many countries, Mr. Speaker, Sir, who have Embassies in New York to serve the UN also have those Embassies doubled up to serve Washington too. And many of those embassies, Mr. Speaker, Sir, who are at UN also double up to be representatives of their countries in the American Continent - North and South. So, it is obviously better utilisation, there is no way that it does, in anyway, defray the relationship with the country in which you have closed down an embassy.

Similarly with Geneva, obviously we used to have the Cotonou Agreement, the Cotonou Agreement is not what it is used to be anymore. You have now the EU Partnership, you also now have the breakup of the EU. The UK, of course, is still there and it is still a very strong traditional partner of ours. Sugar, if it does go to UK and from there it goes to Europe and, of course, we are still maintaining our High Commission in the UK. But at the same time, Mr. Speaker, Sir, the Geneva Mission can all serve any of the requirements to do with other countries in Europe, including Brussels.

Port Moresby is just a flight away. Many of the countries in the Pacific have what they call "Roving Ambassadors", they can serve that. Port Moresby, in fact, was one of the most expensive embassies to run, given the high security cost in maintaining your properties in Port Moresby. So, again, Fiji is only a couple of hours away and we are able to serve from that perspective.

Abu Dhabi is quite preposterous to say just because we have an A350 leased from a private company, that is why we have any embassy. Honourable Tikoduadua does know that the Embassy in Ethiopia was closed, Abu Dhabi which is there in the Middle East, serve South Africa and we have got troops in the Middle East, it serves as a good focal point, good transit point with respect of looking after those interests there, Mr. Speaker, Sir. So, all of these has been done with a view to

ensure that we get maximum return for the dollar. That is what they continuously talk about, we are obviously doing that internally by way of policy.

The Report, of course, is noted. We also would like to highlight that some of the comments made by the Committee does need further refinement and hopefully, the Committee can do that when they look at the next report. Thank you.

HON. SPEAKER.- I thank the Honourable Attorney-General. I call on the Deputy Chairperson of the Standing Committee on Foreign Affairs and Defence to speak in reply. You have the floor.

HON. DR. S.R. GOVIND.- Mr. Speaker, Sir, I thank the Honourable Prime Minister and Honourable Attorney-General for providing further information and clarification on the Report. I would also like to thank the other Members for their contribution on this Report and with this, Mr. Speaker, Sir, I support the motion.

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

Question put.

Motion agreed to.

HON. SPEAKER.- Honourable Members, on that note, we will take a break and resume in half an hour.

The Parliament adjourned at 7.30 p.m.

The Parliament resumed at 7.58 p.m.

HON. SPEAKER.- I call upon the Chairperson of the Standing Committee on Public Accounts to move his motion. You have the floor, Sir.

REVIEW REPORT – 2016-2017 AUDIT REPORT ON STATUTORY AUTHORITIES

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

That Parliament debates the Review of the 2016-2017 Audit Report on Statutory Authorities, which was tabled on 17th February, 2020.

HON. J.N. NAND.- Mr. Speaker, Sir, I beg to second the motion.

HON. SPEAKER.- I now invite the Chairperson of the Standing Committee on Public Accounts to speak on his motion. You have the floor.

HON. A.A. MAHARAJ.- Thank you, Mr. Speaker. The 2016-2017 Audit Report on Statutory Authorities captured the audit made on 15 entities. The audit resulted in the issuance of 21 audit opinions, out of which 15 related to the 2016 Financial Statement while four were on the 2017 Financial Statement.

For the audit undertaken in the 2016 Financial Year, the Auditor-General had issued an unmodified opinion on 13 of the financial statements audited for the various entities while the audit opinion on the entity was modified and one was issued with a disclaimer of opinion.

For the audit undertaken in the 2017 Financial Year, the Auditor-General had issued an unmodified opinion on six of the financial statements audited for the various entities.

Mr. Speaker, Sir, the 15 statutory authorities were covered in the audit. The Auditor-General had highlighted some common findings including control weakness which could cause or is causing severe disruption to the process or on the viability of auditing to achieve process, objectives and comply with the relevant legislation.

The Committee noted in the Audit Report during their scrutiny process that about half of the statutory authorities were yet to be audited at that time. However, the Committee commends the financial performance of these entities during this financial period and wishes to highlight some of its achievements.

- (1) Public Rental Board - the net profit sustainability increased by 199 percent or \$0.7 million in 2016, compared to 2015.
- (2) Civil Aviation Authority of Fiji in 2017 recorded an increase in its net assets by \$2.79 million, 16.88 percent increase, compared to 2016.
- (3) Fiji Competition and Consumer Commission recorded a net surplus of \$420,000 in 2017, compared to \$181,000 in 2016.
- (4) Fiji Teachers Registration Authority recorded a surplus of \$57,959 for a 13-month period ending 31st July, 2016.
- (5) Investment Fiji in 2017 recorded a net surplus of \$102,539 for the financial year ending 31st July, 2017, compared to a deficit of \$78,000 in 2016.

- (6) Film Fiji in 2016 recorded a net surplus of \$9,580, compared to a net deficit of \$28,319 in 2015.
- (7) National Council for Disabled Persons - the Council's net assets had increased by \$19.8 million - 15 percent in 2016, compared to 2015.
- (8) Fiji Revenue and Customs Service - change of financial year from 31st December to 31st July. Other income increased by \$2 million in 2016 due to the revaluation gained from the investment property. Similarly, other comprehensive income increased by \$5.4 million due to the revaluation gained from the land and building.

The Committee also noted that FRCS's total assets increased by \$16.2 million - 20 percent, in 2016. This was due to the increase in Property, Plant and Equipment by \$10.2 million. In addition, the change in the financial contribution to the increase in cash at bank by at least \$9.8 million.

- (9) Fiji Roads Authority - change of financial year from 31st December to 31st July. The Committee also noted the net assets increased by \$8.2 billion for the seven-month period in 2016, compared to \$8.24 billion for a 12-month period in 2015.

Mr. Speaker, some of the other entities that were covered in the audit were Maritime Safety Authority of Fiji, Consumer Council of Fiji, Land Transport Authority, Fiji Higher Education Commission, Fiji National Sports Council and Fiji Meats Industry Board.

Mr. Speaker, I commend the performance of the 15 Statutory Authorities and look forward to the Office of the Auditor-General to work closely with these entities in addressing the gaps identified during the time of audit.

Mr. Speaker, Sir, with those words, I thank you for this opportunity.

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

HON. A.M. RADRODRO.- Thank you, Mr. Speaker, Sir. I will just make a brief contribution on the motion before the House.

Mr. Speaker, Sir, on the recommendations of the Committee, the Committee recommends that all financial statements be submitted as per timeline given to the Audit Act because we note, Mr. Speaker, this is the audit for the period 2016. The recommendation is based on the number of delayed audited reports that are submitted by the entities, Mr. Speaker, Sir.

Let me just read a few that are listed in the Audit Report. The Tourism Fiji submitted a Report was as late as 2013. This is 2016 we are talking about. The National Fire Authority – 2013, AMA – 2013, iTaukei Affairs Board – 2013, Fiji Servicemen Aftercare Fund – 2014, Real Estate Agent – 2013, Fiji Human Rights and Anti-Discrimination Commission – 201, Independent Legal Services Commission – 2015, Telecommunications Authority of Fiji – 2015, Fiji Arts Council – 2013, Fiji Medical and Dental Secretariat – 2013.

This is the list of the entities, Mr, Speaker, Sir, that did not submit their financials on time so we are talking about 2013, 2016 audit, so hopefully they would have sped up their delays to ensure that they are giving their audited accounts on time to carry out the audit and bring it to this House,

Mr. Speaker, Sir. But I also would like to suggest, Mr. Speaker, Sir, that a submission of audited accounts be part of the KPI of the respective heads of department and maybe this is one way that could drive the entities to submit their reports on time.

Mr. Speaker, Sir, just a few days ago, the Honourable Prime Minister was talking about the performance of Post Fiji Ltd. I would just like to mention here, Mr. Speaker, Sir, in terms of the customer service of Post Fiji Ltd, as you look at the headquarters around the main Suva headquarters, there are a lot of postal boxes that are around that area and the customer service of Post Fiji Ltd in terms of provision of services to the postal box owners, when they go and open their box, there is no parking space in which they could freely park to ensure that they can go freely to the postal boxes and get their mail on time.

Sometimes, Mr. Speaker, Sir, the postal box owners need to find space or park in an illegal space just to go and open a postal box. I hope the Honourable Minister would also take into consideration the plight of the postal box owners around the main building area. I think there are over a thousand box owners and they need to be provided proper parking space to allow them to go into the post office and open their boxes.

The other issue, Mr. Speaker, Sir, if you note, the OAG Report also highlighted the net increase in revenue for FBC and this is the time when a change of policy, the amendments in policy as compared to the Cabinet decision that they had to recognise the Government grant as part of their income contrary to the Cabinet decision that was there in 2012 where they have to record Government grants as part of the Government equity. Thank you, Mr. Speaker, Sir.

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

HON. F.S. KOYA.- Thank you, Mr. Speaker, Sir, for allowing me to contribute to the debate. I will be very short.

Mr. Speaker, Sir, the Report notes with respect to Investment Fiji, Film Fiji, Fijian Competition and Consumer Commission (FCCC) and the Consumer Council of Fiji, there were no internal control issues identified. This, Sir, is an indication of proper management of accounts by these entities.

The Land Transport Authority (LTA) and Maritime Safety Authority of Fiji (MSAF) which came under the ambit of the Ministry of Commerce, Trade, Tourism and Transport in 2020, the LTA was given an unqualified audit opinion by the OAG. It noted some significant matters and in this regard, the LTA has actually established the Authority's Governance Framework.

The Governance Framework was to improve financial management and operational efficiency, and this is how the LTA was able to improve its measures for financial prudence and management. I want to thank the Standing Committee for the Report and reassure this august House that the LTA has noted and actioned the audit recommendations. The LTA will also strive to ensure that safety is always paramount and it will achieve its objectives as mandated by law, Sir, in adherence to the financial requirements.

With respect to MSAF, Mr. Speaker, Sir, MSAF is significant in its roles in the maritime shipping industry and particularly the insurance safety in terms of navigation and general maritime safety. They had noted the recommendations of the Office of the Auditor-General with regards to Aids to Navigation Systems (ATONS) and they have been working with the Government Shipping Services (GSS) to undertake repair of those particular lighthouses. Improvements have also been

undertaken specifically on lighthouses and beacons, et cetera, to ensure the safety of passage and movement between different maritime islands.

The Government has invested a lot of money to about 70 odd lighthouses and approximately 1,000 day-and-night beacons and 10 navigational buoys. So, this is an investment of about \$3 million to actually ensure that these ATONSs are operating with respect to the efficient movement of vessels.

The GSS also has worked closely with MSAF, Sir, and the report also looks at best practices and ways of improving the technicalities in the maritime shipping sector.

Mr. Speaker, Sir, finally, the Ministry has identified suitable representatives also that we need to get with respect to the establishment of a Marine Spill Pollution Advisory Committee. The financial issues experienced in 2016 have since been rectified and the Ministry with the Ministry of Economy is guiding the MSAF Board and the CEO with respect to public finance management. I thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Minister. I give the floor to the Honourable Minister for Health and Medical Services. You have the floor.

HON. DR. I. WAQAINABETE.- I thank you, Mr. Speaker, Sir, and I would like to thank the Honourable Chairman for the motion before the House and also perusing through the reports. Mr. Speaker, Sir, the findings of the Auditor-General have found that there was an unaudited account for the Fiji Medical and Dental Council 2016 and 2017.

Mr. Speaker, Sir, this was the time when there were challenges that were happening within the Fiji Medical and Dental Council which looks after more than 1,000 medical practitioners and a couple of 100 Oral Health Professionals. The challenges and the operation in which the CEO was operating and also the difficulties were also felt with the way in which the registrations were done for our hard working medical professionals and also our Oral Health Professionals.

Mr. Speaker, Sir, with the consistency in the Permanent Secretary's position, currently Dr. Fong as Chair of the Fiji Medical and Dental Council, we have been able to change the leadership within the organisation and develop a more affluent system in terms of its operations, including looking through the accounts and making sure that we abide with the Auditor-General's Report. I thank you, Mr. Speaker, Sir, and I commend the Report and thank the Honourable Members who have participated in it. Thank you.

HON. SPEAKER.- I thank the Honourable Minister. I give the floor to the Chairperson of the Standing Committee to speak in reply.

HON. A.A. MAHARAJ.- Thank you, Mr. Speaker, Sir. I do not have any specific comments to make but I would just like thank all the Honourable Members who have contributed towards this Report. Thank you, Sir.

HON. SPEAKER.- Thank you. The Parliament will now vote to note the contents of the Report.

Question put.

Motion agreed to.

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

**REVIEW REPORT - FIJI HIGHER EDUCATION COMMISSION
ANNUAL REPORT FOR 31ST JULY, 2016**

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

That Parliament debates the Review of Fiji Higher Education Commission Annual Report for the Year Ended 31st July, 2016, which was tabled on 17th February, 2020.

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 the motion. You have the floor.

HON. V. PILLAY.- Thank you, Mr. Speaker, Sir. The Fiji Higher Education Commission is the Government statutory body that directly reports to the Ministry of Education, Heritage and Arts. The Commission began its operations on 1st January, 2010, following the commencement of the Higher Education Act 2008. It is responsible for regulating the establishment, recognition, registration, operation and standard of higher education institutions.

The Committee upon being referred the Fiji Higher Education Commission Annual Report for the year ended 31st July, 2016, invited its Senior Officials on Tuesday, 15th October, 2019, for a public hearing. During this meeting, Officials from the Commission enlightened the Committee on the following:

- (1) the alignment of the Commission's programmes and activities to the Sustainable Development Goals;
- (2) its future plans and initiatives;
- (3) information on students who have graduated from tertiary institutions and are in employment; and
- (4) how the Commission is forging sustainable relationships with local, regional and international partners with the aim to draw on their expertise and also obtain assistance through funding.

Mr. Speaker, Sir, the Commission has developed a four-year strategic plan from 2017 to 2021, which is aligned to the National Development Plan, as well as the Ministry of Education, Heritage and Arts' strategic plan.

The Strategic Plan contains four priority areas that focus on improving access and equity, developing linkages to employment in Fiji, strengthening the Higher Education system and building capacity of the Commission to support the delivery of the Higher Education Strategy.

The Committee commends the team of committed and motivated individuals who have worked together to bring the Fiji Higher Education Commission to new heights. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Chairperson. Honourable Members, the floor is now open for debate on this motion. I give the floor to the Honourable Minister for Education, Heritage and Arts. You have the floor.

HON. R.S. AKBAR.- Thank you, Mr. Speaker, Sir. I rise to respond to the motion for debate on the floor in relation to the Review of the Fiji Higher Education Commission Annual Report, for the year ended 31st July 2016, which was tabled on 17th February, 2020.

The Fiji Higher Education Commission (FHEC) was formed out of the establishment of the Higher Educational Advisory Board, which was created to make recommendations on aspects of higher education and to assist in determining an appropriate legislative framework to govern and regulate the sector.

Mr. Speaker, Sir, the Standing Committee on Social Affairs had no major issues regarding the annual report, but brought to light the following recommendations:

- (1) That the FHEC compiles its outstanding annual reports and submits them to Parliament in a timely manner, as prescribed under the section 49 of the Higher Education Act, 2008.
- (2) Additionally, the Annual Report makes limited reference to the Sustainable Development Goals and does not specify which SDG each of the Higher Education Commission Programmes and activities relate to it.
- (3) That the FHEC is to change the layout to facilitate understanding of SDG information.
- (4) Explicitly link results with relevant all priority SDGs and targets.
- (5) Include a section explaining how FHEC is prioritising action on the SDGs.
- (6) Report on the challenges faced with the implementation of the SDGs.

Finally the Committee also recommended that the FHEC work in collaboration with the Ministry of Economy for capacity building of staff to enable a better understanding of issues relating to the SDGs and its linkages to the FHEC work.

Mr. Speaker, Sir, keeping this in mind the FHEC is working towards the completion of all outstanding Annual Reports. I am pleased to note that the Annual Report for 2017 and 2018 is in the final stages and will be submitted to Cabinet by July this year. The 2018/2019 Annual Report content has been compiled and tentatively approved, however, is pending the inclusion of audited finance report. This will be submitted to Cabinet through its line Ministry in the next financial year.

Mr. Speaker, Sir, the FHEC is revisiting the 2018/2019 Annual Report content to ensure narratives for targets are more reflective of the links they have towards achieving the SDGs. All future annual reports and reporting will be inclusive of the links they have towards the achievement of the SDGs. Mr. Speaker, Sir, FHEC continues to work closely in consultation with the Ministry of Economy as recommended to discuss its alignment to SDGs reporting as recommended by the Standing Committee on Social Affairs.

Mr. Speaker, Sir, for all future reports, the FHEC will provide a breakdown of gender equality and participation.

With those words, Mr. Speaker, Sir, I thank the Standing Committee on Social Affairs for the recommendations made on the Annual Report for the FHEC. I also thank the FHEC and its team for the wonderful work that they do. Thank you.

HON. SPEAKER.- I thank the Honourable Minister. I give the floor to the Honourable Kepa.

You have the floor.

HON. RO T.V. KEPA.- Mr. Speaker, I will not be speaking on this one but on the University of the South Pacific (USP).

HON. SPEAKER.- That is fine with me.

HON. RO T.V. KEPA.- Thank you, Sir.

HON. SPEAKER.- Thank you. Honourable Leawere, you have the floor.

HON. M.R. LEAWERE.- Thank you, Mr. Speaker, Sir. Please, allow me to comment on the Report before us. I thank the Chairperson and the Members of the Standing Committee.

The Committee highlighted some of the findings which related to budgetary constraints. In light of the Ministry of Foreign Affairs and Trade, New Zealand government grant funding agreement was due to end sometimes this year. We hope that proper action is taken for its continuity Mr. Speaker, Sir.

Also the reduction in the Government budget for the 2009 to 2020 financial year by \$764,101 is worrying, as program and activities were drastically affected by the poor institution, Sir, and it deserves to be fully funded. The grant from Government cater for all staff cost, more funding for word programmes, et cetera. So, the reduction, Mr. Speaker, Sir, will re-affect FHEC's activities as far as they are concerned. Mr. Speaker, this budgetary constraints has posed challenges such as the achievement of some of its strategic objectives under its 2017 to 2021 Strategic Plan.

Mr. Speaker, Strategic Plan is only good on paper and to effective you must have world funding. Another issue, Mr. Speaker, Sir is the delay in the procurement of IT goods and services. Unfortunately, it is ITC who causes the delay here. They should be the ones, especially when they consider the grants and the procurement of services for the Fiji Higher Education Commission.

Mr. Speaker, Sir, the delay in the appointment of the Director at the Fiji Higher Education Commission - right now, Mr. Vijay Naidu is the Interim Director. How long will he be paid in this position until he is appointed? So the person who is responsible for the Fiji Higher Education Commission should ensure that a Director is confirmed so that the administration, management, function and the affairs of the Commission are effective.

Also, Mr. Speaker, Sir, the review of the Higher Education Act of 2008. As we see in the report, Mr. Speaker, Sir, there is no indication that it has been completed because that will give the Commission the regulatory power over tertiary institutions in the country. In some instances it lacks the ability to enforce what is stipulated in the Higher Education Act 2008. Some issues of concern have been highlighted in the report. There are about eight recommendations that the Fiji Higher Education Commission has come up with and one of the challenges it faces is the timely submission or issuance of the report so that people of the nation will know what is happening in these institutions.

Another issue that has come up from the Committees recommendation, Mr. Speaker, Sir, is the change and format of the layout of the report in order to facilitate and understand the SDG information. As the annual report, Mr. Speaker, Sir, makes limited reference to the SDGs and it does not specify which SDG the Fiji Higher Education Commission Programme and activities relate to. Another issue derived from the report, Mr. Speaker, Sir, is the implementation of the SDGs. I think they lack the commitment in terms of human resources to ensure that the SDGs are implemented. Further to that, Mr. Speaker, Sir,

the Fiji Higher Education Commission is to work in collaboration with the Ministry of Education for capacity building of staff to enable better understanding of issues in relation to SDGs.

Further, they need to show their breakdown in terms of gender equality and their participation in the processes within. Before I end, Mr. Speaker, in Navua they need an FNPF Centre. People are crying out loudly because they are not able to access their FNPF through the internet or on their phones,. I call on the Government to relook at that and see that an office is established in Navua for FNPF to allow members' access. Sigatoka and Suva are both far and it is also hard to get MPAiSA. With that note, Mr. Speaker, Sir, thank you very much and I thank the Committee for their report that has been tabled. *Vinaka vakalevu.*

HON. SPEAKER.- I thank the Honourable Member. I now call upon the Chairperson to speak in reply.

HON. V. PILLAY.- Thank you, Mr. Speaker, Sir. I would just like to thank the Officials from Fiji Higher Education Commission for their work and also thank the Honourable Minister for Education, Heritage and Arts or the clarifications. Thank you.

HON. SPEAKER.- Parliament will now vote to note the content of the Report.

Question put.

Motion agreed to.

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

REVIEW REPORT – FILM FIJI 2014 & 2015 ANNUAL REPORTS

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

That Parliament debates the Review of Film Fiji Annual Report for the Year Ended 31st December 2014; and Film Fiji Annual Report for the Year ended 31st December 2015, which were tabled on 17th February, 2020.

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.

HON. V. PILLAY.- Mr. Speaker, Sir, Film Fiji is a Government statutory body which is fully funded by the Government. It is constituted by law and operates in accordance with the Film Fiji Act 2002, whose primary function is to develop and promote the audio-visual industry locally and internationally.

Film Fiji is empowered under the Income Tax (Film Making and Audio-Visual Incentives) Regulations 2016 to administer incentives offered by the Fijian Government to prospective filmmakers who wish to come to Fiji to film their productions.

Mr. Speaker, Sir, Film Fiji provides location services, administers the various incentives, grants film permits and facilitates the necessary approval from authorities, such as Fiji Revenue and

Customs Services, Department of Fiji Immigration and other Government agencies. Another important function of Film Fiji is to set up a film school in Fiji.

Mr. Speaker, Sir, the Committee upon being referred the Film Fiji Annual Reports for 2014 and 2015, invited its Senior Officials on Thursday, 3rd October, 2019 for a public hearing. During this meeting officials from Film Fiji enlightened the Committee on the organisation's strategic direction, audio-visual incentives and economic impact study.

We note that in order for Fiji Film to grow progressively, it needs to grow the infrastructure and resources for filmmaking in Fiji, make Fiji the filmmaking destination of choice for filmmakers, explore new markets to Fiji, such as Asia and Europe, and improve the facilitation for filmmaking through clear legislation, efficient processes and easy access to locations.

Mr. Speaker, Sir, 4,453 full-time equivalent jobs were created through films shot locally within the period under review. Film Fiji's contribution to GDP by the Audio-Visual Industry in 2017 was similar to the Sugar Industry. We agree that the Audio-Visual Industry can be a real contributor to the nation's economic progress.

Mr. Speaker, Sir, the Committee strongly believes that there is a lot of potential and opportunities for the Fijian film industry and we commend Film Fiji's work. Thank you, Sir.

HON. SPEAKER.- I thank the Chairperson. Honourable Members, the floor is now open for debate on the motion and I call on the Honourable Tuisawau. You have the floor.

HON. RO. F. TUISAWAU.- Thank you, Mr. Speaker, Sir. I rise to contribute to the motion on Film Fiji and I note the brief made by the Chairman of the Committee and acknowledge the work they have done, even though the Report is a bit dated and do support the recommendations put before us.

The Film Fiji as we understand and mention the contribution has risen substantially, together with the government incentives as mentioned the Income Regulations 2016, Incentive Regulations and also under the Fiji Film Act 2002. The contribution is important, it is the same on par with the Sugar Industry which is very, very positive.

The issues raised by the Committee including the positions within Film Fiji. I note that this has been advertised and filled lately, but I am not sure what the situation is now. The issue regarding Annual Reports, this is a dated Annual Report so we in the Opposition, as already stated, we look forward to further updated Annual Reports, especially up to 2020.

One of the keys issues raised is the film school. I believe FNU has some elements of filming there and also in terms of the entertainment industry and their recommendation here is to enhance that and I believe that there needs to be further stakeholders consultation which I understand is going on, to closely link the industry to the available resources or manpower or human resources we have here in Fiji, so that some of the expertise being brought in by the film makers would also be outsourced locally.

I note that there is quite a substantial number of students who are coming through FNU with such technical capability and it would be great if the government facilitates linking up our local resources, our local graduates to the filming investors who are coming in and conducting their filming in Fiji.

The facilitation process, Sir, we have raised concerns regarding that, how best would resource owners benefit from this film industry, particularly in the setup. The facilitation through the Provincial Council office, the *Roko Tui* and also to the villages and the *Liuliu ni Yavusa, Liuliu ni Mataqali*.

The drawing up of the contracts, the employment contracts or benefits to the villages themselves and even the supply of materials to help with the setups and the scenery which is normally required. I personally saw the benefits of this last year when they came on this side of *Tailevu, Tokatoka*. I think that was the Eco Challenge and which was really great for the villages and also for the traditional landowners.

So, that aspect I suppose needs to be streamlined, maybe looked at again on how best to incorporate the needs of the resource owners. Yes, that Mr. Speaker, Sir, is my contribution and we look forward to further development of this industry, even though we are locked down with COVID-19 as we move towards recovery hopefully, soon. Thank you, Mr. Speaker, Sir.

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

HON. F.S. KOYA.- Thank you, Mr. Speaker, Sir. Thank you for giving me the opportunity to contribute to the debate. I acknowledge the recommendations of the Standing Committee and the summation - the principal activities of Film Fiji during the review period were the development and the promotion of the audio visual industry in Fiji.

In respect of the first recommendation, Mr. Speaker, Sir, this is for the position of CEO, as alluded to by Honourable Tuisawau. Yes, it has been filled, Sir, by Mr. Ramiro Tenorio and this application was filled on the basis of merit that was done on 11th December, 2020. It is extremely important that we get the right person and The new CEO is committed and fully understands Film Fiji's challenges and opportunities and his appointment is the right one, given his extensive experience in the film industry, such as Film Festivals like the Berlin Film Festivals and productions that have been acquired by leading companies like Netflix, et cetera, Sir. He is a strategic business minded executive with a strong commitment to Film Fiji's mission which is highly crucial, given the current situation we are currently experiencing.

I agree that the submission of all pending annual reports, Mr. Speaker, Sir, should be prioritised by Film Fiji, as indicated in the Committee's second recommendation. Film Fiji Annual Report for the period 1st January to 31st July, 2016, and for the period from 1st August, 2016 to 31st July, 2017, have been tabled in this august House and in the previous Parliament Sitting. We are awaiting receipt of the 2018 audited financial reports from the Office of the Auditor-General, before submission of the Annual Reports to Parliament.

I just wanted to say, Mr. Speaker, Sir, that Film Fiji is working towards submitting the 2019-2020 Annual Reports later on this year, subject to the completion and receipt of the audit financial reports from the Office of the Auditor-General.

Mr. Speaker, Sir, the Committee's recommendation for Film Fiji Annual Reports to make reference to SDGs by explicitly linking results with relevant SDG goals and priorities, would better equip Film Fiji in its decision making and to direct sufficient resources where required. Film Fiji has incorporated references to the SDG in Film Fiji's 2016 and 2017 Annual Report.

Furthermore, in terms of gender balance, I wish to highlight that there are currently about eight employees of Film Fiji of which 38 percent of women, and similar to any other statutory board,

recruitment of Film Fiji staff is based on merit, which is clearly outlined in the internal recruitment process.

In conclusion, I wish to emphasise that as alluded to earlier, Film Fiji is a very important agency as a major contributor to the Fijian economy, and its work is critical and this is why we have many things in the budget given to Film Fiji in terms of incentives, et cetera, for people to come and do films here. We have had many success stories, we currently have *Survivor* here also.

In terms of benefits to our local people, Fiji has benefited with the shooting going on in the Yasawa, et cetera, with considerable amount of money spent and it has a trickledown effect. A lot has been done by Film Fiji. Might I remind every Honourable Member in this House, Sir, that when these things are done with our resource owners, the iTLTB is always involved with the extra to get the channel - the benefit right in a proper fashion, Sir.

Film production will not only provide revenue, Mr. Speaker, Sir, but would also contribute to the communities where these productions will be undertaken. I thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Minister. I give the floor to the Chairperson of the Standing Committee on Social Affairs to speak in reply. You have the floor.

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

HON. SPEAKER.- Parliament will now vote to note the content of the Report.

Question put.

Motion agreed to.

REVIEW REPORT - FIJI NATIONAL UNIVERSITY 2018 ANNUAL REPORT

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

That Parliament debated the Review of the Fiji National University 2018 Annual Report which was tabled on 18th February, 2020.

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

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

HON. V. PILLAY.- Thank you, Mr. Speaker, Sir. The principal activities of the Fiji National University (FNU) are the provision of post-secondary programmes of study in higher education, technical, vocational education and training that are responsive to the needs of industry, the marketplace and non-formal sector of employment to students from Fiji and other countries in the South Pacific region.

Mr. Speaker, Sir, the Committee upon being referred the Fiji National University Annual Report 2018 invited its Senior Officials on Monday, 20th January, 2020, for a public hearing. During this meeting, Officials from FNU enlightened the Committee on, amongst other things, its semesterised curriculum and investment in digital infrastructure.

Mr. Speaker, Sir, FNU put in a huge amount of work in 2017 to re-design the entire curriculum and so launched the new semesterised curriculum in 2018. This led to the re-design of all of its degree and diploma programmes to fit in the framework to address any particular weaknesses in terms of employment outcomes or student progression. In 2017, FNU also recorded enrolment growth.

Mr. Speaker, Sir, the University made major investment in digital infrastructure in 2018 with the aim to give students an elevated learning experience. This digitisation initiative means that the University can support students learning through virtual environment so that they can be supported wherever they are without needing to be seen face-to-face. The fact that all systems will eventually go online also means that it reduces the use of paperwork leading to more savings.

Mr. Speaker, Sir, the University has also had quite significant improvements in operational efficiency in the last couple of years. The University made two important appointments in 2018 through the creation of positions of Pro Vice-Chancellor Teaching and Pro Vice-Chancellor Research.

Mr. Speaker, Sir, the University is committed to achieving the Sustainable Development Goals through its research, learning and teaching. The SDG4 which highlights the need for quality education, also aligns with the institution's aim to be the premier national university, providing quality and relevant higher education and training research and development in Fiji.

Mr. Speaker, Sir, FNU has also contributed to addressing various SDGs in its 2018 Annual Report. These include:

- (1) SDG 3 – Good Health and Well Being;
- (2) SDG 4 – Quality Education;
- (3) SDG 8 – Decent Work and Economic Growth;
- (4) SDG 9 – Industry Innovation and Infrastructure;
- (5) SDG 11 – Sustainable Cities and Communities; and
- (6) SDG 13 – Climate Action.

Mr. Speaker, Sir, the Committee commends the team of committed and motivated individuals who have worked together to bring the Fiji National University to new heights.

HON. SPEAKER.- Honourable Members, the floor is now open for debate on the motion and I give the floor to the Honourable Leawere. You have the floor.

HON. M.R. LEAWARE.- Thank you, Mr. Speaker, Sir. I rise to contribute very briefly on the motion on the Review of the Fiji National University Annual Report 2018.

From the outset, Mr. Speaker, Sir, let me thank the Chairperson and Members of the Committee for the Report.

Mr. Speaker, Sir, the findings of the Committee identified some outstanding grant payments to FNU and one of it is, Sir, is the Ministry of Health grant of \$563,602 which should have been distributed as follows:

- \$500,000 for FSM (fourth quarter grant); and
- \$63,602 short payment for the Fiji School Nursing Grant.

Where the grant had been diverted resulted in some programmes not getting their fair share of the budget. It should never happen, Mr. Speaker, Sir.

Also the Ministry of Agriculture grant of \$100,000, a short payment for Fiji College of Agriculture grant. Again, Mr. Speaker, Sir, the \$100,000 is an indication of poor planning and the concern that it will affect the programmes and the activities at FCA. The realities were operating grants, Mr. Speaker, Sir, for Fiji School of Medicine, Fiji School of Nursing and Fiji College of Agriculture. That should have been transferred to FNU after the merger.

Another issue, Mr. Speaker, Sir, on the refurbishment of student hostels. I think this was highlighted a few years back in this august House regarding the space available for students accommodation. We have remote students, island students, farming community students and they apply through the university to further their studies and then gain employment. But the poor state of hostels is an obstacle to the students finding good accommodation. This goes back to my earlier comment on the absence of capital projects which affected the renovation and the building of hostels due to the poor state that was highlighted during the 2016 Annual Report.

There were some issues of concern that was raised by the Committee, Mr. Speaker. The status of outstanding grant payments to FNU, were these grants paid? This is what we need to know and what happened? Do we get the FNU to elaborate or the Ministry of Education to inform the nation as to what happened to those grants, especially the capital grants in the 2020-2021 National Budget? How is it that they were not included? This has affected the activities and programmes, as I had earlier mentioned, Mr. Speaker, Sir, regarding the hostels. They need to be up to par so that students can come in and be accommodated for further studies.

Further to that, Mr. Speaker, Sir, there was some recommendations by the Committee and I thank the Committee for the task that they did in identifying and recommending the relevant ministries on grant payment. Mr. Speaker, Sir, as part of the recommendation, FNU to continue provide Sustainable Labelling Project (SLP) as it aims to empower people in rural communities and villages with skills to become more productive and self-sufficient in their rural areas. This is a good programme and it needs to be strengthened. I call on more budgetary allocation so as to improve the 16.6 percent participants who had secured paid employment through the scheme. Other districts around the country, Mr. Speaker, Sir, need to be covered as well.

Also, as highlighted by the Committee, Mr. Speaker, Sir, the absence of the SLP. This was absent in the Report and it is very important for FNU to know these statistics for future planning and learning. There is a need, Mr. Speaker, Sir, to include the making or building of new outboard engines. The FNU and the Ministry of Education to note this. We import to overseas countries like Japan, Korea and other Asian countries but there is a need to relook and revisit our programmes so that some of these can be also taught at FNU. I thank the Committee, Mr. Speaker, Sir, for the Report they had made and I thank you for this opportunity to contribute very briefly to the Report at hand.

HON. SPEAKER.- I thank the Honourable Member. I give the floor to the Honourable Minister for Education, Heritage and Arts. You have the floor.

HON. R.S. AKBAR.- Thank you, Mr. Speaker, Sir. Mr. Speaker, Sir, I would like to respond to the motion for debate on the floor in relation to the Review of the Fiji National University 2018 Annual Report which was tabled on 18th February, 2020.

Mr. Speaker, Sir, I would like the House to note the progress made by Fiji's premier university and work continues with greater government investment to ensure that FNU's dual sector identity remains at the core of FNU's mission.

Mr. Speaker, Sir, I will be talking about the following issues highlighted by the Standing Committee on Social Affairs - Outstanding grant payments to the University by the Ministry of

Health and Ministry of Agriculture, the Sustainable Livelihood Projects and of course, the update on the refurbishment of the Students Hostel.

Mr. Speaker, Sir, for the information of the House, it should be noted that the FNU's governance issues are by the Council that is appointed by the Minister for Education. The Council comprises of official members, appointed members, elected members and co-opted members chosen for their skills, experience and expertise. The FNU Council now is chaired by a new Chancellor and Ms. Tessa Price was appointed the new Chancellor on 16th April of this year. She comes up with a lot of experience. Ms. Price is the ANZ Bank's Regional Executive looking after 11 Pacific Island countries.

Mr. Speaker, Sir, FNU, as Fiji's premier university was established in 2010 to support the country's economic and social development by offering excellent higher education.

Mr. Speaker, going back to the Standing Committee's recommendation about the outstanding balance that is owed to FNU by the University of the South Pacific. Mr. Speaker, Sir, these grants were to be paid by the two ministries when there was a merger of FNU, of all their 10 institutions.

The contribution by the Ministry of Health and the Ministry of Agriculture was not paid to FNU that year and this was a one-off contribution for the Fiji School of Medicine and Fiji School of Agriculture. Unfortunately that issue still remains to be resolved and FNU will continue to give that priority.

Mr. Speaker, Sir, in terms of the Sustainable Livelihood Project, by the end of 2019, the NTPC Department of community-based non-formal education had trained a cumulative total of over 4,419 people in rural Fiji which shows the continued commitment for the benefit of our rural people with the kind funding assistance from the Fijian Government. Trainings in 2020 were disrupted due to COVID-19 restrictions for most of the year and trainings resumed in 2021.

Gender data was not disaggregated in the past because of the fully inclusive nature of the training. However, the gender data will be captured in future in the registration forms.

This year, the Sustainable Livelihood Project Rural Trainings continued with a budgetary provision of \$300,000 for 2020 and 2021. The first training conducted in 2021 had over 200 participants in the rural Tailevu province, however, COVID-19 restrictions have again limited our efforts this year.

Mr. Speaker, Sir, the Department also has a dedicated team that conducts impact assessments at six months after each training event. As usual, the training reports are submitted annually to the Ministry of Economy. The acquittal reports are also provided by FNU's Finance Director to the Ministry of Economy.

Mr. Speaker, Sir, on the issue of refurbishment of Students Hostels, student accommodation for tertiary students has always been an issue in Suva and FNU refurbishment works for student accommodation in Koronivia Campus, Tamavua Campus and Natabua Campus were carried out in 2018. In 2019 the works for Nasinu, Samabula and Pasifika Campuses were carried out. In 2020 outstanding work was completed for Natabua, Tamavua and Pasifika Campuses. The University continues to upgrade student accommodation facilities and in total we have 11 accommodation facilities under the Fiji National University around the country.

Mr. Speaker, Sir, while talking about student hostel issues and refurbishment, the Honourable Professor Prasad on 24th May labelled the Ministry of Education and the Fiji National University as

being very irresponsible in his favourite *Fiji Times* asking for clarification why 180 students who were stranded in FNU's Natabua Campus were in his words, "not fed, there was no food for them."

Mr. Speaker, Sir, I take this time to assure the House and the Honourable Member that there was no irresponsibility on the part of the Ministry or FNU as I am sure, he knows that the FNU Council is responsible for making the decisions of its staff and students. What, in fact, had happened that the 180 students who were still living in the hostel during the lockdown and extended closure were provided with food by the FNU, and of course, the FNU Student Association also came saying that their students were looked after.

On 4th May, when we were made aware that the students were, not only in the Natabua Campus but they were in the Suva Campus as well, we communicated to FNU and the Government on its part provided food rations to those students who were still in our Suva Campuses. We were assured by the Fiji National University Vice-Chancellor that all the students were taken care of and there was no shortage of food. In this case, the NGO that went and delivered food to the students gave the food, but that does not mean that the students had no food. No.

Honourable Professor Prasad, that is the irresponsibility on your part. You created panic and confusion on the hundreds of parents out there who read your utterance saying that the students were not provided with food. But that is very irresponsible. Honourable Professor Prasad I suggest that before you go running your mouth to your favourite newspaper, please pick up your phone and call me as you always do when you need some clarification.

Mr. Speaker, Sir, I hope the situation about our students who are still in the hostels are put to rest and the nation can be rest assured that we are taking responsibility. These students are also paid allowances, and unfortunately, unknown or known to Honourable Professor Prasad, the allowances have been paid to the students for the semester. So there was no case of students going hungry.

We all have been in a hostel in some part of our lives and we know what hostel life is like and I am sure our young people are strong enough to understand the challenges that we are going through. Like I mentioned in the morning, sharing and caring is the spirit of the Fijian way of life. We care for our people, please do not undermine the efforts of the Government in reaching out to the people who need our assistance including our tertiary students.

Mr. Speaker, Sir, on another note, the IT Investment made for FNU....

HON. SPEAKER.- You have had your time. Honourable Chairperson, you speak in reply.

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

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

Question put.

Motion agreed to.

HON. SPEAKER.- I give the floor to the Chairperson of the Standing Committee on Economic Affairs to move his motion. You have the floor.

REVIEW REPORT - FIJI FINACIAL INTELLIGENCE UNIT 2018 ANNUAL REPORT

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

That Parliament debates the Review of Fiji Financial Intelligence Unit 2018 Annual Report which was tabled on 18th February, 2020.

HON. S. ADIMAITOGA.- Mr. Speaker, Sir, I second the motion.

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

HON. V. NATH.- Thank you, Mr. Speaker, Sir. The Standing Committee on Economic Affairs tabled its finding and recommendation on Fiji Financial Intelligence Unit, 2018 Annual Report on 18th February, 2020. The Committee met the various stakeholders as part of its deliberation process. These stakeholders were the Director of FIU and his team, members of Association of Banks, Fiji Institute of Accountants, Fiji Law Society, Real Estate Licensing Board, Real Estate Agents Association of Fiji and designated non-financial business and professions.

While deliberating, it was evident the FIU was performing exceptionally well to fulfil its role on combatting money laundering and other financial demotivated crimes. The FIU continues to play a significant role in Fiji's economy as it maintains the safety and integrity of Fiji's financial system to ensure that foreign investors, local business and the general public are protected with the family elicit financial transaction.

When presenting to the Committee, the Director of FIU and Association of Banks brought to the Committee's attention cases in which many became victims of scam of the fraudulent activities by selling their bank security pins and pass codes. It is very important for the members of the public to be extremely vigilant and adhere to the bank safety and security policies. I urge all Fijians to be extremely cautious and not to surrender their bank cards or pin codes to money lenders as it is unethical and illegal.

HON. SPEAKER.- Honourable Chairperson?

HON. V. NATH.- My apologies, Mr. Speaker, Sir. The Committee was pleased to note that FIU worked closely with various stakeholders, such as Association of Banks, Fiji Institute of Accountants and REALB during the period under review. To combat financial motivated crimes, it is essential for FIU to continue working closely with all relevant stakeholders and to be provided with any support it may deem necessary to fulfil its objective.

Honourable Members of the Committee strongly agreed that continuous awareness programmes needed to be conducted in all parts of Fiji to ensure that all Fijians would be able to recognise situations in which someone would attempt to scam them or gain financial advantage through deception.

After hearing various submissions, the Committee was of the view that a National Identification System would lead to the ease of conducting commercial activities in Fiji and at the same time would provide needed security and so it recommended for Fiji to consider developing a National ID System.

Mr. Speaker, with this contribution as a Member moving the motion, I thank you for the opportunity and I apologise due to the technical issues at times.

HON. SPEAKER.- I thank the Chairperson. Honourable Members, the floor is now open for debate on the motion. I give the floor the Honourable Tuisawau. You have the floor.

HON. RO F. TUISAWAU.- Mr. Speaker, Sir, I rise to contribute to the motion on the FIU. As a Member of the Committee, we were very pleased to have the various stakeholders coming in and giving their views. As one case from the recommendations, they are quite substantial ones. Some of the highlights, I thought I would share in the critical role of the FIU and some interesting statistics in terms of suspicious transaction reports.

Majority were reported by commercial banks in the period of this Report – 62 percent and in 2017 it was 63 percent followed by money remittances services. So suspicious transaction reports by finance companies increased four times in 2018. The total suspicious transactions reports reported in 2018 increased to \$78.8 billion from \$49.1 million in 2017.

In terms of electronic funds transfers, there is another interesting data, it increased by 11 percent compared to 2017 and majority of electronic funds transfers were received from money remittance service providers for inward remittances. That correlates with the Reserve Bank of Fiji data in terms of foreign remittances coming into the country which is quite a substantial part of our economy now.

The other data I thought would be interesting was, FIU handled 260 requests for investigative assistance from law enforcement agencies compared to 205 in 2017 and 118 requests for due diligence and background checks from Government agencies compared to 75. So we can see that FIU has increased its role in monitoring.

If one looks at Recommendation 5 in terms of the concerns raised by Fiji Law Society that requirements of FIU in terms of cash transaction reports and suspicious transaction reports are too onerous and the requirement by FIU probably to appoint a compliance officer is not viable. The Committee recommends that FIU reviews this aspect of the Act to assist the likes of Fiji Law Society to comply. So that emanates from the template which FIU has in order for the legal firms to comply.

When lawyers are providing services they need, especially for buying, selling real estates, managing client money, managing savings, they need to comply and some of the requirements include identify clients and monitor clients transactions, maintain proper records of client's identity and report suspicious transactions. There are about 10 such report regulatory trainings, subject potential employees to adequate scanning procedures, appoint a person to the position of Compliance officer. So these are kind of issues which have been raised by them and which we considered important to ensure that the various stakeholders who are dealing with FIU also understand their compliance requirements but in practical terms also have the ability to satisfy those compliance requirements, Mr. Speaker. Those are some of the issues I thought I would like to share today and we do commend the work of the Financial Intelligence Unit.

In terms of reporting, the Annual Report makes interesting reading and there is also an element there of Memorandum of Agreement with other FIUs in the region. There are some which we have not linked up with and it is in Recommendation No. 4. The Committee recommends that FIU expands its MOA list to include other potential risk. Mr. Speaker, Sir, those are some of the issues I thought I would highlight.

Mr. Speaker, Sir, to end the digitalisation programme which Fiji is undergoing right now would probably require that we re-look at the rights of consumers in terms of data - consumer data rights, where they would have the right to safely access certain data held by businesses and they would be able to direct that this information be transferred to accredited third party.

So I suppose that is an issue for the Consumer Council to pursue further. What are the rights of the consumer in terms of their data which is held by these organisations, including FIU, banks, FNPF? How should this data be used by government agencies or others?

Thank you very much, Mr. Speaker, I support and commend the work of the FIU, the management, all stakeholders and also thank the Committee for the work, *vinaka*.

HON. SPEAKER.- I give the floor to the Honourable Attorney-General.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. I will be very brief and I note the recommendations by the Committee. I think we all know what the Financial Intelligence Unit (FIU) does which runs independently and, indeed, provides a very valuable service, in particular when we have had a number of foreigners who want to come into Fiji and a lot of them, sort of, go around, offering wonderful schemes, et cetera. When they do apply, for example, to Investment Fiji, FIU provides that linkage to be able to track the credentials and integrity of many of those people who come into Fiji to invest. Of course, they have successfully, as has been highlighted, led to the prosecution of a number of successful money laundering cases, also border currency smuggling, et cetera, and tax evasion.

Mr. Speaker, Sir, I note with interest the recommendations of the Committee of a national identification system. I think what they are referring to is probably a national identification card - my understanding is that, where they are saying, "The Committee recommends that Fiji consider developing a national ID system biometric and the like, similar to what is practiced in other jurisdictions."

We have mentioned this, Mr. Speaker, Sir, on the floor of this Parliament about how we were developing or setting out to develop a national ID system. Some people from the Opposition debunk that but, in fact, Mr. Speaker, Sir, it is critically important for us to have that, not just in terms of identification of people *per se*, but when we have a disaster or a pandemic, we are able to then target people specifically. It also helps with the better utilisation of taxpayers' funds. It also helps in better utilisation in respect of having proper identification done. There are also things like identity theft. There is a lot of identity theft that actually takes place even in Fiji, so by having a National Identification Card with biometrics would be very helpful.

Mr. Speaker, Sir, we have been pushed into this because we are now talking about vaccine identification and many countries are now going into what they call vaccine passports. So, even if Fijians are to now travel overseas once borders open up, many countries will actually not accept you once you have the vaccine passport or vaccine identification that you have actually received the vaccine, who you are specifically - so a biometric verification of your identification. So we are now being pushed into that. In fact, that is what we will be doing which will probably lead to invariably the National Identification Card System. I saw a former Member of this Parliament making some very spurious comments about identity cards, et cetera, recently. Some of them on the other side do know him quite well and are probably supporting him outside Parliament. But, Mr. Speaker, Sir, I think that it is critically important to have the National Identity Card System in place.

Mr. Speaker, Sir, I found it very interesting that the Committee noted what the Fiji Law Society had said and Honourable Tuisawau mentioned that. I understand from what he said that some lawyers were complaining that they have to keep records of their clients, the records of their trust accounts and who is giving money. In fact, Mr. Speaker, Sir, that was one of the ways how money was laundered, through a lot of solicitors trust accounts. That is also how money is laundered through real estate agents.

Real Estate Agents also have to keep a track of the funds that do come into their accounts, so there has to be a certain level of compliance by organisations, perhaps even accounting firms that

operate trust accounts because there needs to be a particular level of accountability as to how it can be efficiently implemented. Perhaps, that is something that can be looked at.

However, we have to understand also that there is a law called the Financial Transactions Reporting Act. After 11th September, 2001, when they had the twin towers blown away, when we had the Financial Transactions Reporting Act in particular regarding terrorism financing, if you are actually not compliant (and Fiji very quickly jumped into that without probably thinking about all the ramifications) but nonetheless they got into the Financial Transactions Reporting Act space - if you do not actually comply, banks can actually black mark you as a country.

If they think that we would be a venue for terrorism financing, a venue for drug cartels laundering their money, then obviously we will be black-marked. So, we have to understand those ramifications too. Not all people who conduct business through law firms or accounting firms or real estate firms are actually angels, they are not necessarily. So, there has to be a particular level of compliance.

Perhaps, there is an opportunity to streamline the process. Of course, some of the appointment of various officers can also be done by the lawyers themselves or other personnel that is in there. But I would like to commend the work done by the FIU, and we obviously need to continuously seek to strengthen them. They are completely funded through the Reserve Bank of Fiji (RBF), they are an independent body that is housed in the RBF premises and they also form part of the Anti-Money Laundering Council, Mr. Speaker, Sir. Thank you.

HON. SPEAKER.- I thank the Honourable Attorney-General. I now give the floor to the Chairperson of Standing Committee on Economic Affairs to speak in reply. You have the floor.

HON. V. NATH.- Mr. Speaker, Sir, I do not have any comments. I thank all the Members for their contribution especially to the Honourable Attorney-General for the clarifications and also the Members, thank you very much. *Vinaka*.

HON. SPEAKER.- The Parliament will now vote to note the content of the Report.

Question put.

Motion agreed to.

HON. SPEAKER.- I call upon the Chairperson of the Standing Committee on Public Accounts to move his motion. You have the floor.

REVIEW REPORT – 2016-2017 AUDIT REPORT ON GOVERNMENT COMMERCIAL COMPANIES AND COMMERCIAL STATUTORY AUTHORITIES

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

That the Parliament debates the review of 2016-2017 Audit Report on Government Commercial Companies and Commercial Statutory Authorities, which was tabled on 18th February, 2020.

HON. V. LAL.- Mr. Speaker, Sir, I beg to second the motion.

HON. SPEAKER.- I now invite the Chairperson of the Standing Committee on Public Accounts to speak on his motion. You have the floor.

HON. A.A. MAHARAJ.- Thank you, Mr. Speaker, Sir. The 2016-2017 Audit Report on Government Commercial Companies and Commercial Statutory Authorities captures the audit made on 11 entities. The audit resulted in the issuance of 21 audit opinions out of which 11 related to 2016 Financial Statement and 10 were on 2017 Financial Statement on various entities.

On the quality of the Financial Report, the Committee noted that the financial statement of most of entities that were audited were timely and generally of good quality. For the audit undertaken in 2016 financial year the Auditor-General has issued 1 percent or 9 percent of 2016 financial statement completed for the various entities. The Auditor-General also issued unmodified opinion on 10 or 91 percent of 2016 of the financial statement that were audited for the various entities.

For the audit undertaken in 2017 financial year, the Auditor-General had issued unmodified opinion on all 10 or all the financial statements that were audited for the various entities which means that material statements were not noted in majority of the entities which were audited.

Mr. Speaker, Sir, the 11 government commercial companies and commercial statutory authorities that were covered in the audit were consulted and this includes the following entities:

Government Commercial Companies:

- (1) Airports Fiji Limited
- (2) Fiji Broadcasting Corporation Limited;
- (3) Fiji Public Trustee Corporation Limited;
- (4) Post Fiji Limited; and
- (5) Unit Trust of Fiji;

Commercial Statutory Authorities:

- (1) Energy Fiji Limited; and
- (2) Housing Authority of Fiji.

Majority-Owned Entities:

- (1) Copra Millers of Fiji Limited; and
- (2) Pacific Fishing Company Limited

Other Entities:

- (1) Fiji Development Bank Nominees Limited
- (2) Fiji Development Bank

However, the Committee appreciates the vast contribution made by the entities towards the economy in terms of employment as well the dividend paid to the government from the revenue gathered through its operation. Mr. Speaker, Sir, some of the highlights of these entities include Airports Fiji Limited.

Fiji Airports has paid \$175 million in dividend to our shareholders over the last six years by comparison Fiji Airport had paid 14.91 in dividend in its entire history prior to that. Fiji Airports is the highest dividend State-Owned Enterprise in Fiji, \$350.6 million increased in total asset from \$197.4 million in 2013 to \$548 million in 2018. This is due to the both caring of successful cost efficient infrastructure upgrades that had given good value for money and investment to Airports Fiji Limited and the lapse of time increased the value of assets.

Total shareholders fund grew from \$167 million in 2013 to \$406 million in 2018, an increase of \$230.79 million or 142 percent. This despite the \$145 million paid out in dividend until 2018. In 2017 Airports Fiji Limited net asset had increased by 19.7 million in 2017 compared to 2016. This

was attributed by the increase on cash on hand and bank, trade receivable and property plant and equipment.

Mr. Speaker, Sir, Post Fiji Limited in 2017 recorded a net profit of \$475,000 compared to the net loss of \$842,000 in 2016. Mr. Speaker, Sir, Unit Trust of Fiji in 2017 again recorded a net profit of \$824,333 this was an increase of \$238,000, 41 percent compared to the net profit of \$585,000 in 2016. Energy Fiji Limited noted a net profit of \$667.4 million an increase of \$7.8 million, 13 percent compared to 2016.

Mr. Speaker, Sir, it was noted that the Fiji Broadcasting Corporation Limited had an increase in net profit after income tax by \$2.7 million in 2017, compared to 2016. This resulted from an increase in Government fee for Public Service Broadcast by \$2.1 million, an increase in advertising revenue from revenue and television.

Mr. Speaker, Sir, these Government Commercial Companies and Commercial Statutory Authorities' Executives are working hard to turn losses into profit and the report shows that they are successful in achieving it. These are commercial companies that were making losses over two decades ago. I would like to thank the management of these commercial companies for the hard work and dedication towards the respective companies.

Mr. Speaker, Sir, with those words, I thank you for the opportunity. *Vinaka.*

HON. SPEAKER.- I thank the Honourable Chairperson. Honourable Members the floor is now open for debate. I give the floor to the Honourable Qionibaravai. You have the floor.

HON. ADIL QIONIBARAVI.- Thank you, Mr. Speaker, Sir. I thank the Chairperson of the Standing Committee of the Public Accounts and the Members of his Committee for their review Report before the House. The Report covers about 11 entities of Government's various companies, including government commercial companies, commercial statutory authorities, majority owned entities and other entities.

Mr. Speaker, Sir, we are concerned at the way in which the audited reports for 11 different entities with different core functions and or principle activities are combined into one report. Their objective assessment is not realistic and impractical because you are trying to compare apples with oranges. Making a generic assessment on institutions that have different objectives is not realistic and does not do justice to the trust placed by taxpayers and the Government. It is almost four years now and we are now debating the Report. We urge Government, particularly the responsible Minister to ensure that reports are presented in a timely manner, so that we can have meaningful discussions on this.

It is unfortunate that most of the issues raised have been overtaken by thence, therefore, it is important that reports are presented in a timely manner so that we can have meaningful discussion and recommendations are taken on board by the relevant institutions. Many recommendations have been overtaken by time and much of our discussions are moot at this point. Having said that, Mr. Speaker, Sir, it is interesting to note that the same issues appear year in and year out. Basically, this means that most of these entities did not take or lack commitment in the implementation and recommendations of the Auditor General's Report.

Generally the performance of these entities have been static or continue to decline with very high cost to Government in continuing to provide financial support to keep them afloat. Of course, Airports Fiji Limited is an exception to this. Most of the carbon commercial entities are required to pay or to earn at least a return of 10 percent of investment as required under the Public Enterprises

Act. With the exception of Airport Fiji Limited most of the entities are not able to earn the required 10 percent under the Public Enterprise Act. Early this week we had a lot of discussion on the Fiji Broadcasting Commission. We all note that that company had begun to make profit in 2016 and there is a suggestion, if consideration can be given to transfer the grant to Fiji Television Limited, the company that was set up to control television services in Fiji.

With regards to commercial statutory authorities, which includes EFL and Housing Authority, a lot has happened since this Report was prepared. For example, Chugoku Electric Company has acquired 44 percent shareholding of EFL. The dynamics has changed and most of the issues raised are now irrelevant or redundant.

Again, Mr. Speaker, Sir, we are very concerned at the sale of Government commercial companies or their shares to foreigners who are more interested in profit making which means that people of Fiji will now have to pay much more for electricity. The hire cost of electricity in Vanuatu and other Pacific Island countries, their power generation are operated by the private sector. The cost is three and a half times more compared to those that are run by stakeholder enterprises, Mr. Speaker, Sir. The performance is marginal where by assets have only increased by 2.6 percent.

The Standing Committee noted and raised concern on the methodology of calculating in payment of loans and the advance to review risk braiding and annual provisions. It is unfortunate that Housing Authority is moving away from its core function in providing housing for low and middle income earners. One just has to look at the Housing Authority Development in Tacirua East where low and middle income earners cannot afford a lot which cost an average about \$90,000 each. The beneficiaries are well developed businessmen and contractors who purchase blocks, build houses worth more than \$300,000 which is far beyond the capacity of low and middle income earners to acquire.

Again Government owned entities such as Copra Miller Limited and the Pacific Shipping Company, PAFCO continue to have financial difficulties. The two entities are very important to our rural communities. Government should consider other solutions to revitalize its entities because they provide employment opportunities as source of livelihood for our rural communities in their respective locations. The benefit of Government support these two entities will be more beneficial to our rural communities rather than providing operating revenue to the Fiji Broadcasting Commission.

To conclude, we are of the view that .it is important the efforts specially made by Government to ensure that reports are produced in Parliament in a timely manner. Most importantly, the entities was retreated equally rather than giving preferential treatment to some even know they making loses which means you are rewarding companies that are not profitable and their inefficient management. It is a lesson learnt to other entities to compete in the market more so with the limited resources which should have been directed in the other priority sectors such as education, health and rural development.

I thank you, Mr. Speaker, Sir, for the opportunity to con tribute to this debate before the House.

HON. SPEAKER. I thank the Honourable Member. I give the floor to the Honourable Minister for Local Government, Housing and Community Development. You have the floor, Madam.

HON. P.D. KUMAR.- Thank you, Mr .Speaker. Thank you for this opportunity to speak on this motion. I also would like to thank the Committee for reviewing this report and coming up with several recommendation,

Mr. Speaker, Sir, the Committee found two significant matters in the Audit Report. These were methodology of calculating in payment of loans and advances and reviewing of risk grading and review of annual provisioning.

Mr. Speaker, Sir, in managing the loan portfolio, Housing Authority adopted the Reserve Bank of Fiji's guideline from 2010 for non-classification and provisions for impaired asset, Banking Supervision, Policy, Statement No. 3.

From 2018, Housing Authority adopted International Financial Reporting Standards (IFRS) on accounting for impairments. Mr. Speaker, Sir, from September 2009, the Housing Authority also adopted the risk grading system which classify the quality of its loans according to five categories outlined in the RBF guideline. This classification is based on the consistency in repayment of loans.

Mr. Speaker, Sir, according to the classification risk, Grade A, term standard captures those accounts where the repayments are up to day or done in advance. Grade B, which is special mentioned this category is for accounts – when loan repayments are in arrears for 30 to 90 days.

Loan accounts that are in arrears for the period of 91 to 180 days fall under grade C which is substandard. Any balance that is in arrears for more than 180 days are Grade D which is doubtful and Grade E which is lost where debt is considered unrecoverable and for write off.

Mr. Speaker, Sir, as of April 2021, three percent of the total loan portfolio of the Housing Authority is in doubtful category. Another eight percent are in the loss category.

Mr. Speaker, recovery of loan arrears under the Loans Portfolio is managed by the Credit Management Team. The credit facilities are reviewed on monthly basis and movement are monitored which required of action taken to ensure that are collected to revise repayment, plan or through recovery actions.

Mr. Speaker, Sir, the Housing Authority also considers customers who face genuine financial distress. These customers are assessed for assistance through Government Debt Relief Assistance Scheme under the Social Housing Policy, supporting the Housing Authority's policy on home retention.

Mr. Speaker, Sir, the Housing Authority is currently undergoing a restructure to improve its services and it also working towards a merger with Public Rental Board for more efficient and effective service delivery.

Mr. Speaker, Sir, I need to address one of the issues raised by Honourable Qionibaravi where she talked about Tacirua and she mentioned that there are people who have bought land and probably the land were sold for richer people and the poor and middle class people were not able to get this land.

The Housing Authority has introduced a policy where they sell certain percentage of land at market rate and they also develop certain commercial lots. This is done to offset the cost of development so that the poor and the middle class can get the land at a cheaper rate. So this is only to offset the cost. That is why they put certain lots into the market at market rate. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Minister. I give the floor to the Honourable Attorney-General.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, just very quickly, just some kind of holistic overview of it and I would like to thank the Committee for the Report, et cetera.

I think also, Mr. Speaker, Sir, there needs to be an understanding that these Government companies - Government owned companies, Government Commercial Companies and Government Commercial Statutory Authorities need to be run independently, they simply should not be 'cashcow' as someone said earlier on. I think Honourable Tikoduadua mentioned about FRA having political interference. I can tell you where the political interference is taking place and that is in the commercial companies.

The reason why AFL has made a lot of money is because of two things: firstly, AFL (no one would believe it now) used to be priced control in rental. So you have real estate at the prime real estate location which is the airport and everyone knows in the airports around the world, it is one of the most expensive real estate, paying tenants, paying far less rent than what people were actually paying in Namaka. People having offices when you come out of the arrival areas upstairs, are paying rent which is far more cheaper than what you pay in Namaka.

The Nadi Airport Development Act facilitated the ability for AFL to start charging commercial rates. A company was brought in that did the evaluation. You had two companies that had duty free stores and they still do. One of them had been there for decades. When the then Government and I think it was the SVT Government or the SDL Government, of course, brought in the second one, then they decide to call for tenders.

When the second bid was not higher than the first one's bid, the first one rang up the then Prime Minister and said, "Look, my bid is lower, can you fix it up?" Then they fixed it up, so both of them got a nice sweet deal, making millions of dollars but paying only about \$3 million or \$4 million a year. Today, between both of them before COVID-19, they are paying in excess of close to \$20 million in rental as they should because that is prime real estate. That is what we mean by running these companies in a commercially compliant manner with commercial discipline without any political interference and running fully commercially. That is the story about AFL, Mr. Speaker, Sir.

Very quickly too, EFL, I forgot to mention earlier on, every single loan that FEA lease in those days take out, we have to do a Government Guarantee. Even though EFL now has loans with ANZ, there is no Government Guarantee. The bank is relying on their balance sheet, without Government Guarantee.

This is precisely what is happening, Mr. Speaker, Sir, in a lot of these commercial companies. Of course, we had organisations like Post Fiji that need to catch up. When Post Fiji was set up some years back when we had P&T, then it was separated, then they set up ATH and then they set up Post Fiji. Of course, we know that one of the former Chairman of Post Fiji, a bench warrant is out for him and he is in hiding in Australia because his related company bought the clock. That is one of the offences but there are many other offences.

So those types of things are not happening but Post Fiji's major challenge, as we discussed the other day, is that no one uses letters anymore, people use emails, so the whole business model of postal companies have changed and they have to rejig themselves and they are doing that slowly. Of course, one of them, have now e-platform. So, those are some of the challenges, Mr. Speaker, Sir.

We have discussed this so many times, Honourable Qionibaravi, what FBC gets is actually not a grant, it is Public Service Broadcast capacity. They have produced lots of programmes. There is Government programmes on it, the airtime is what is paid for and it is like the real estate. You still do not get it, you still want to flaunt that the idea.

Mr. Speaker, Sir, organisations or companies like Copra Millers, we know a number of decades ago, copra was a very highly sought-after commodity. Of course, then it went into a lull. It still is, compared to what it used to be.

In the same way, 120 years ago, they used to catch whales for its oil and make soap out of it. They no longer do that, I mean, apart from killing most of the whales, but the various commodities at different pricing at different times in history, have different prices. So, the focus of copra now is more on virgin oil - hand-pressed oil. That is what is highly more sought-after; perfume companies, et cetera, want that.

A lot of those businesses that were set up some time back need to be able to remodel themselves. You need to look at the market that is around those particular companies. Similar challenges with PAFCO, Mr. Speaker, Sir. Of course, a lot of these companies can have internal issues. They have their own procurement issues, procurement tender boards, et cetera, but we, as Government, need to be concerned and to make sure that these organisations' balance sheets become strong because when they become strong, they are able to stand more on their feet. They do not require government grants, they do not require government support, they do not require government guarantees and really, that is what we should be targeting whilst at the same time, of course, many of them perform a particular level of social corporate responsibility. Thank you, Sir.

HON. SPEAKER.- I thank the Honourable Attorney-General. I give the floor to the Chairperson of the Standing Committee on Public Accounts to speak in reply. You have the floor.

HON. A.A. MAHARAJ.- Thank you, Mr. Speaker. Mr. Speaker, just a few clarification. Honourable Qionibaravi actually said that these are not independent audits. They are independent audits. They are just compiled in one particular report and presented to PAC. It is not that those entities are actually compared with each other. It is not so they are independent audits.

The other thing, as I mentioned, these are unmodified reports. That means there were not any pertinent issues that were actually identified. That is why the OAG gave his opinion on all 10 entities that were actually audited as unqualified in 2017.

The other thing, all the financials were also submitted on time, so most of the issues that were actually raised by Honourable Qionibaravi, actually it does not relate to this particular Report that we are debating, Mr. Speaker.

Mr. Speaker, I would also like to thank all the Members who actually contributed with regards to this debate and the clarifications that were made. Thank you, Sir.

HON. SPEAKER.- The Parliament will now vote to note the content of the Report.

Question put.

Motion agreed to.

HON. SPEAKER.- I now call upon the Chairperson of the Standing Committee on Social Affairs to move his motion. You have the floor.

REVIEW REPORT – PUBLIC RENTAL BOARD 2017 ANNUAL REPORT

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

That Parliament debates the Review of Public Rental Board 2017 Annual Report which was tabled on 19th February, 2020.

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

HON. V. PILLAY.- Thank you, Mr. Speaker, Sir. The Public Rental Board (PRB) provides affordable rental accommodation to meet the increasing demand for rental housing.

The Committee, upon being referred the Public Rental Board 2017 Annual Report, invited its Senior Officials on Monday, 7th October, 2019, for a public hearing. During this meeting, Officials from PRB enlightened the Committee on the following:

- Rental subsidy and social cost;
- Outcome of the re-profiling of customers; and
- Strategies put in place by PRB to reduce the large number of waitlist applications registered.

Mr. Speaker, Sir, the Government has a social obligation to provide rental subsidy to the PRB and it continued in 2017 as there was an allocation of \$1 million. This subsidy was distributed accordingly as per the reviewed 2016 Subsidy Distribution Criterion, considering the increased rental charges. Seven to eight hundred financially disadvantaged families were assisted with their subsidy.

Mr. Speaker, Sir, PRB undertakes a re-profiling household income survey annually to ascertain the number of occupants in each household in order to get correct household income, estimate meetings and frequent estate visitation. The outcome of the survey is to assist PRB to attend to those tenants who are overcrowded, identify right tenants based on household numbers and encourage customers earning above the ceiling of \$317 or \$481 weekly to move to home ownership.

Mr. Speaker, Sir, in terms of the strategy put in place by the Board to reduce the large number of waitlist applications registered with it, the approach was to encourage existing tenants to transition to home ownership with the Housing Authority and other housing providers. The management of PRB told us of its plans to construct new flats, ensure land acquisition with landowners, and graduation of tenants to home ownership, to name a few.

Mr. Speaker, Sir, additionally, the PRB and the Housing Authority have a common board and in all Housing Authority Subdivisions, land is made available for PRB development. The Housing Authority is giving priority allocation towards PRB tenants for home ownership. All PRB tenants who are earning above the income threshold have been referred to Housing Authority and are being encouraged to move to homeownership with Housing Authority or the private sector.

Mr. Speaker, Sir, in 2017, the PRB's major focus was the provision of quality and affordable rental flats to low income earners. The year also proved to be productive and challenging in relation to the overall performance of the Board. While providing accommodation to low income earners, the Board was able to achieve a profit of \$851,204.

The Committee is generally satisfied with the performance of the PRB in 2017 and would like to see more done in the provision of affordable rental accommodation to meet the increasing demand for rental housing in Fiji. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Chair. Honourable Members, the floor is now open for debate on this motion and I give the floor to the Honourable Tabuya. You have the floor.

HON. L.D. TABUYA.- Thank you, Mr. Speaker, Sir. I rise to contribute to the debate on the Review of the Public Rental Board 2017 Annual Report. I would like to thank the Committee for the work and just looking through the Report itself, I will be speaking very briefly on one recommendation which came from the Committee about the need to construct affordable housing and this is one of my favourite topics to discuss as it is really needed in this country.

Mr. Speaker, Sir, firstly, I acknowledge and thank the Government for securing in January this year the four-year partnership between the World Bank Group and Fiji. The World Bank Group being the IFC in the World Bank and basically the four-year partnership, as we know, has a framework which focuses on two major areas which is fostering private sector led growth and inclusive economic opportunities and secondly, building resilience including strengthening community resilience to climate and public health emergencies.

This partnership came in before COVID-19 hits us again, so it is very timely. I just want to query in terms of the need to construct, not just affordable housing, Mr. Speaker, Sir, but as outlined in Section 35 of the Constitution, the need also for adequate and accessible housing. So adequate housing that is stipulated in our Constitution. The need for us to construct housing that is category five resilient so that when we are facing calamities, like we have in the past year from *TC Yasa*, *TC Harold* and the like, we are able to have housing that is able to withstand this.

Mr. Speaker, Sir, just in terms of this particular framework, I query again as to where the affordable housing project which the IFC has, we have been told the IFC has taken on, where that is up to? We have heard the reason being, it is being held up because of COVID but, the need for the Government to pursue this, especially, at this time, Mr. Speaker, Sir. If we are looking at economic recovery for our country, then this would be an opportune time to explore that in terms of actually going ahead with these projects. As I mentioned in my last presentation, like shovel ready projects, or even projects where you can have the construction of affordable, accessible and adequate housing.

We have heard from the Government about the construction of housing for our low income earners, and this is needed very much. I challenge the Government to consider the creation of local work bubbles. I went to the afternoon tea and discovered from the staff that they actually have zones within parliament now. They have their own bubbles within Parliament that they can protect each other, so there are just staff who are focused in the Big Committee Room and staff upstairs and in the other offices.

Why not think about local work bubbles, where you can set up these zones where workers can have their own bubbles, where they construct homes and they could be there for six weeks at a time, they have their own health workers or frontliners looking after them and to be able to employment opportunities for our people, as well as keeping COVID safety measures, However, it does meet the need to create this housing that we need, especially at this time when we continue to see overcrowding of our informal settlements in urban centres. We do need to tend to this, Mr. Speaker, Sir.

I challenge the Government to explore those kinds of bubbles where our workers can be there for certain periods at a time and also get meaningful employment with the office from our World Bank groups like IFC and the World Bank. That is all I have to contribute, Mr. Speaker, Sir, and I commend the Committee and I support the motion.

HON. SPEAKER.- I thank the Honourable Member. Anyone wishing to take the floor? Honourable Premila Kumar.

HON. P.D. KUMAR.- Thank you, Mr. Speaker, Sir. I rise to contribute to the discussion and

support the recommendation made by the Committee. There is a critical need for establishing enhanced and streamlined regulatory and policy framework for the housing sector in Fiji with appropriate institutional structures for implementing policy directives. Central to achieving this desired outcome is the review of the National Housing Policy which the Committee recommended.

Mr. Speaker, Sir, to undertake the necessary review of this National Housing Policy, the Ministry secured the appointment of a housing sector policy advisor in October 2019 funded by the New Zealand Ministry of Foreign Affairs and Trade to achieve these new objectives for the housing sector. Work on this review is in progress.

Mr. Speaker, Sir, the Committee has also commented on the long wait-list for PRB flats. The social housing stock is essential to reduce the waiting list; we understand that. In the last six years, total Government grant to PRB was over \$16 million for capital projects. But, Mr. Speaker, Sir, today I really want to discuss one simple issue and I would like to question, you, Mr. Speaker, Sir, do you know that from 1993 PRB had sold 226 flats in Grantham Road, Kia Street, Vatuwaqa, Nadera, Newtown and Makoi Estate for mere \$3.2 million. Those individuals who are on the waiting list must know why they are still waiting.

Mr. Speaker, Sir, while this Government is trying is trying to increase the rental stock but what did the past government do - sell rental flats in high demand areas. Today if we build 226 flats, it will cost Government 10 times more. PRB was short-sighted without realising the cost of building today.

Mr. Speaker, Sir, let me speak on the recommendation made by the Committee on advancing the Public Private Partnership (PPP) arrangement. Engagement with private sector to inject capital into affordable housing has already been identified. Six sites have been identified for potential PPP on affordable housing through IFC and one of the sites is a five-acre land in Raiwaqa which belongs to PRB.

Mr. Speaker, Sir, as we had discussed in previous Parliament sessions, IFC work has slowed down because of the travel restrictions during this pandemic, but the necessary preliminary work is progressing. In the meantime, my Ministry has also taken the lead role in identifying and introducing several local and overseas developers who are keen to partner with HA and PRB to increase the affordable housing stock in Fiji.

The next step is for this institution to engage with these partners to bring in new technology and innovative financial models to increase the housing stock. Mr. Speaker, Sir, the Government has also announced numerous tax and duty concessions to encourage private sector to invest in the housing sector. Some of the key incentives approved by the recent National Budget to encourage local private sector investments include income tax and exemption on profits of the entire projects for multi-storey residential developments, a 15 percent of the units in each of the first five floors are sold at a unit price of \$300,000 or less. Duty exemption on importation of capital equipment, plant and machinery for such projects.

Income tax, holiday and profits from rental of private sector multi-unit rental housing development for the duration of the entire PPP Agreement with Government and tax exemption on tiers-develop a profit and duty exemption on importation of materials, plant and machinery for businesses engaged in subdivision of lots for residential and commercial purposes.

Mr. Speaker, Sir, so you can see that the Government is trying its level best to engage with the private sector to increase affordable housing in the market but housing is such a product and when

we talk about housing, we do not have one solution for the various communities that we have with different income groups. We have to look at different options that may suit different people.

One area that definitely the Government is keen in developing the strata apartments. Strata apartments would be a solution for affordable housing.

I can also say, Honourable Tabuya there is change in heart. Initially she was a bit concerned about IFC's involvement in this project and last time during Questions she asked about IFC and what the land was not being sold? Who owned the land? Today she showed a change in heart by saying that it is good to see that IFC has come on board. So, be consistent in your thinking.

Mr. Speaker, Sir, with those words, I support the recommendations made by the Standing Committee.

HON. SPEAKER.- Thank you, Honourable Minister. There being no one else wishing to take the floor, I call on the Chairperson of the Standing Committee on Social Affairs, to speak in reply.

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

HON. SPEAKER.- Honourable Member, the Parliament will now vote to note the content of the Report.

Question put.

Motion agreed to.

HON. SPEAKER.- I call upon the Chairperson of the of the Standing Committee on Public Accounts to move his motion.

REVIEW REPORT - AUDIT REPORT ON PROVINCIAL COUNCILS VOLUMES 1- 3

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

That Parliament debates the following Reports:

- (a) Review of the Audit Report on Provincial Councils Volume 1, which was tabled on 19th February, 2020;
- (b) Review of the Audit Report on Provincial Councils Volume 2, which was tabled on 3rd September, 2020; and
- (c) Review of the Audit Report on Provincial Councils Volume 3, which was tabled on 23rd March, 2021.

HON. J. NAND.- Mr. Speaker, Sir, I beg to the second the motion.

HON. SPEAKER.- I now invite the Chairperson of the Standing Committee on Public Accounts to speak on his motion. You have the floor.

HON. A.A. MAHARAJ.- Thank you, Mr. Speaker. Mr. Speaker, this debate covers three Volumes and a total of 126 Financial Statements.

Mr. Speaker, speaking on Volume No. 1, the Provincial Council Volume No. 1 Report recorded the audit results for the financial period 2000 to 2007. The Committee noted that between 2015 and 2018, the Office of the Auditor-General received from iTaukei Affairs Board 114 draft financial statements for the 14 Provincial Councils. The Volume No. 1 Report contains the Audited Financial Statement of six provincial councils for the Years ranging from 2000 to 2007 financial years and these include:

- (1) Tailevu;
- (2) Naitasiri;
- (3) Lau;
- (4) Macuata;
- (5) Rewa; and
- (6) Serua Provincial Council.

It was found that there were 126 significant matters on the audit of the 30 financial statements of six provincial councils.

Mr. Speaker, the Provincial Council Volume No. 2 Report also provides additional details and the results of the audit conducted by the Office of the Auditor-General for the period 2000 to 2007. The Report contains the Audited Financial Statement for nine provincial councils for the years ranging from 2000 to 2007 financial years and this includes:

- (1) Ba;
- (2) Bua;
- (3) Namosi;
- (4) Ra;
- (5) Rewa;
- (6) Serua;
- (7) Kadavu;
- (8) Cakaudrove; and
- (9) Nadroga/Navosa Provincial Council.

As earlier stated in the Committee Volume No. 1 Report - Financial Accountability, the Provincial Council, in terms of financial reporting and making available, it took the members of the provinces and public audited financial statement is lacking. The Committee noted that between 2015 and 31st October, 2019 the Office of the Auditor-General received from iTaukei Affairs Board 148 draft financial statement from provincial council for audit, except Lau Provincial Council. All provincial councils have submitted for the audit financial statement up to the year ended 31st December, 2012.

Mr. Speaker, the Provincial Council Volume No. 3 Report contains the results of the audit conducted by the Office of the Auditor-General on provincial councils. Volume No. 3 for the financial period of 2006 to 2010. The operations of the councils are funded by the Government dispersed through the Ministry of iTaukei Affairs and iTaukei Affairs Board. Other operational costs not covered by Government as I mentioned are funded through the collection of communal basis or provincial rates. There are 14 provincial councils which the Auditor-General has amended to audit under Section 33 of iTaukei Affairs Provincial Council Regulation 1996.

Volume No. 3 Report contains the audited financial statement for the 14 provincial councils for the years ranging from 2006 to 2010.

Mr. Speaker, Sir, the Committee noted some other matters for the provincial councils from Volume One that we have already communicated with the iTaukei Affairs Board during the audit through the OAG. Management letters were related to the following areas:

- Submission of financial statements for audit compliance with the accounting standard;
- Record management;
- Asset management;
- Loans and advances to staff and public;
- Policies and procedures;
- Provincial rates;
- Confirmation for investment of provincial companies;
- Value-Added Tax; and so forth.

Mr. Speaker, Volume Two and Volume Three had the same concern which was discussed at length with iTaukei Affairs Board. The Committee had come up with a lot of general recommendations to improve the system, operation and structure of all provincial councils. These issues are not recent. They have been there for the past five decades.

The iTaukei Affairs Board needs to carry out proper reform and restructure with regards to all provincial councils and PAC shall wait for the most recent audit report to check on iTaukei Affairs Board and provincial councils had acted on the recommendation to improve the organisation. With those words, Mr. Speaker, Sir, I thank you for the opportunity. *Vinaka*.

HON. SPEAKER.- Thank you, Honourable Chair. Honourable Members, the floor is now open for debate on the motion, and I call on the Honourable Qionibaravi. You have the floor.

HON. ADI L. QIONIBARAVI.- Thank you, Mr. Speaker, Sir. I rise to contribute to the motion before the House. First, I thank the Chairperson of PAC and the Members of the Committee for the Report and their recommendations before the House. I also acknowledge the OAG and his staff for the tedious work they have carried out in their efforts to bring up to date, the audit of the 14 provincial council accounts, Mr. Speaker, Sir.

Having said that, I say that it is disappointing to note that the latest audited accounts as shown in Volume Three of the accounts of the provincial councils is at 31st December, 2010, 10 years in backlog, Mr. Speaker, Sir. Equally disappointing is that the opinion issued on these accounts, for the 14 provincial councils are all disclaimer of opinion, Mr. Speaker, Sir.

Earlier this year, I had contributed to a debate on, I think, part of the provincial council audit as well, and I had informed the House that there was an approved plan with the Fijian Affairs Board then, now iTaukei Affairs Board, 2006, together with the OAG that work would continue to update the outstanding audit by 2008, Mr. Speaker, Sir. They were going to do that via contracting out the audit of these accounts to chartered accounting firms.

That did not happen as I had explained to the House in an earlier Parliament Session. Be that as it may, there are lessons to be learnt:

- (1) That there is a greater responsibility to those coming into the organisation to ensure that they carry out an audit of resolutions of the governing entity so that the outstanding resolutions are implemented.
- (2) With important outstanding issues such as audit of accounts that vigilant efforts be carried out to ensure that they are taken to completion within the approved time span.

- (3) That an evaluation of remaining employees be carried out so that these employees remain in employment to ensure the completion of the outstanding audit.
- (4) That the event of change of office premises that there must be extra caretaker to ensure that all critical documents are transferred to the new premises.
- (5) That the programme of strengthening of human resources in terms of recruitment of qualified personnel and staff training is continued.
- (6) That the provision of all necessary office equipment must be supplied.
- (7) That a special plan of action be developed to ensure that the roadmap to complete all the outstanding audit.

On that note, I commend the Report before the House and wish the OAG all the best in continuing the work that is expected to complete or to bring up to date all the outstanding work, audit of the 14 Provincial Councils. Mr. Speaker, Sir. I thank you for the opportunity to contribute to this debate.

HON. SPEAKER.- I thank the Honourable Member, I give the floor to the Honourable Matanitobua. You have the floor.

HON. RATU S. MATANITOBUA.-Thank you, Mr. Speaker, Sir for the opportunity to participate on this debate. At the outset, Sir, may I also thank and congratulate the Honourable Members of the Standing Committee on Public Accounts for the important role in scrutinising the Report of the Auditor-General and in particular, the item on Police Report for the 14 Provincial Councils.

Mr. Speaker, Sir, may I also thank the Auditor-General and his staff for their continued courage and diligence to their duty to ensure the taxpayers fund are spend responsibly and for the purpose for which it is allocated by Parliament.

Mr. Speaker, Sir, I serve as Assistant Minister for Fijian Affairs after the General Election in September 2001 and again after the May 2006 Elections I was again appointed to serve as Assistant Minister for Fijian Affairs.

Mr. Speaker, Sir, a lot of work was being done to improve accounting of Provincial Council thus as well as the audit of the Provincial Council accounts. The Fijian Affairs Board, now iTaukei Affairs Board, had approved that the backlog in audit of the Provincial Council accounts be completed by the end of 2008.

Mr. Speaker, Sir, it is disappointing that the work has remained outstanding to date, Mr. Speaker, Sir. I trust that every effort will be carried out to ensure the completion of these long outstanding work. Sir, may I now turn to the recommendation of the Standing Committee.

I thank the Standing Committee for endorsing a recommendation of the Auditor-General to strengthen the accounting and audit capacity of the iTaukei Affairs Board and the Ministry of iTaukei Affairs, as well as of the 14 Provincial Councils, I am also happy to see that between the first, second and third Report of this audit of the 14 Provincial Councils, the Ministry of iTaukei Affairs and the Provincial Councils have made progress in compiling the recommendation to strengthen the accounting, audit and monitoring capacity. Thank you for the opportunity to contribute to the motion before the House, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Member. I give the floor to the Honourable Prime Minister.

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

Mr. Speaker, Sir, I thank the Provincial Council Office for supporting the audit process. They have done their best to address issues highlighted in the Audit Reports and as you have heard and as Honourable Matanitobua has informed us as he was there from 2001 and 2006, the backlog of audit goes back to the Year 2000 which gives us a fair idea of how massive their task was.

With backlog dating that far back, Mr. Speaker, Sir, it took a lot of diligence and hard work on their part to complete the massive task, missing records, incomplete documentation, bypassing of finance policies and procedures, to name a few, were inherited issues which made the task challenging.

Mr. Speaker, Sir, I would like to present some key highlights on the Provincial Council's audit backlogs from 2000 to 2020. The iTaukei Affairs Board managed to prepare and submit 154 Provincial Councils' Annual accounts to the Office of the Auditor-General for audit. There are annual accounts for the years 2000 to 2012, from 2000 to 2007 - 84 annual accounts; from 2008 to 2010 - 42 annual accounts; from 2011 to 2012 - 28 annual accounts. The Office of the Auditor-General completed its audit and submitted audited reports of 126 annual accounts from 154 accounts that they received.

Mr. Speaker, Sir, I had alluded to earlier, that the audit was not an easy task due to the following reasons - its backlog was inherited from past iTaukei Affairs Board management and largely owed to the failure to submit the annual accounts on time to the Office of the Auditor-General; due to the time lapse missing records hindered the effectiveness of reporting.

To clear the 2013 to 2020 Provincial Councils audit backlog, the iTaukei Affairs Board had put in place the following measures:

- A workplan that is regularly monitored by an Audit Backlog Taskforce.
- New Standard Operating Procedures to guide finance officers and strengthen internal controls.
- Recruitment of qualified Provincial Treasurers under the Open Merit-Based Recruitment and Selection Guideline.
- A new integrated financial system that has replaced the old Wilby system - an accounting software that has become outdated; a new and more robust accounting and pay roll system is currently being used.
- The strengthening of the internal audit function through the development of skills appropriate to address the audit work plan and to improve networking with the external auditors.
- The asset emulation was carried out in 2019 and is now scheduled for every three years.
- The development of planning document such as the five-year strategic development plan and annual operational plan to guide the work of the Provincial Councils. These reports are also monitored on a monthly basis by the Monitoring and Evaluation Unit.
- Quarterly workshops are organised for Roko Tuis, Senior Assistant Roko Tuis, Provincial Treasurers and Assistant Treasurers to build the required capacity within the Provincial Councils.
- The establishment of Governance and Risk Unit to look into governance gaps and risk management.

- The establishment of the Conservation Unit which strengthens the iTaukei Affairs Board responsiveness to climate change issues and its adaptation.
- Review and improvement of records management of Provincial Council at the Provincial Council.
- A *veisosomitaki* (replacement) framework is currently being developed to guide succession planning within the iTaukei Affairs Board and the provincial Councils and the audit findings are now widely disseminated to the Provincial Councils with a view of reinforcing the strategy for continuous performance improvement.

Mr. Speaker, Sir, Honourable Qionibaravi in yesterday's session stated that Government should come up with better plans and strategies to improve our finances. This is coming from someone who during her term as CEO of the then Fijian Affairs Board, fell short of her responsibilities within her powers to ensure that there were no backlogs or financial reports from the provincial Councils. This is a key performance indicator that she should have achieved during her tenure.

Mr. Speaker, Sir, the various reforms implemented by Government have vastly improved the financial reporting of Provincial Councils. The current management of the iTaukei Affairs Board has managed to reduce the audit backlogs dating back 20 years. These are backlogs that have existed from previous governments which some of the Members of the Opposition were part of.

Honourable Members from the other side of the House have an affection to falsely accuse Government repeatedly of weakening iTaukei institutions. The findings of the review that we are currently debating now, clearly sets the record straight. The reforms introduced by the FijiFirst Government contrary to the misguided perception of the Opposition has actually strengthened the governance of *iTaukei* institutions such as the Provincial Councils.

To ensure inclusiveness and sustainable development, Government is committed to economic empowerment of the *iTaukei* in our rural villages and communities who for far too long have been left behind before we came into power. This Government, Mr. Speaker, has done more than any other Government to improve roads to rural areas, extend rural electrification, water and sewerage networks; we do not leave anyone behind. It needs to be said that there are substantial sums of money revolving in some of our rural and maritime areas but due to lack of financial literacy, these funds are not put to good use such as for medium to long term investments that will reap long term benefits for future generations.

Mr. Speaker, reforms have led to the establishment of a commercial unit under the iTaukei Affairs Board to explore economic empowerment opportunities, organise financial literacy training for iTaukei communities and to provide business advisory services with the aim of broadening the knowledge of the iTaukei to reap commercial benefit from their resources in the most sustainable way possible.

I would like to pose this question to the Opposition; are these the actions of a Government that wants to weaken iTaukei institutions and does not have the best interests of the iTaukei? Surely not, Mr. Speaker. As Minister for iTaukei Affairs, I am constantly updated on the progress made with respect to the clearance of the Provincial Councils' audit backlogs. This august House can be rest assured that Government, through the Ministry of iTaukei Affairs, is committed and working on addressing the recommendations of the Standing Committee and much more. Based on those remarks, Mr. Speaker, I support the motion. Thank you.

HON. SPEAKER.- I call on the Chairperson of the Standing Committee on Public Accounts to speak in reply.

HON A.A. MAHARAJ.- Thank you, Mr. Speaker. I would like to thank the Honourable Prime Minister for actually coming out strong on clarifying the issues which regards to this backlog. As stated by the Honourable Prime Minister, this backlog goes back all the way to 2000 and we very well know who the CEO was back then and where the backlog actually started.

One of the major issues which we found out back then was the Human Resources - people elected based on nepotism. That was the issue and that was the mess that was created and once the OMRS that was brought by the Bainimarama Government and people actually came on in the Merit System it took so much time to actually get rid of all the mess that was created. That is why we have 20 years of backlog which we are trying to clear now.

With those few words, Mr .Speaker, I would like to thank all the Members who contributed towards this debate.

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

Question put.

Motion agreed to.

REVIEW REPORT - UNIVERSITY OF THE SOUTH PACIFIC 2018 ANNUAL REPORT

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

That Parliament debate the Review of the University of the South Pacific Annual Report 2018 which was tabled on 20th February, 2020.

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

HON. SPEAKER.- I now call on the Chairperson of the Standing Committee on Social Affair to speak on his motion.

HON. V. PILLAY.- Thank you, Mr. Speaker, Sir. The University of the South Pacific (USP) was established by the Royal Charter of the University in 1970. It is a non-profit educational institution, providing higher education to 12 member regional countries. The University is the provider of tertiary education in the Pacific region and an International Centre of Excellence for teaching, research and consulting on all aspects of Pacific life.

The Committee, upon being referred to the University of the South Pacific 2018 Annual Report, invited its Senior Officials on Monday, 25th November, 2019, for a public hearing. During this meeting, Officials from USP enlightened the Committee on the following:

- (1) Type of programmes offered by the Pacific Technical and Further Education (Pacific TAFE);
- (2) USP's major focus in 2019 in line with the Sustainable Development Goals; and
- (3) Implementation of the Monitoring and Evaluation Framework for all Committees and Boards of USP.

Mr. Speaker, Sir, the USP Pacific TAFE offers pre-degree programmes. The sub-degree programmes have practical component which includes; industry endorsed curriculum, industry

standards, industry mentoring and compulsory 6 of assessed industry attachments. The University engaged people from the industry to deliver certain courses in various programmes.

Mr. Speaker, in the course of 2018, the University also funded research aligned to the new Strategic Research Themes synthesized from the UN Sustainable Development Goals (SDGs) and underpinned by Innovation, Empowerment & Sustainability. These include:

- (1) Economic Growth, and Public & Private Sector Development (Goals 1,8,9 and 11);
- (2) Oceans, Land and Climate (Goals 6, 13, 14 and 15);
- (3) Education, Culture and Health (Goals 2, 3 and 4); and
- (4) Governance, Justice and Equality (Goals 5, 10, 16 and 17).

Additionally, the Monitoring and Evaluation Framework of all Committees and Boards is a new initiative proposed to document monitoring and evaluation processes and/or tools that are currently in place for Committees and Boards.

The University drew out the 2013-2018 Strategic Plan and within the period under review, the Committee noted 80 percent of objectives had been achieved under the Strategic Plan.

The USP continues to promote study abroad as an excellent opportunity for students and alumni based on relevant academic specialization or previous travel experience.

As a leader in ICT for education, USP aims to provide the most modern, convenient, and accessible ICT tools and services, an aim that is consistent with USP's ethos of continuous improvement and recognises USP's core functions that depend on ICT for success.

Mr. Speaker, Sir, all in all, the University had a good year and made a lot of progress in the areas of teaching and research, thereby contributing to the learning and development of so many of its students.

HON. SPEAKER.- I thank the Chairperson. Honourable Members, the floor is now open for debate on this motion. I give the floor to the Honourable Kepa, you have the floor, Ma'am.

HON. RO T.V. KEPA.- Thank you very much, Mr. Speaker, Sir. Mr. Speaker, Sir, I know it is very late but I just wanted to make an observation. We were told that we would just speak for five minutes but I noticed that some five minutes are short and some five minutes are long so I hope my five minutes will not be short. Thank you, Mr. Speaker, Sir.

I thank the Committee for their report. The Chairperson in his Foreword thanked the Vice Chancellor and Professor Pal Ahluwalia at that time and his staff for their assistance to the Standing Committee in 2018. Because of the time limitation, Mr. Speaker, I will just speak on two very important issues.

The first issue was a very great concern in the report that there were 26 allegations of mismanagement and abuse of office at USP by the former Vice Chancellor and President and the senior management team. The recommendation was that BDO Auckland report together with the Action Plan to be tabled in Parliament as soon as possible. So I hope, Mr. Speaker, that the Honourable Attorney-General will see to that undertaking.

My second issue, Mr. Speaker, is on the outstanding and delayed Government grant to USP. The Committee states in their report that \$9.9 million grant was not given to USP when they were compiling their report. That is a commitment, Mr. Speaker, that the Fiji Government has made and

it was passed in Parliament during the Budget Debate and it is not good when the Honourable Attorney-General, who is supposed to be providing this allocation to USP and does not provide it on time.

The recommendation there in the Report, Mr. Speaker, is that USP must work closely with the Fiji Higher Education Commission to enable the timely disbursement of funds. There was a request from some USP students, Mr. Speaker, it is that right now they are trying to write up their assignments but they have no access to any study labs and they do not have computers or access to laptops, so they are asking for some assistance that may be able to be given to them in light of this Report that we are debating here in Parliament.

The second request, Mr. Speaker, is from the TELS and Toppers scholarship students. How can they access the \$50 assistance as their allowance does not allow them to be able to live outside of the subsistence level that they are living in, Mr. Speaker.

In conclusion, Mr. Speaker, on this Report, all is well that ends well. The USP Council has resolved to offer Vice Chancellor, President, Professor Pal Ahluwalia a new contract for a three-year term with the option for an extension of another two years. That is indeed good news, Mr. Speaker, because we know what happened in February when he was taken rudely in the middle of the night and he is diabetic, Mr. Speaker.

When he was visited by Department of Immigration and other officers to tell him that his work permit was cancelled and therefore, he was a *persona non grata*. Honourable Ahluwalia will be based at Alafua Campus in Samoa. This is Fiji's loss and Samoa's gain. We wish Professor Ahluwalia and USP all the best as they venture into new uncharted waters. Thank you, Mr. Speaker.

HON. SPEAKER.- Thank you, Honourable Member. I now give the floor to the Honourable Tuisawau. You have the floor.

HON. RO F. TUISAWAU.- Thank you, Mr. Speaker, Sir. I rise to comment on the USP Report, the findings of the Committee regarding the large number of vacant academic positions and that is the challenge which was faced in that year and I believe it is also related to the recommendation regarding the review of the HR Office and related to the human resource plan and forecast for the University.

My comment is that, that needs to be strengthened and I believe one of the weakness is related to that finding in number two on the allegations of the mismanagement and abuse of office and the instability created there and we hope that has been slowly resolved, as mentioned by the Honourable Ro Teimumu Kepa regarding the decisions on Professor Ahluwalia.

I also would like to reiterate what has been mentioned that we had discussed these issues in the last two sittings in the discussion on the previous report on USP not only the case regarding Professor Ahluwalia but also the complaints against, Mr. Thompson and Mr. Mahmood Khan the Deputy Chair of the USP Audit and Risk Committee and one of the decision of the USP council recently is to establish an enquiry into that into some of the breach of ethics or alleged breach of ethics regarding the two gentlemen.

We hope that will progress to bring the unfortunate situation to a conclusion. The Honourable Attorney-General had mentioned that Professor Ahluwalia's contract has been terminated and he no longer the Vice Chancellor but we can see now that is incorrect. The USP Council can make a decision and it has done that. I urge the government and Honourable Attorney-General and Minister of Economy to release the funding to USP so that everything can proceed normally.

The funding will also not only assist the University but also Fiji as a nation in terms of the services to our students and the staff who make up the majority of the USP staff. Those funding is not only one way because Fiji also benefits from USP in terms of taxes, supplies to the campus and of course, the graduates which is the output, which USP gives to the nation. That should be, Mr. Speaker, Sir, be considered seriously and let us move on.

The Council has made its decision, we need to move on and I urge the government of the day, especially the Honourable Prime Minister, to look at it in a positive way, given his role as the Chair of the Pacific Islands Forum and the need to bring our Pacific nations together as one. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Member. I give the floor to the Honourable Minister for Education, Heritage and Arts, you have the floor. I can see your smile but I cannot hear you.

HON. R.S. AKBAR.- Apologies, Mr. Speaker, Sir. Thank you, Sir. I take this opportunity to respond to the motion for debate on the floor in relation to the Review of the University of the South Pacific 2018 Annual Report which was tabled on 20th February, 2020.

Mr. Speaker, Sir, on the recommendation that USP recruits and retains staff, USP has continued to recruit and fill in vacant academic positions, recruiting international senior academic staff is an issue right now because of border closures due to COVID-19.

The three key leadership positions include; Deputy Vice-Chancellor for Education, Deputy Vice-Chancellor Research, International and Innovation and the Chief Operating Officer. These positions were approved by the Council in 2019 and USP is currently awaiting the convening of the Joint Committee of Councils and Senate to advertise and recruit these positions.

Mr. Speaker, Sir since 2019 due to financial constraints, the University put a moratorium on the recruitment of non-academic positions, except in special circumstances with the approval of the Vice-Chancellor. Furthermore, Mr. Speaker, Sir, on the recruitment for USP to strengthen its Human Resources Policies and Strategies under the new business partner model. This process is ongoing in line with the new business partner model as recommended by the Commission after the release of the BDO report.

Mr. Speaker, Sir, with regards to the commercial rezoning of USP, Laucala land the arrangements to forge ahead with the public private partnership. I would like to report that USP management has been working with the responsible government department and has submitted an application for rezoning. The approval on the commercial rezone land was subject to public consultations which took place on 20 November and 20 December, 2020.

Mr. Speaker, Sir, there was no objections, a letter has been sent to the Suva City Council, USP was advised by the Suva City Council that the letter would be sent to the Director of Town and Country Planning for endorsement. USP has followed up with the relevant authorities and is awaiting for final approval.

Mr. Speaker, Sir, with respect to the recommendations on the outstanding and delayed Government grants to University, the grant to the Fiji Government is currently on hold and the Fiji Government has put the conditions to USP Council that all allegations made by the Pro-Chancellor and the Chair of Audit Risk Committee against Professor Pal Ahluwalia be investigated independently before Fiji releases its grants.

It was agreed in Council that member countries would approach the Fijian Government to discuss the matter, but to date the Council or any member countries have not come forward for it to be eventuated. Mr. Speaker, Sir, with respect to the recommendation made to attempt to general maintenance of the campus in a timely manner, the USP management under took a comprehensive review of the certificate maintenance. The Council has approved the plan to carry out the maintenance as well as allocation of \$5 million annually for this.

Mr. Speaker, Sir, the University's communication building that housed the Centre for Flexible Learning and a large portion of the USP's IT infrastructure was destroyed in a fire in November 2018. USP has been working to find an amicable resolution with the insurance company on the cost of damages and to date, the difference between the management and QBE has not been resolved and the matter is still under negotiation.

Finally, Mr. Speaker, Sir, the recommendation that the monitoring mechanism be put in place to ensure that the book allowances of students are properly used. The USP Management has been working with TSLB to reach a viable solution. Presently, the book allowance is not managed by the USP Book Centre, but is directly disbursed to the TSLB students.

Mr. Speaker, Sir, for the final recommendation for VAT on contributions as seen from the Fijian Government, the USP has continued to raise this matter with FRCS and is awaiting a response.

Mr. Speaker, Sir, I wish to thank the Standing Committee on Social Affairs for the recommendations made. Thank you.

HON. SPEAKER.- I thank the Honourable Minister. I give the floor to the Honourable Attorney- General. You have the floor.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. I will be extremely brief. The Honourable Minister has covered lot of the areas. The Honourable Members on the other side, obviously, could not help themselves in respect of seizing themselves with the matters at USP without knowing much about it. The Honourable Tuisawau got it wrong again. Mahmood Khan is not the Deputy Chairperson, he is actually the Chairperson of the Audit and Risk Committee.

The two gentlemen – Mr. Winston Thompson and Mr. Mahmood Khan were referred to, in a very acrimonious manner, to the Ethics Committee. What is really interesting is that the Ethics Committee is actually chaired by the person who is the Deputy Chairperson of Pro- Deputy Chancellor, who would actually replace Mr. Winston Thompson if Mr. Winston Thompson is removed, but yet saw himself fit to be actually chairing that particular meeting.

Mr. Speaker, Sir, the contract of all Vice-Chancellors in Fiji has been, when they get appointed because they are appointed at the Laucala Bay Campus, which is what it is stipulated in the Charter that Laucala Bay Campus is the main Campus. What it would be really interesting is now, this illegal appointment of Pal Ahluwalia and I will tell you why it is illegal because the Charter and the regulations of USP is quite specific. As the contract says that when a person's contract is terminated, because of the fact their work permit is cancelled, the contract automatically gets terminated. That is what is stipulated.

The lawyers for USP, once again, is Munro Leys, who then actually said, "Yes, the contract is terminated". Then in a subsequent legal opinion, they said, "However, now you can reappoint him", whereas the regulations and the Charter, et cetera, says that there is a particular process through which you appoint the Vice-Chancellor. And the process is, you actually advertise, you go through a selection panel and then you appoint.

The Fiji's position was in the reappointment of any Vice-Chancellor or his reappointment or appointment of any Vice Chancellor, please go, through process. It may well have been that he could have been reappointed if they went through the process, Fiji has no objection to that. However, the Council short-circuited it.

What is really interesting, Mr. Speaker, Sir, and the Honourable Minister can actually correct me on this, when they voted (they actually did a vote on this which is unbelievable), seven in favour, six abstentions and one from Fiji against it. This is how close it was because the abstention actually indicated that these countries that are members of the Council knew that what was actually being done was not necessarily correct because you never appoint a Vice-Chancellor simply through a Council resolution, and that is fundamentally the point.

Notwithstanding the fact that his contract had been terminated because of the cancellation of the work permit, one of the things that we have discovered in lately that even though the Council had agreed the contract had been terminated, they continued to pay him - we have just discovered that. They continued to pay him. So, if they continued to pay him, why do you have to have a re-appointment of the person, if you continue to pay him? It just does not make sense. Obviously, there is no transparency in all of these.

Mr. Speaker, Sir, the other issue about BDO, they think it is some kind of silver bullet that will kill all sorts of issues. The BDO Report quite simply said that the report that was unilaterally done by Professor Ahluwalia, in fact, said that there was no illegal wrongdoing, there is no criminality to it.

Mr. Speaker, Sir, the Council had actually agreed at the meeting in which the now elected Samoan Prime Minister was also present, that the BDO Report will be retained within the Council. Furthermore, Mr. Speaker, Sir, the BDO Report said that there are various processes that need to be improved. There is no silver bullet with the BDO Report.

Subsequently, the Pro-Chancellor Winston Thompson, a former civil servant in Fiji and our ambassador who was been running the Council as Chairperson and now everyone seems to be denigrating this gentleman who has given nearly past six years to this USP Council just because it suits their political agenda, to denigrate him. He, in fact, wrote a report about the various breaches and Fiji's position was also regarding these breaches and the matters raised by the Audit and Risk Committee Chairperson, who is a professional auditor himself, needed to be independently investigated. That was actually voted out. If there is nothing to hide, why was it not independently investigated?

Fiji, Mr. Speaker, Sir, is the largest contributor to the USP grants. Fiji's contribution is in excess of \$30 million. The next highest contributor is \$2 million.

Mr. Speaker, Sir, apart from the grants, the Fijian Government, through the National Toppers Scheme and TELS, has contributed to USP in 2020, a tune of \$4.8 million and through TELS - \$10.9 million, which still continues. So, for the years 2017, 2018, 2019 and 2020 through NTS - \$21.2 million and TELS \$71.736 million. This is the level of contribution the Fijian Government has. Now, they are saying, "Oh, Samoa's gain is Fiji's loss", but have they checked the Charter? The Charter actually says that the USP main campus would be based in Laucala Bay, Suva. What are the ramifications of that? Have they thought about the legal implications?

Mr. Speaker, Sir, they do not come to this Parliament with all the knowledge, nor do they come to this Parliament with understanding the financial and the legal implications of what is actually taking place at USP, and we are deeply concerned. We want USP to run properly, not just for the

region, but also for Fiji. It does offer various courses that FNU and University of Fiji, for example, does not offer. So, we want our students to be able to have a range of subjects they can choose from.

However, what we do not want is to give or contribute money to an organisation that is not transparent and is run willy-nilly, their staff being appointed without due process and also, Mr. Speaker, Sir, we do not want to waste taxpayers' funds. We have absolutely no problems in contributing money, as long as there is transparency in the system. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Attorney-General. I call on the Chairperson for the Standing Committee on Social Affairs to speak in reply.

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

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

Question put.

Motion agreed to.

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

REVIEW REPORT - MINISTRY OF iTAUKEI AFFAIRS 2016–2017 ANNUAL REPORT

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

That Parliament debates the Review of the Ministry of iTaukei Affairs 2016–2017 Annual Report which was tabled on 25th May, 2020.

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.- Thank you, Mr. Speaker, Sir. The Ministry of iTaukei Affairs is responsible for developing, implementing and monitoring Government programmes focusing on the good governance and wellbeing of the *iTaukei* people.

The Ministry aims to align itself to its mandated role which evolves to environmental changes through the provision of policy advice and the implementation of policies and programmes that will expedite sustainable development. The Ministry's services are targeted not only for *iTaukei* communities locally but also for *iTaukei* diaspora abroad and all Fijians who wish to acquire its services.

Mr. Speaker, Sir, the Committee, upon being referred the Ministry's Annual Report for 2016-2017 were unable to conduct a face-to-face public hearing due to COVID-19 restrictions around the country. In order to comply with health directives and social distancing measures put in place, the Committee requested for a written response from the Ministry in lieu of an annual review hearing.

Mr. Speaker, Sir, we note that the Ministry has mainstreamed the Sustainable Development Goals into its programmes and activities. The Ministry's gender-based policies is reliant on the 2011

Equal Employment Opportunity Policy and its compliance to the 2014 Fiji National Gender Policy.

Mr. Speaker, Sir, 2016 saw the transition from the previous recruitment and selection processes which were based on Staff Board recommendations to the Open Merit Recruitment & Selection (OMRS). The Committee noted that the application of OMRS guidelines has enabled the Ministry to mainstream SDG 5 into its operations.

On SDG11 on sustainable cities and communities, the Ministry of iTaukei Affairs protects, preserves and manages Fiji's Cultural and Natural Heritage through:

- (1) Reviving, documenting and maintaining the traditional knowledge and expressions of culture;
- (2) Facilitating the preservation of *iTaukei* folklore and traditional skills through the identification of living human treasures; and
- (3) The cultural mapping programme.

Mr. Speaker, Sir, the Ministry also mainstreamed SDG13 through the establishment of the National iTaukei Resource Owners Council which ensures the participation of *iTaukei* in the decision-making process that affects their resources and supports the efforts to increase the resilience of *iTaukei* communities against the impacts of climate and natural disasters.

Mr. Speaker, Sir, the Ministry's future plan is to decentralise the *Vola Ni Kawa Bula* (VKB) services to all the fourteen provincial council offices. This will allow the *iTaukei* community easy access to the services provided by the VKB officers. These plans also include the empowering of the *vanua* to roll out the digitisation of its records and appointment of VKB officers to the provincial council offices.

Mr. Speaker, Sir, furthermore, the Ministry aims to improve its ITC capacity through the adoption of the Global Positioning System to assist the Demarcation & Survey Unit in traversing and documenting land issues.

Within the period under review, the Ministry of iTaukei Affairs continued to inspire positive change amongst the *iTaukei* communities through its policies and programmes which were aimed at protecting the rights, customs and tradition of indigenous Fijians. Also, the Committee noted the linkages of the Ministry's programmes and activities to the National Development Plan and Sustainable Development Goals.

Mr. Speaker, Sir, the Committee commends the work of the Ministry of iTaukei Affairs.

HON. SPEAKER.- I thank the Honourable Chairperson. The floor is now open for debate on the motion and I give the floor to the Honourable Ratu Matanitobua. You have the floor.

HON. RATU S. MATANITOBUA.- Thank you, Mr. Speaker, Sir. Mr. Speaker, Sir, I wish to contribute very briefly on the Annual Report of the Ministry of iTaukei Affairs. I thank the Chairperson of the Standing Committee and the Committee Members for their Report. I also thank the Permanent Secretary of iTaukei Affairs and the staff of the Ministry for continuing the work of this very important Ministry.

My contribution, Sir, is on an important aspect of the work of the Ministry, the cultural mapping programme. It is important, Mr. Speaker, Sir that the written records of the interviews in every *mataqali* is reviewed by the *mataqali* members and the *Bose Vanua* before the information becomes part of the official record of the Ministry of iTaukei Affairs. As owners of the information

of our traditional knowledge, we must approve the final information is finalised and become official record of the Ministry of iTaukei Affairs. It is important, Mr. Speaker, Sir, that the Ministry is aware and respects, it guarantees the right of the *iTaukei* as indigenous people.

The United Nations Declaration on the Rights of Indigenous Peoples is the minimum standard recognised by the majority of the world. The indigenous peoples, they manifest and reach their fullest potential. These include their right to culture and to maintain our institutions, the right to protect and manage our natural resources. An important component is the right to free, prior and informed consent. The Ministry has the responsibility to advise the Government to respect our fundamental human rights. We do not accept our rights blindly but recognising the equality and individuality of human rights.

To conclude, Mr. Speaker, Sir, I commend the Standing Committee for their Report, the Ministry of iTaukei Affairs of continuing the important work and urge them to consider and implement the recommendation of the Committee.

HON. SPEAKER.- I now give the floor to the Honourable Prime Minister. You have the floor, Sir.

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

Mr. Speaker, the Ministry of iTaukei Affairs is responsible for providing policy advice on matters relating to the good governance and wellbeing of the *iTaukei*. It also provides administrative support to the iTaukei Lands and Fisheries Commission and the iTaukei Institute of Language and Culture.

Mr. Speaker, the Ministry is also the coordinating office for *iTaukei* institutions namely the iTaukei Affairs Board, the iTaukei Land Trust Board, iTaukei Trust Fund Board and the Centre for Appropriate Technology and Development in Nadave. The Ministry has invested in the success of the *iTaukei* people and as such, ensures that national policies and legislations are implemented with the best interest of the *iTaukei* people.

Mr. Speaker, Sir, this is the reason we have directed villagers and its leaders to enact safety measures in light of COVID-19 containment efforts, including ceasing any non-essential movement. I note that many have adhered to those restrictions by organising village checkpoints that monitor movement time, and create awareness on COVID-19 protocols. We must all do our part in protecting our communities and villages.

Mr. Speaker, Sir, the review that we are discussing today highlighted a few issues which I would like to comment on. The iTaukei Affairs Board has a well-defined structure and network system which is used to reach all *iTaukei* and other stakeholders. Outreach work stretches far and wide. This is evident through the government roadshows with many other agencies joining the ministry in taking their services to the *iTaukei* and other targeted groups. The Ministry's special revitalisation unit continues to undertake thorough research when embarking on any programme and this relates to tradition and cultural practices that are on the verge of being lost.

Mr. Speaker, Sir, it is important to take note that this work does not proceed without the consent of the relevant *vanua* who will also provide the living human treasure, the person who shares their stories and knowledge with us.

Mr. Speaker, Sir, with regards to Annual Reports, the Ministry is finalising the 2017-2018,

2018-2019, 2019-2020 Annual Reports. I will present these reports at the coming sessions.

Mr. Speaker, Sir, moving onto Sustainable Development Goals (SDGs), the Ministry remains strongly committed to ensuring that no *iTaukei* is left behind. In this regard a consolidated plan that covers the relevant of all the institutions under the Ministry's portfolio is being developed.

Essentially, it is policy coherence for a sustainable development which will also include an SDG framework or desk board and monitoring and evaluation tool. For now the Ministry will continue to highlight in its report the various SDGs covered in its work and continue to build staff capacity through development programmes.

Mr. Speaker, Sir, I thank you for your time and conclude by reassuring us all that the Ministry of *iTaukei* Affairs will continue to reach out to the *iTaukei* and make decisions that safeguard the interest of the *iTaukei* people. Based on these remarks, Mr. Speaker, Sir, I support the motion before the House. Thank you.

HON. SPEAKER.- I thank the Honourable Prime Minister. I now call upon the Chairperson of the Standing Committee on Social Affairs to speak in reply.

HON. V. PILLAY.- Thank you, Mr. Speaker, Sir. Thank you very much for the opportunity, and I do not have any further comments. Thank you, Sir.

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 the Chairperson of the Standing Committee on Economic Affairs to move his motion. You have the floor, Sir.

REVIEW REPORT - RESERVE BANK OF FIJI INSURANCE 2018 ANNUAL REPORT

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

That Parliament debate the Review of Reserve Bank of Fiji Insurance 2018 Annual Report, which was tabled on 25th May, 2020.

HON. S.S. KIRPAL- Mr. Speaker, Sir, I beg to second the motion.

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

HON. V. NATH.- Thank you, Mr. Speaker, Sir, the Standing Committee on Economic Affairs tabled its finding and recommendation on the Reserve Bank of Fiji Insurance 2018 Annual Report which was tabled on 25th May, 2020.

In the year 2018, the Fijian Insurance Industry remained sound reporting a strong combined solvency position. It was noted that the insurance industry combined gross premium grew by 7.5 percent which was supported by the growth, in both life and general insurance sectors. The Committee heard submissions from various stakeholders, including the Governor of Reserve Bank

of Fiji and his team, as well as the Insurance Association of Fiji, to better understand the position of the insurance industry during the period under review.

It was noted that the Fiji Care micro bundle insurance product at that time included sugar cane, dairy, copra and rice farmers. The Committee recommended for it to be extended to *yaqona* and other subsistence farmers, fishermen and market vendors. Further to this, RBF was also in the process of reactivating the Agricultural Insurance National Working Committee. The Committee recommended the Government initiative of replacing the compulsory third party with the Accident Compensation Commission in Fiji.

Mr. Speaker, Sir, given the increase number in the volume of vehicles on our Fiji roads, the Committee is of the view that for the safety and security of vehicle owners, compulsory motor vehicle insurance must be further considered.

On the issue of low uptake of property insurance, the Committee recommended that the standard baseline drawing and design be pursued to enable the wider coverage of property insurance in rural and low income housing in urban areas. It also recommended that through collaborations with relevant stakeholders, extensive awareness campaign be conducted.

Furthermore, the Committee was made aware of the potential difficulties of Fiji to continue to secure 100 percent cyclone cover over the year. The Committee recommended that dialogue on this issue with the leadership of RBF to be undertaken with all stakeholders to determine the way forward given the circumstances.

The Committee was pleased with the overall performance of the health and insurance industry, especially, two years after *TC Winston* and look forward to continued effort by the insurance industry to design a special package to attract low income earners.

Mr. Speaker, Sir, with these few words, I, as the Member moving the motion, I thank you very much for the opportunity given to me.

HON. SPEAKER.- I thank the Honourable Chairperson. Honourable Members, the floor is now open for debate on this motion. I give the floor to the Honourable Gavoka. You have the floor.

HON. V.R. GAVOKA.- Thank you, Mr. Speaker, Sir. Very briefly, I was part of the Committee that reviewed the Annual Report for that year. Reading through the notes, Sir, I was the one who asked them on how was it that they were able to recover so quickly after 2016 *TC Winston*?

By 2018, as indicated by the Honourable Chairperson, the tourism industry had totally regained its feet. It was quite an impressive on the part of the insurance people in Fiji, and we commend the supervision provided by the Reserve Bank of Fiji in the way it oversees the insurance people in the country.

We spoke to the brokers and with the underwriters also, and it appears that the risks that we undertake, Mr. Speaker, Sir, are very well managed. A saving grace for us, Mr. Speaker, is the insurance - that you keep some of the insurance money in Fiji and we secure further insurance by sending some of that overseas. It is called re-insurance and that has helped Fiji quite a lot, it safeguarded us from *TC Winston*. They is also the direct placement by major companies, such as island resorts and hotel resorts, who go directly to overseas underwriters. The local guys cannot carry that.

Mr. Speaker, it was quite impressive that the people and companies are on solid ground but

there is still the concern that the way we see insurance is still very primitive. There are other ways we can improve on the packages, on what we can accept in this country. There is still that very low penetration into the general insurance.

I think I mentioned here once that the huge homes that we have around Suva - in Boron, in Namadi, and all those places, quite a number of them are not insured, Mr. Speaker. So, it is just quite surprising and it should not be the case, and let alone trying to insure villagers, people in the rural areas. So, there is a lot of work for leadership to try and motivate our people to take up insurance.

But on the recommendation about compulsory car insurance, Mr. Speaker, I would very much recommend that we pursue that. It is done, I believe in Victoria and some States in Australia where everyone, whenever you buy a car, it is insured so that you protect yourself and when you damage your car, you also protect the person that you harm - the other party.

I think some of us have been victims of this. I know with my car, someone hit me from behind. I looked at him and I said, "This guy could not pay me for this thing", but I end up paying \$12,000. That was before I became a Parliamentarian, I had a bit of money then. When you become a Parliamentarian, there is no money when you....

Mr. Speaker, cars and vehicles are a huge outlay for all of us. I think we all feel safe if we know that everyone driving a car is insured and given the volume of cars in the country today as highlighted by the Chairperson, I think we all need to buy insurance. You buy a car, it is a huge outlay, and I think it should be mandatory that you also buy insurance for your car.

I hope, Mr. Speaker, that we would have the political will, I know it is going to be a bit difficult to discuss this and make it a law in this country.

Mr. Speaker, the number of accidents in Fiji, I was comparing it once that we are almost as high as the whole of New South Wales, the way we drive in this country. I know a friend of mine who is an expatriate, who say, "I love the Fijians. You're very nice, gentle people but when you get behind the wheel, you are different animals in the way you drive." So, I think it behoves us, Mr. Speaker, to try and look into this and give us a sense of comfort by ensuring that those who are on the road are insured for themselves and for you, Mr. Speaker. Thank you.

HON. SPEAKER.- I thank the Honourable Member. I give the floor to the Honourable Attorney-General.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. Just very briefly, I think one of the key points regarding insurance in Fiji is that, the Insurance Act is actually quite outdated. It is about 20 years old now since 1998 when it was legislated. There is currently a review taking place with the technical assistance of the IMF and it is very critical to look at things, for example, the solvency, et cetera.

The requirements placed on the insurance companies is also to align it to best international practice, as well as an enabling the introduction of innovative solutions to the challenges currently observed and the need to develop the local insurance industry to adequately meet the needs of Fijian policy.

Honourable Gavoka is absolutely right. The rate of insurance in Fiji is very low. For homes, I think it is only about 10 percent of the properties are, in fact, insured. One of the reasons why, Mr. Speaker, Sir, is because it is very difficult to get an engineering certificate to get cyclone certification to be able to get home insurance to protect you against cyclones.

This, I understand, came ahead when we had *TC Eric* and *TC Nigel* in the 1990s, I understand, and that is when a lot of insurance companies have a lot of problems paying out, and that is when their onerous requirement was placed to be able to get an engineering certificate. So, essentially at the moment, it is the rich who are able to insure their homes. Those people who cannot afford it, cannot actually get their homes insured, and that is a huge problem.

That is why we are looking at developing parametric insurance, and I refer to the Drua Incubator and how we are looking and working through the Reserve Bank of Fiji who, in fact, had come up with a particular pilot project but it was very limited in scope through the World Bank. We have asked them to expand it, and we hope that we can do that, Mr. Speaker, Sir.

The other point that I also want to mention, Mr. Speaker, Sir, is that, we need to think of how we can get some form of insurance cover for homes but without necessarily full indemnity cover. So you may be able to get a payout of \$5,000 or \$10,000 if, for example, your house is in the village or in the farm or wherever it is, or even in Nasinu, has a particular level of general compliance. For example, tie down to the bolts which you are going to use in the homes, so you could get at least \$5,000 or \$10,000 or \$15,000 worth of cover. So that is one of the areas that we are currently working through this particular project that we have.

Mr. Speaker, Sir, the issue about workers' compensation, I would like to mention, including third party insurance. As we know now, Sir, that is dealt through ACCF. Previously, there were very onerous requirements. You have to prove fault, et cetera, to be able to get compensation, but that now has obviously been streamlined without the inclusion of lawyers into the whole scheme of things so payouts are a lot more quicker. We have also seen, for example, payouts in schoolyard injuries, a couple of payments have been made out through ACCF. So these are developing areas that we need to be able to focus on as our society becomes a lot more sophisticated in their transactions and dealings and the type of exposure that they have.

Mr. Speaker, Sir, the issue about the cars, yes, it is a great idea. The issue then, of course, is about affordability. If you make it compulsory, of course, you got a bigger pool of people contributing, I think some Honourable Members of the Opposition are complaining about road user levy and various other levies they complain about, but this would be another sort of imposition. There is, no doubt, some merit in what is being said, however, I think the crux of the matter is, we need to get the laws in place - modernise the laws and we can then be able to address those issues.

I think it is very, very important to ensure that domestic homes do get insured, whether it is fire or cyclone. The wonderful thing about what the Honourable Minister for Housing was talking about, the IFC which Honourable Tabuya, we now know supports, whilst we are looking at strata titling, when you actually have strata titling you actually have only one roof to insure. So if you have people living in a strata titles and if you have a two or three storey building, you can own the units but you only have one roof to insure which makes it a lot more easier.

So, Mr. Speaker, Sir, we have been on record to say, over the past number of decades, in particular since Independence, we think that the RBF could have done more to give more direction to the insurance companies, be a bit more interventionist. But, of course, that time has passed and we now need to, in fact, fix up the laws because if you are a large company - a big corporate organisation, you can get flood cover in Nadi or Ba. But if you are some small person with your own home, insurance companies will not even look at you for flood cover in Nadi or Ba because of high risk. In some countries that is illegal. You can charge a higher premium but you have to actually offer the insurance cover.

Those are some of the anomalies that need to be addressed in the future, but there is, no doubt, in terms of the prudential requirements of whether it has been put in place, we have been managing our

insurance industry overall quite well, but we need to develop new products and I thank the Committee for their Report. Thank you.

HON. SPEAKER.- I thank the Honourable Attorney-General. Honourable Members, I give the floor to the Chairperson of the Standing Committee on Social Affairs, to speak in reply.

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

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

Question put.

Motion agreed to.

HON. SPEAKER.- Honourable Members, that brings us to the end of the agenda items for today. It has been a long day. We adjourn now till tomorrow morning at 9.30. I hope you have a good sleep.

The Parliament adjourned at 11.25 p.m.