

PARLIAMENT OF THE REPUBLIC OF FIJI



PARLIAMENTARY DEBATES

DAILY HANSARD

THURSDAY, 27TH MAY, 2021

[CORRECTED COPY]

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THURSDAY, 27TH MAY, 2021

The Parliament met at 9.47 a.m. pursuant to adjournment.

HONOURABLE SPEAKER took the Chair and read the Prayer.

PRESENT

All Honourable Members were present, except the Honourable M. Bulanauca, the Honourable I. Kuridrani and the Honourable Ratu T. Navurelevu.

MINUTES

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

That the Minutes of the sitting of Parliament held on Wednesday, 26th May, 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

Welcome

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 homes, offices and electronic devices – thank you for your continued interest in the workings of your Parliament.

Parliament Priorities amidst COVID-19 Outbreak

Honourable Members, there have been a number of concerns raised by some Members regarding Parliament's priorities amidst the national COVID-19 outbreak. These Members have persistently questioned why Parliament is not prioritising discussions on the pandemic and this is resulting in prolonged debates. Members of the public are also raising concerns on why the COVID-19 issues are not on the current agenda of Parliament.

Honourable Members, I wish to make it clear that obviously the pandemic has delayed Parliament's work. There were matters on the Parliament order of business for the April Sitting that had been put aside as Parliament was unable to sit. What the Parliament is trying to do now is clear all the pending business, including committee reports, legislative reviews and other matters before we proceed to other pressing matters. Therefore, I wish to reassure that the workings of your Parliament are not a waste of time nor are they useless.

Honourable Members, some Members of Parliament and some members of the public are asking as to when we will have the pandemic issue on the agenda. The matters currently on the Parliament's agenda have been agreed to by the Business Committee. Furthermore, I am thankful that the Ministry of Health and Medical Services and other Government agencies have continued to inform the public daily on the pandemic. There is a lot of information provided by Government agencies and publicly available that inform all citizens daily on the operational progress of the national response to COVID-19. Therefore, I encourage everyone to read through these.

Reminder - Virtual Connection

To the Honourable Members who are connecting virtually, please take note that if you wish to make interjections, raise your virtual hand and I will call on you – this is to avoid the technical disruptions which interfere with the audio recordings. Thank you for your understanding in this regard.

Delay in Distribution – Daily Hansard

Honourable Members, at this juncture, I wish to advise Honourable Members that the *Daily Hansard Report* for yesterday's sitting will be delayed and these will be immediately circulated as soon as the Secretariat finalises the *Daily Hansard*. Thank you for your understanding.

Thank you, Honourable Members. We will now proceed to the next item.

PRESENTATION OF PAPERS AND CERTAIN DOCUMENTS

HON. SPEAKER.- The following Reports were tabled with the Secretary-General and referred to the relevant Standing Committee for deliberation, in accordance with Standing Order 38(2):

Standing Committee on Foreign Affairs and Defence

- (1) Ministry of Foreign Affairs – 2017-2018 Annual Report (Parliamentary Paper No. 249 of 2020).
- (2) Ministry of Foreign Affairs – 2018-2019 Annual Report (Parliamentary Paper No. 39 of 2021)

Standing Committee on Natural Resources

- (1) Ministry of Agriculture - Annual Report 2016 (January to July) (Parliamentary Paper No. 82).

Honourable Members, I now call on the Chairperson of the Standing Committee on Justice, Law and Human Rights to table his report.

PRESENTATION OF REPORTS OF COMMITTEES

Review Report on the Investment Bill 2020

HON. A.A. MAHARAJ.- Thank you, Mr. Speaker. As a way of background, the change in time has brought with it its inevitable consequence, which has seen existing laws becoming somewhat insufficient in many areas, and one such area is the investment environment.

There are a lot of loopholes and there is lack of transparency for the investors, nor does it necessarily give the right resources to the Fijian Government in certain instances and there is no specific focus on the national security interest. The Fijian Government saw this as an opportunity to work towards making positive changes which are intended to better the country as a whole. One such significant reform effort by the Fijian Government is the close collaboration with the Asian Development Bank in respect of improving our financial services sector. The Investment Bill is the result of such an effort, which aims to bring about economic development by introducing and promoting internationally recognised investment practices in Fiji.

The Investment Bill 2020 aims to bring into fruition the Fijian Government's development plan in increasing and improving investment opportunities for both domestic and foreign investors.

The Standing Committee on Justice, Law and Human Rights was referred the Investment Bill 2020 for review on 11th December, 2020. The Bill aims to:

- contribute to an attractive investment climate in Fiji;
- increase both foreign and domestic investments;
- generate employment;
- contribute to sustainable and social development;
- promote growth for the benefit of all Fijians; and
- provide equity for investors with transparent, reliable, efficient and fair rules and procedures.

The Bill seeks to strengthen the fundamental principles important for the attraction, retention and expansion of investments in Fiji, which includes, the principle of:

- (1) Clarity whereby the Bill provides key definitions and provisions that are in line with international standards. As a comprehensive investment law, it establishes one single source for the fundamental rights and obligations of investors.
- (2) Transparency whereby the Bill increases transparency of the legal framework for investment by combining all relevant rights and obligations under one umbrella.
- (3) Openness and predictability which sees a fundamental change to the current Act is introduced whereby the Foreign Investment Registration Certificate is removed and replaced by an automatic investor registration process. The Bill entails:
 - (a) an investor permit for individual investors to be managed by the Department of Immigration;
 - (b) foreign investment reporting through the Registrar of Companies at the time of business registration;
 - (c) annual reporting to Investment Fiji; and
 - (d) protection of national security interests. These changes allow foreign investors to establish a business in Fiji under the same conditions as domestic investors.
- (4) Basic investor rights which is the core part of the Bill, which guarantees investor rights in line with international best practice. Investors coming and investing in Fiji will have a legal pledge that basic rights are guaranteed according to international best practices. This includes

the protection of property for example, freedom from compulsory or arbitrary acquisition of property as well as the right to transfer funds abroad or to be treated fairly. The Bill also includes the national treatment principle, the most favoured nation principle and a fair and equitable treatment clause.

- (5) Legal recourse and enforcement rights. The Bill includes a part on dispute settlement that provides investors with the option of national and international dispute settlement to help de-risk investments.

As we have seen in countries like Australia recently, there is a particular leeway for the Australian Government should they believe a particular investment may affect the national security interest then there is an opportunity for them to actually disallow, at the very least consider those matters but we need to be able to also have some proper reporting. We have had in the past where people have said that they were coming into Fiji to invest, for example, in a specific area but then they were found to have subsequently invested in other sectors of the economy, which they were not supposed to do. But if they have gone into those sectors, the law does not allow you to seek any redress or be able to cease the assets et cetera.

Additionally, the Committee conducted an in-depth deliberation on the Clauses of the Bill and I would like to take the Honourable Members of this august House through the Clauses of the Bill and what the new law aims to introduce.

Clause 1 of the Bill provides for the short title and commencement. If passed by Parliament, the new legislation will come into force on a date or dates appointed by the Minister by notice in the Gazette.

Clause 2 of the Bill provides for the definitions of the terms used throughout the Act.

Clause 3 of the Bill provides the objectives of the Act which are to -

- (a) contribute to an attractive investment climate in Fiji to increase investments;
- (b) generate employment;
- (c) contribute to sustainable and social development;
- (d) promote growth for the benefit of all Fijians; and
- (e) provide equity for investors with transparent, reliable, efficient and fair rules and procedures.

Clause 4 of the Bill provides that the Act is applicable to all direct investments made by a domestic or foreign investor in Fiji.

Clause 5 of the Bill empowers the Minister to prescribe by regulations a complete and exclusive list of reserved and restricted activities following consultations with relevant stakeholders and approval of Cabinet.

Clause 6 of the Bill provides provisions relating to foreign investor establishment and its reporting obligations. The reporting and updating requirements by foreign investors under Clause 6 is intended to be used for statistical and policy-making purposes.

Clause 7 of the Bill provides that the Minister may prohibit a foreign direct investment in Fiji for the protection of national security interests. A foreign investor must submit a proposal of their intention

to invest to the Minister for an approval, the process of which is to be prescribed by regulations, if the investment has a potential effect on—

- (a) critical infrastructure such as energy, transport, communications, data storage or financial infrastructure;
- (b) critical technologies such as artificial intelligence, robotics, semiconductors, technology with potential dual use application, cyber security or nuclear technology;
- (c) the security of supply of critical inputs; and
- (d) access to sensitive information or the ability to control sensitive information.

Clause 8 of the Bill provides for national treatment provisions, guaranteeing foreign investors the same treatment when operating in Fiji as domestic investors.

Clause 9 of the Bill provides a guarantee to investors of fair and equitable treatment and full protection and security as a minimum standard of treatment.

Clause 10 of the Bill provides that subject to any written law, investors are free to invest in all sectors and regions in Fiji.

Clause 11 of the Bill provides that subject to any written law, investors are free to manage their own business.

Clause 12 of the Bill provides for provisions dealing with compulsory or arbitrary acquisition of property. It provides a guarantee that investors are afforded the freedom under Section 27 of the Fijian Constitution from compulsory or arbitrary acquisition of property.

Clause 13 of the Bill provides that with respect to all payments related to investments in Fiji, investors have the right to freely convert Fijian currency into foreign currency in accordance with the Exchange Control Act 1950.

Clause 14 of the Bill provides that investors are entitled to transfer funds abroad. This clause protects a key part of international business operations and foreign investors, particularly the larger and export-oriented investors who would insist on such a guarantee before starting a business in Fiji. Clause 14 of the Bill also gives the Fijian Government the right to suspend international transactions for specific reasons, which is also in line with international best practices.

Clause 15 of the Bill provides that investors have access to land in Fiji according to written law. However, a foreign investor may be subject to the Land Sales Act 1974 in relation to the sale, transfer or lease of land.

Clause 16 of the Bill provides that subject to any written law, investors have the right to employ foreign staff.

Clause 17 of the Bill provides that an investor must comply with the laws of Fiji and that in the event of non-compliance, are subject to any penalty or sanction specified in such law. Clause 17 of the Bill also provides certain duties and responsibilities of investors.

Clause 18 of the Bill provides that an investor has a right to arbitration if an investment dispute arises between an investor and the State.

Clause 19 of the Bill provides that the Fijian Government may provide fiscal or non-fiscal incentives for investors. It provides that these incentives may be granted by laws.

Clause 20 of the Bill opens the way to investor-State international dispute settlement and sets up the requirements as well as the applicable mechanisms.

Clause 21 of the Bill provides that the Act will prevail over other legislation in case of inconsistencies.

Clause 22 of the Bill empowers the Minister to make regulations.

Clause 23 of the Bill provides for the repeal of the Foreign Investment Act 1999 and the Foreign Investment Regulations 2009.

Clause 24 of the Bill provides for the transitional provisions for the rights, exemptions and foreign investment registration certificate under the Foreign Investment Act 1999.

Clause 25 of the Bill provides for consequential amendments made to other legislation.

Mr. Speaker, Sir, as part of the review, the Committee conducted public consultations on the Bill, whereby support on the introduction of the Bill was received from a majority of the public that had participated in the public consultations. However, there were also suggestions for making improvements to the Bill. This part of the review saw the Committee identify the following salient issues:

- the importance of having clearer and stronger processes for assessing and vetting foreign investment proposals by foreign investors looking to invest in Fiji; and
- the importance of having clear processes on protection of national security interests, critical infrastructures, critical technologies, et cetera, from foreign investment and foreign interest which are basically covered in the Bill.

Consideration was also given to the impact of the Bill on Fiji's efforts in meeting its targets of the SDGs and the National Development Plan. It was also encouraging to note that the Bill was introduced for the purpose of improving the economy by promoting best investment practices. Additionally, the objective of the Bill is as such that it applies equally to all persons, irrespective of gender.

At the conclusion of the review, the Committee acknowledges that there were a few issues identified and in addressing the Bill, the Committee noted that the Bill aligns to international best practices. The Committee also sought legal clarifications pertaining to few issues noted from the Bill. This ensured that the primary objective of the Bill is preserved. The Committee is of the opinion that as we start implementing this law, this would be an opportune moment to gauge the implications of the Bill on Fiji's business sector and that a review of this may be initiated after gathering the lessons learnt. Therefore, the Committee believes that the Bill is sufficient as it is, and no amendments are needed.

At this juncture, I would like to show my appreciation to the UNDP Fiji Parliament Support Project for its support which enabled the Committee to conduct extensive awareness and visit various communities around Fiji and effectively conduct public consultation on the Bill. Moreover, the

Committee acknowledges your Office, Mr. Speaker, Sir, and the Acting Secretary-General to Parliament for the support provided to the Committee during review of the Bill. Additionally, I would like to thank the Parliament IT team for enabling the Committee to meet and carry on with its vital functions despite the impact of COVID-19.

I would like to acknowledge the public and entities that provided their views on the Bill and for taking an interest in the proceedings of the Committee and the Parliament.

I would like to show my gratitude to the Honourable Members of the Standing Committee on Justice, Law and Human Rights, the Honourable Rohit Sharma, Honourable Ratu Suliano Matanitobua, Honourable Dr. Salik Govind and Honourable Mosese Bilitavu.

Lastly, I would like to thank the Committee Secretariat staff for providing support in compiling this Report. I, through this Report, commend the Investment Bill 2020 to Parliament and seek support of all the Members of this august House in approving this vital piece of legislation. Thank you, Mr. Speaker.

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

(Report handed to the Secretary-General)

HON. SPEAKER.- Honourable Members, pursuant to the resolution of Parliament on 11th December, 2020, the Investment Bill 2020 –

- (1) was to have been tabled in the April sitting but with the deferment, the Standing Committee has now tabled accordingly; and
- (2) should have been debated and voted upon by Parliament in the course of the April Sitting week but that one hour be given to debate the Bill.

Honourable Members, in that regard, I now seek leave of the House to approve that the Investment Bill be debated and voted upon by Parliament at a later sitting date.

Does any Member oppose?

Question put.

Motion agreed to.

GOVERNMENT GUARANTEE – FIJI AIRWAYS

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. For the purpose of Section 145(1) of the Fijian Constitution and pursuant to Standing Order 131, I move that Parliament approves:

- (a) to amend the Parliamentary approval dated 25th May, 2020 for the FJ\$455 million Government Guarantee to Air Pacific Limited trading as Fiji Airways (‘Fiji Airways’) to read as follows, and I quote, “Parliament approves that the Government of the Republic of Fiji guarantee Fiji Airways borrowings consisting of a mix of domestic borrowings up to FJ\$191.1 million and offshore borrowings up to US\$117.1 million with a total limit of

- (b) approximately FJ\$455 million valid until the guaranteed facilities are discharged by the lender or fully settled”; and
- (c) that Fiji Airways pay a one off fee of 15 percent on the FJ\$455 million Government Guarantee.

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

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

HON. A. SAYED-KHAIYUM.- Thank you Mr. Speaker, Sir, essentially, this motion seeks to amend the motion that was tabled and subsequently approved by Parliament. Honourable Members will note that the guaranteed amount is not changing at all but what is actually changing is the period of the guarantee.

The period of guarantee was originally valid for three years effective from 31st May, 2020 to 30th May, 2023 and now it will read “valid until the guaranteed facilities are discharged by the lender or fully settled” and that we now have a one-off guaranteed fee of 15 percent or \$455 million.

Mr. Speaker, Sir, why are we doing this? Just by way of background and as we all know, all the airlines in the world were affected by COVID-19. Airlines have shut down, some have gone into administration and others, of course, have been assisted by their governments directly through budgetary support.

Again, by way of background, Mr. Speaker, Sir, the Fiji Airways is 51 percent owned by the Fijian Government, Qantas owns 46.32 percent, Air New Zealand owns 1.94 percent, the Government of Kiribati owns 0.27 percent, the Government of Tonga owns 0.27 percent, the Government of Samoa owns 0.12 percent and the Government of Nauru owns 0.08 percent of Fiji Airways.

Mr. Speaker, Sir, the suspension of flights and, of course, the closure of borders, like I have said, has played havoc with airline industries all over the world. Unlike other countries and I have said this before and probably would like to respond to, I am sure, the questions that may arise, many countries in the world have assisted their airline carriers. Air New Zealand, for example, has been assisted by the New Zealand Government with NZ\$900 million government loan with the option to convert to equity. In other words, given as loan, and they may then say, “Alright, do not pay us the loan back or we just give you new shares.”

Air France has received about \$9.7 billion; American Airways, Delta, United Airline, Jet Blue, South Western Airlines, Cathay Pacific Hong Kong - \$2.6 billion by way of equity stakes; Lufthansa - a mixture of equity and grant; and more closer to home, Air Vanuatu, which currently has one jet aircraft a B737 with a handful of turbo-props for domestic operations received USD6.4 million in direct cash funding with additional \$5.3 million in State guarantee; Solomon Islands Airways which, again, Mr. Speaker, Sir, I understands is a one aircraft airline in terms of flying internationally, the government was to inject USD\$20 million for budget support. Also, it would be a mixture of \$5 million grant and \$15 million concessional loan. Aircalin and Air Tahiti have approached the French overseas Minister for essentially more support - USD\$21 million in direct loan from the French Government, Aircalin with \$50 million.

These airlines are obviously limited vis-à-vis, in comparison to Fiji Airways and they fly to fewer destinations. Aircalin, for example, a lot of their pilots come to do their training in Nadi. They are losing about AUS\$7.6 million per month in this pandemic reportedly. So, a lot of these airlines are suffering, Mr. Speaker, Sir. The Fijian Government did not provide direct budgetary support, like most of these other airlines have received from their Governments. We opted for the guarantee, Mr. Speaker, Sir, and this now, of course, has included guarantees to all the institutions and the companies that have actually lent or are leasing aircraft to Fiji Airways.

The rationale for the extension, Mr. Speaker, Sir, of the guarantee is because as we know that Fiji Airways did not want to have what we call a cliff situation where all the loans become payable at one point in time – that would actually put a huge cash-flow pressure on Fiji Airways. So, what has actually happened is that the Fiji Airways has now sought an extension of the time over which these loans can be paid and the period has, in fact, been extended where now the loans are actually stretching up to 15 years which essentially has made it critical to ensure that some of these loans (not all of them) will mature in seven years as the range is from seven to 15 years. So in order for these financiers to have that level of comfort, they need the government guarantee to cover that particular period and we, of course, are glad to do that because this is our national carrier.

By way of information also, Mr. Speaker, Sir, Government, some time back when Fiji Airways borrowed from the Fiji National Provident Fund (FNPF), had also mortgaged or allowed the mortgage of 25 percent of its shares to FNPF and we have now said to FNPF to give them that level of security, that in any event which we do not believe will happen, Fiji Airways does not pay the loan to FNPF or the Fijian Government does not come up with the guarantee sum, then FNPF has the ability to take all the 51 percent shares that the Fijian Government holds. The good thing about it is that, in that non-eventuality that the shares, of course, will still remain with the Fijian institutions.

Mr. Speaker, Sir, given those imperatives, we are asking Parliament to extend the guarantee facility until the loans are discharged and to have a one-off payment for this particular service, if you like, or guarantee that the Fijian Government is providing.

How did we come up with the 15 percent? As I have mentioned yesterday in the discussion we had regarding Fiji Airways, BNP Paribas which is an internationally-recognised French company did a recent valuation of not only just the company itself but also in respect of the valuation of the support the Fijian Government has actually provided to Fiji Airways.

Essentially what they are saying is that the BNP Paribas values the Fijian Government support from the guarantee financing and the FNPF shared mortgage based on the existing cap at around \$68 million and \$89 million average about \$78.3 million. So, this is why we have had this fee of 15 percent on the \$455 million Government guarantee. I urge Parliament to support this motion.

HON. SPEAKER.- I thank the Honourable Attorney-General for his motion. Honourable Members, what I intend to do is to take morning tea break now and then we start the debate immediately after morning tea.

I already have a list of nine speakers here and those of you who are wishing to speak, indicate so that I can have a better judge of time. You have the right to speak when you wish to but it makes it more orderly. Thank you Honourable Members, we will adjourn for morning tea break.

The Parliament adjourned at 10.22 a.m.

The Parliament resumed at 11.00 a.m.

HON. SPEAKER.- Honourable Members, we continue with the debate. The second speaker will be Honourable Gavoka and after that Honourable Waqanika, Honourable Tuisawau, Honourable Professor Prasad, Honourable Salote Radrodro, Honourable Aseri Radrodro, Honourable Bulitavu and Honourable Nawaikula. Honourable Gavoka, you have the floor.

HON. V.R. GAVOKA.- Thank you, Mr. Speaker, Sir. At the outset, let me just say that we hear what you are saying that Parliament needs to sit and we appreciate the effort to convene it this week. However, I would like to pay tribute to Honourable Members of the Opposition for steering the dialogue towards the difficulties we face today.

I think you have done a wonderful job to get Government to focus on what is threatening the country today, and we hope to do more of it, today and tomorrow and also next week. As we speak, Mr. Speaker, Sir, I had a phone call this morning from the people of Narere, asking if something could be done for them as they have been on lockdown and they have yet to see any assistance from the agencies or from the authority. If someone could look into that.

Mr. Speaker, Sir, we do not agree with this motion, in that, it appears to be open-ended and there is going to be a guarantee that will lead into perpetuity. The guarantee that we approved last year runs for three years, and we are quite surprised that this has come up and saying that it will be there until the finance or the loan is fully serviced.

We disagree with that, Mr. Speaker, Sir, and that is why we are against this motion. We cannot have a guarantee that is into perpetuity, there must be limits to it to enable Parliament to provide oversight on a regular basis. If I may I highlight the case with FBC, they have a guarantee for their loan to the sum of about \$24 million or \$25 million and today, their loan has been reduced quite significantly, yet the guarantee is still there.

By having a term to the guarantee, Parliament can provide oversight and see how well Fiji Airways is doing and that we adjust that guarantee accordingly. Mr. Speaker, Sir, we are afraid and we do not want to support a motion that is open-ended like the one that we are debating today. Having said that, it goes without saying that we must do all we can to ensure that Fiji Airways survives this emergency period.

On that note, Mr. Speaker, I am very careful today by saying that Fiji Airways because my good buddy, my honourable colleague, the Honourable Minister for Commerce, Trade, Tourism and Transport always says that I am still calling the airline as Air Pacific. But as we know, the company is the Air Pacific Group, trading as Fiji Airways, so whether you say it is Fiji Airways or Air Pacific, we are still talking about the same thing. So, my good friend there appears to be pedantic at certain times, he should realise that we are all in this together, we want Fiji Airways to survive.

In actual fact, Mr. Speaker, a bit of history. Back in the 1990s, we had considered changing the name from Air Pacific to Fiji Airways, but at that time, the marketing people had a look at it in the normal way and they said that it was too early at that time for Air Pacific to carry the name 'Fiji Airways'. So, Air Pacific was a name that, at that time, was deemed suitable for the airline, but it has come to this and we welcome it, so whether it is Air Pacific Group or Fiji Airways, we are talking about the same thing, Honourable Minister.

Mr. Speaker, we continue to ask the question as to why Fiji Airways is carrying four types of aircrafts. It is flying Boeing, flying Airbus, it is flying the ATR and is flying the Otter. And the Honourable Minister for Economy is saying that, that is quite alright and he even went on to say that I do not know what I am talking about.

Mr. Speaker, you ask anyone in transportation, whether you have a fleet of buses, a fleet of trucks or a fleet of taxis, you want to put discipline into the kind of equipment you have for many reasons, Sir, and one being the spare parts; you carry only one type of spare parts so the rational in there, Mr. Speaker, is to keep only one type of equipment.

Mr. Speaker, it has been said that I favour Boeing and I am a spokesman for Boeing. It is not that - I favour efficiency, Mr. Speaker. Let me just read what someone said about these two Airlines, comparing the Dreamliner with the A350, I quote:

“Dreamliner and A350 represent the very best in ideas, cutting edge technology and commercial know-how from their respective companies. They represent the best in Boeing and Airbus.”

So these two aircrafts, Mr. Speaker, the one that I always try to champion and the one we have today are the best out of these two companies. So Fiji, whether it goes with Boeing or goes with Airbus, is buying into the best there is in the world today. But my point is this, use only one because of efficiency, as I have outlined.

Mr. Speaker, with a bit of history also, Air Pacific then had a fleet of Boeing. It started off with the 737, then it acquired the big Jumbo 747 which was a delight to fly in and then it had the 767. When the Jumbo became outdated, the next in line for Air Pacific was a Dreamliner 787 being developed. The work towards that had been quite advanced and we were ready to take delivery of our Dreamliner, but for the overthrow of the SDL Government in 2006.

I was shocked when I learnt that the new CEO of Fiji Airways had opted and convinced the FijiFirst people that they should go with Airbus. We were shocked, but that is the way it is. But let me emphasise here, again, Mr. Speaker, I am not pro-Boeing or pro-Airbus, I am pro-efficiency. We are a small Airline, only Qantas, Singapore Airlines and Cathay Pacific can afford to fly both but for Fiji Airways, we can only do with one, whether it is Boeing or Airbus, we go with one. I love both aircrafts, Mr. Speaker, the airlines are both built to the highest standards today of performance and comfort. But, Mr. Speaker, we need to rationalise that. That is one of the concerns that is holding us back in the way the position the airline, going forward.

Mr. Speaker, I know I belabour this point at a time like this. All we have today, Mr. Speaker is Fiji Airways supported by Fiji National Provident Fund (FNPF) and by the people of Fiji and I always say there is another partner who is sitting there silently who can help, and that partner is Qantas, but that is a matter of fact.

Mr. Speaker, at a time like this, a small vulnerable economy like Fiji needs powerful partners behind it and we had it with Qantas, and we know the history with Qantas. Air Pacific almost brought the country to its knees back in the 1980s. Qantas stepped in to guarantee their loss and Qantas insisted on two conditions that they would have the final say on the kind of equipment Air Pacific would buy and the routes they would service.

HON. A. SAIYED-KHAIYUM.- There were 14 areas of veto powers.

HON. V.R. GAVOKA.- Those were the two main ones, Mr. Speaker, and that was consistent with the shareholding of about 46 percent.

They did very well, Mr. Speaker. In actual fact during the Qantas days, there were only four expatriates in Air Pacific and they developed our locals to an extent that one of them became part of the top three or four of Qantas in Australia - Narendra Kumar. They used to operate a laundry here in Flagstaff and he became number two or three in Qantas, Mr. Speaker, and that is a Qantas supporter.

HON. A. SAYED-KHAIYUM.- He was bypassed. Tell the truth, Honourable Gavoka.

HON. V.R. GAVOK.- Mr. Speaker, one of our very own now flies as Captain on an A380, the biggest aircraft in the world today. He was trained by Qantas and he is from Tailevu, a former student of QVS. That is the kind of support Qantas gave to our people. Today, how many expatriates do they have in Fiji Airways? Can the Honourable Minister reveal to us how many we have in Fiji Airways?

Mr. Speaker, as I said we want Fiji Airways to survive. We want it to be a major part of our tourism. It has done so much to develop Fiji and the Region. As I said yesterday, Mr. Speaker, we are unlikely to see an international airline to drop its metal in Nadi; that is the way it is done. People fly from point to point based on the capacity on the density of population.

Fiji is a small dot in the Pacific. We need our own airline to fly people in and that is why we need Fiji Airways but, Mr. Speaker, it has to be done properly. We are very worried about the way things are happening and there needs to be more transparency. As my colleague, Honourable Adi Qionibaravi said, why can you not be more transparent? Show us the books. Show us how things are happening with Fiji Airways. It lacks transparency, Mr. Speaker and the people of Fiji own 51 percent if it; it should come to Parliament We should debate the performance of Fiji Airways in Parliament.

Mr. Speaker, that is the position of the Party, that we do not agreed that the guarantee is open-ended. I thought it was a typo, Mr. Speaker, that the fee for the guarantee is 15 percent. Is that a typo, Mr. Speaker, because 15 percent is almost \$16 million? Are we going to ask our airline to wear that?

Mr. Speaker, Sir, things do not make sense to us this on side of the House and the guarantee is there for three years. We do not see any reason why you should have this motion and change the term into the perpetuity. That is a disaster in the making. You cannot go to a bank and tell them to lend you money into perpetuity, there has to be a term, Mr. Speaker.

Mr. Speaker, I rest on that. We say 'no' to this motion because it is open-ended, whereas this Parliament needs to set in controls so that its oversight responsibilities, roles can be implemented. Thank you, Mr. Speaker.

HON. SPEAKER.- Thank you, Honourable Gavoka. I now give the floor to Honourable Waqanika.

HON. T. WAQANIKA.- Thank you, Mr. Speaker, Sir, for allowing me to speak on my contribution to the motion.

Mr. Speaker, Sir, yesterday, the last of the purchased plane arrived in Nadi. No pompous welcome to the arrival of this lone aircraft which is now sitting pretty at the Nadi Airport. The fanfare that was accorded to the other two new planes that came in 2019 is long forgotten.

I vividly recall when the two planes were delivered in 2019. In fact, the Fiji Sun article of 17th November, 2019, read, and I quote: “FA takes delivery of Stunning New Airbus A350.” In fact, the Honourable Attorney-General and Minister for Economy went right to Airbus factory, Toulouse, to formally accept the new A350. The plane then flew to the Dubai Airshow with the Honourable Attorney-General and some of the Fiji Airways board members and executives, all in celebratory mood which quickly ended one month because of the COVID-19 pandemic.

The fanfare of 2019 is long forgotten and this is a lesson learnt to this Government and any Government, including those of us in Opposition when we go into Government next year, that not everything requires your presence in a foreign country, especially when the asset that you have acquired will eventually end up at home.

That same *Fiji Sun* article also said: “The FA will now become the first in the South Pacific to operate the A350”. I have yet to now read a factual and unbiased article from Fiji Sun to read: “FA and Fiji Government will become the first airline in the South Pacific that continues to drain and hemorrhage the retirement and members’ superannuation fund.”

Mr. Speaker, the motion before us and just for our viewers’ understanding, Parliament had already approved last year the Government Guarantee of \$455 million and this was approved on 25th May, 2020, what we have before us is an amendment to that motion, and the amendment in layman’s term is that, the repayment period is infinite, so they basically pay back as and when. Our Government Guarantee is an infinite guarantee.

The loan given and the now amended Government Guarantee that this government is putting to Parliament, this is the kind of guarantee that I give to my children. I give them money and I tell them, “Pay me back as and when, basically, no timeframe whatsoever.”

Unfortunately, the dangers of Government Guarantee that this Government is giving is that they are contingent liabilities and with the current economic climate, a lot of business loans and large binding lease will transit into distress status. This is what is going to happen - it will cause Wholesale Creditors to have Bond and Promissory Note Holders and Lessors like FNPF to exercise their charge over the Guarantee. What we have here, Mr. Speaker, Government is simply raising bonds with FNPF to raise funds and this will only increase Government debt and that debt, as we all know, will come down to us - the taxpayers.

Sadly, Mr. Speaker, our retirement reserves is now being used to prop up debt or life support Government statutes and the biggest threat here is Fiji Airways. Our Fiji economy is no longer sitting at the edge of the cliff but we are already fallen over and at the bottom of the cliff.

The infinite period of retirement will have our people paying from the grave. I want to die and I am sure we all want to die in peace and to leave our children and our descendants a legacy where they do not have to pay for the financial mismanagement of this Government.

We all know because we have mortgages, we have done loans with banks, whenever there is a loan, a lender will want a term of repayment. I just want to stress upon everyone, especially the

Government, we are not in a Christmas mode, in fact, and we are far from it. There has to be a finite term of repayment to this loan, otherwise we will not, in fact we are not going to, support this motion.

The Honourable Attorney-General makes reference to New Zealand, France and other countries assisting their airlines. You cannot compare those countries to Fiji - *e duidui levu*. Those economies are transparent in their loan dealings, especially when it comes to Government guarantees, and their good governance and accountability on the usage of taxpayers and any guarantees that they give, is far, far beyond the reach of Fiji.

Yes, the Honourable Member was correct in saying that the New Zealand Government pumped NZ\$900m to the New Zealand Airways but there were conditions to that loan. Likewise for the Australian Government, in fact, I sat in and I listened to their recent Budget, they assisted Qantas and there were conditions, it was not an open cheque book.

Mr. Speaker, the least that we expect from this Government and also Fiji Airways is to come clean and provide their latest audited accounts and if that is not available, at least provide their Management Accounts for the Financial Year 2020.

Mr. Speaker, I heard my Party Leader, Honourable Gavoka, making reference to Qantas and he is always passionate about it and rightfully so, he is a man that has wealth of experience in the tourist industry. There is a phrase that we all know, and the phrase is: "He who laughs last, laughs the loudest".

We all know what happened in 2012. Government brought in a regulation, the same faces that I see in Government back in 2006, 2012 had passed a law back in May 2012, the law disallowed board members, where two-thirds of Air Pacific's board members must be Fijian citizens. We all know what happened - Qantas withdrew their board members. I heard the Honourable Attorney-General say, "I have not seen the Articles of Association. Qantas denied having those veto powers". If anything, Qantas is having the last laugh over what we are going through in Fiji.

If we had kept them, if we had engaged with them, I could only hope that the stimulus package that Qantas received part of it from their Government would have also come to us so they are laughing right now, and when you read the stimulus package given by the Australian Government to their people, they have looked after 7,200 skilled employees and they have kept them in training ready to mobilize them again once their sky is open, and we have all heard from the Australian Government, they do not expect to see their borders opening up till mid next year.

Quite frankly, Mr. Speaker, we do not know tomorrow - we do not know. Our borders may not even open till 2023. The assistance that the Australian Government and all the other Governments have given to their aviation industry is not a long term assistance but it is an assistance nonetheless compared to the barbaric and inhumane sacking of the 758 loyal and patriotic Fiji Airways employees.

Mr. Speaker, Sir, friends of mine were sitting an in-house Fiji Airways exams, some were still flying, some were still checking out, some were checking in, and they received via their email that they were fired and their services were no longer needed. This Government proudly says that they leave no one behind, but you left behind 758 employees and their families. Shame on you!

Mr. Speaker, Sir, this Government narrowly won the 2018 Elections by 50.02 percent votes.

HON. GOVERNMENT MEMBER.- Rubbish!

HON. T. WAQANIKA.- I am talking to Mr. Speaker, I am not talking to you, Honourable Member. Out of those 227,241 votes FijiFirst got and out of 91,922 of those votes which is 40.44 percent came from the West, your voters in the West stood by you FijiFirst in 2014 and 2018 and yet, you did not bother to tell them at the first sign of trouble, for sure they will not forget you next year. I have not seen any really assistance going to them in the West. The only assistance I have seen is FRIENDS, Helen Lockington, Flour Mills of Fiji and only individuals and NGOs but not you.

HON. GOVERNMENT MEMBER.- Chorus of interjections

HON. T. WAQANIKA.- I am talking, Mr. Speaker, Sir, I am on the floor. I also reflect on the Honourable Attorney-General speech at the South Pacific Stock Exchange Annual Award in 2019, he commented on Qantas cannibalizing the market, as they have full 40 percent share in Fiji Airways and this statement came about from the CEO because Qantas they just open up their routes to Fiji. Now this Government is crying over spill milk. The CEO of Fiji Airways was referring to long term relationships with Qantas. You do not burn bridges, the Pacific way of doing business, you do not burn bridges, what goes around comes around.

Mr. Speaker, Sir, I will end my contribution with this biblical phrase “do unto others what you want done unto you”. FijiFirst you are now reaping what you have sown.

Mr. Speaker, Sir, I do not support this motion. Thank you.

HON. SPEAKER.- I thank the Honourable Member. I give the floor to the Honourable Professor Biman Prasad, you have the floor.

HON. PROF. B.C. PRASAD.- Thank you, Mr. Speaker. Let me start from where the Honourable Attorney-General where he began by saying that the New Zealand Government provided \$900 million to Air New Zealand. That is correct but New Zealand also provided \$8 billion to \$12 billion as wait subsidy for businesses so that they could keep all their employees employed. What we did Mr. Speaker, of course was to pass a law and not only just to allow Fiji Airways but all other employers in this country to willy-nilly sack whoever they want to.

Yesterday, Mr. Speaker, I was kind of surprise and sort of amused me that the Honourable Minister for Economy was berating the Opposition for pointing out in the past about the way in which we are managing our finances, in particular our borrowing and spending

Mr. Speaker, we were absolutely correct if you listen to what we said in 2014, 2015 and 2016 and thereafter, we always warned the Government about not spending everything. In fact, I remember, Mr. Speaker, saying in Parliament ones that FijiFirst Government since 2014 they went on a spending and borrowing spree they were spending monies like drunkards in the nightclub, except the difference is that the drunkards in the nightclub they spend their own money. Here a Government which was spending taxpayers’ money in a way that there is no tomorrow and any Government worth its salt or worth its economic management skill will always ensure, or always factor in (no one ever predicted this pandemic) disasters, natural disasters, cyclones, floods, earthquakes, tsunamis - these are very real natural disasters.

What we have seen, Mr. Speaker, and referring to New Zealand again, the Honourable Minister for Economy should know that New Zealand’s debt to GDP ratio in 2019 was only 19 percent, so there was a lot of fiscal space (when we had this pandemic) for Government to increase its borrowing. We

did not have that and we are already on the decline, so I think what we were saying is simple economics. We have no option, we have to increase our debt, we have to borrow more and possibly, we cannot, because the lenders are also looking at us and saying, “What was our record in the past in terms of spending?” I have a deep suspicion as Honourable Pio Tikoduadua once said in Parliament, about the way in which the Government fiddled with the way in which they were calculating the GDP by changing the base here and showing that we had unprecedented growth.

I see that the Honourable Prime Minister is still reading speeches written by Qorvis, talking about the nine years of unprecedented growth but if we had nine years of unprecedented growth, Mr. Speaker, Sir, we would not see people struggling within a week. That shows that peoples’ income, peoples’ ability, their cost of living and their wages has been at a standstill. As soon as people lose jobs, within one week or two weeks, they start struggling because a majority of them have no savings. Let us not continue to divert the issues that the Opposition has been pointing out.

In fact, Mr. Speaker, Sir, I also remember saying this in Parliament that this is a Government which is suffering from a disease which I call “cognitive dissonance” where Government keeps thinking that what they are doing is right. When we point out that this is not right, they actually get quite upset. They accuse us of being unpatriotic. When we asked about Fiji Airways, we asked them to bring their annual reports to Parliament - Parliament is guaranteeing and Government owns 51 percent shares with Fiji Airways and it is the responsibility of Parliament to see what is happening in Fiji Airways.

I fully support the two previous speakers who said that we cannot support this motion and I am quite surprised that we had to rush this motion when the guarantee is still there. What I would say, Mr. Speaker, is that we have remained COVID-safe for 365 days until 19th April this year, apart from the border case that we had in transmission in the quarantine facilities, but this changed. Mr. Speaker, I am told that the Honourable Prime Minister was preparing a grand celebration where he would be chief guest and we would all have celebrated that Fiji kept the virus contained.

But, Mr. Speaker, I think we also need to understand that what we are talking about today as part of this motion needs much better explanation. I am surprised that the Honourable Minister for Economy was saying that the loan may not be paid, that is fine, I understand that. The lenders if they want to change the term of the loan to a longer term obviously, they would want a guarantee. Mr. Speaker, before we do that, and this is why I am saying that we cannot support this motion as it is. What we need from the Government is an independent report on the whole viability of Fiji Airways - where we are and not only where we were last year but where we are within a year.

Mr. Speaker, Sir, in May 2021, and as the Honourable Waqanika said, we all know that there are a lot of uncertainties and there are lot of variables which we do not know. We do not know when the border is likely to open. Even if the border opens, what kind of travel environment are we going to have? Would people still feel comfortable traveling? Would there be other countries where we will get most of our tourists from? What sort of vaccination plans do they have and whether they will vaccinate everyone by the end of this year or by the end of next year? So there are lot of uncertainties with respect to international travel. Mr. Speaker, Sir, we do not know where the airline is apart from the fact that we were told last year when we guaranteed the \$455 million, that the expenses for the airline or the outlays would be about \$38 million. So essentially, we would have spent all that already if you go by what we were told by the Honourable Minister at that time.

Mr. Speaker, Sir, it is quite interesting that we are being asked to approve a guarantee which is open ended without having all this information in front of us. Have we looked at what is the total debt,

whether it is over \$700 million? What is the market value of the whole company right now? What percentage out of that total market value of this company, will be Government's share of 51 percent? For example, if the total of value of the company is \$500 million to \$600 million, in terms of the asset, a lot of the airlines are leased, so they are really not our assets, but if you do a valuation, I am not sure whether that has been done, I am sure it has been done for loan purposes, we need to know what is the value of the company today. Out of that value, what is the Government's share, whether we are technically insolvent now which means that our debt is higher than the total asset? If we sell the airline tomorrow, let us say for argument sake, what would we get? Would we be able to pay the debt? These are the fundamental information missing from this whole equation which has been put to us, Mr. Speaker, Sir, with respect to guaranteeing the loan. I am very suspicious about the way in which we are going to approve this unlimited guarantee.

The other thing, Mr. Speaker, Sir, in the last one, we said that Fiji Airways will be exempted from paying a guarantee fee. I heard the explanation from the Honourable Minister for Economy about Government's validation in terms of the mortgage and all the rest of it comes to around 15 percent, but the argument does not hold water. We are trying to help the airline, we are saying that the airline has to negotiate a longer term loan, because we are still not up and running.

On the other hand, we are asking the airline to pay us that guarantee fee of 15 percent of \$455 million that would be about \$68 million one-off payment. We do not know when the Government would want that fee. Is it asking for that \$68 million tomorrow? What is the situation? Does this mean that Fiji Airways is in a position to pay the guarantee of 15 percent?

Mr. Speaker, as I have said before in this Parliament and I know the Honourable Attorney-General and Minister for Economy vehemently opposed - he used the argument that this is a private company. We have 51 percent shares. It is even more critical now that we are looking at this extension of guarantee that we have all those details of where we are. I mean, I can understand, it is not unpatriotic to think about alternative strategies for our tourism industry.

The tourism industry is never going to be the same ever again, and so would the airline industry. I mean, we have to look at all the scenarios. These are arguments that we may not be able to do completely without owning an airline the way we want to own it, it needs also to be looked at so all these questions need to be put on the table. There has to be some independent experts looking at where Fiji Airways is going to be in the next two, three, four or five years.

Now, Mr. Speaker, if we do not do that, we are putting not only Fiji Airways at risk, we are not only putting the tourism industry at risk but we are putting the whole country at risk in terms of the economic strategy that we are going to adopt. I have said this when we had the COVID-Response Budget, Mr. Speaker, that we should plan for five years. Now, I think we should plan for 10 years and in that planning, we need to look at all those factors.

When I look at the way in which we are responding, I mean, we are in a situation, Mr. Speaker, if we are hit by another natural disaster as we saw, we needed our donor partners. We could not do without them. We did not have the resources at our disposal in a way that we should have. I mean, imagine if we had \$1 billion today sitting in the FNPF, if we had not gone on into this adventure, the Government has to take some responsibility. The Government cannot just say, "No, it is the decision by the FNPF into a particular industry." We were putting all our eggs in one basket – hotels and Fiji Airways. If we had \$1 billion sitting in the FNPF today, imagine what we could have done in terms of how we could have stimulated, helped and even looked at the tourism industry.

I know Government still borrows from FNPF. I am told that they still borrow \$15 million to \$20 million, or \$30 million every month, probably the same amount that the FNPF gets in contribution. So right now, Mr. Speaker, we cannot approve this guarantee, we need to have a much more detailed information. We have other important things too.

If it was not for remittances, Mr. Speaker, and last year alone, we received \$652 million in remittances into the economy. That kept our economy going. I mean, we need to think about where we are going to put our priority and Fiji Airways, a very clear plan, a very clear strategic financial report as to where we are and what we are going to do with Fiji Airways in the next five years is very, very important, but we do not have that. We have been asking for that and we struggled to get Annual Reports at one time, Mr. Speaker.

So, I support my colleagues who have spoken before, that we do not support this motion. Anyone who says, “Ah, you are not patriotic, you are unpatriotic”, that is nonsense! As Honourable Gavoka said, this is one time that we need to reset some of our strategies. We cannot continue with the same kind of thinking that we might have had three years ago about where Fiji should go, what sector should lead the economy, whether we should have the largest fleet of plane in Fiji Airways, all these questions need to be relooked at.

We have time, this guarantee still has another two years, it is there. I think we should defer this, I would ask the Honourable Attorney-General to withdraw this motion and bring to Parliament later in the year, in the September or October session, a detailed independent report from a committee of experts as to all the scenarios and the recommendation or the best way forward for Fiji Airways and if we (Parliament) feel that that is the best way to go, we have an opportunity then, Mr. Speaker, to work together, look at all the information, if it means we need to guarantee further loans because we can see a clear picture, we can see a pathway for Fiji Airways, that is not going to impinge on our long term viability as an economy, as a country and our debt situation, then we would do that. But in the absence of that information and in the absence of the space that we have, to look after our people who are struggling on a daily basis, we cannot support this motion.

Once again, I want to repeat before I finish, Mr. Speaker, that we ask the Honourable Attorney-General to withdraw this motion and bring this motion, again, later in the year, with a proper report possibly from independent financial experts in the aviation industry, in the airline industry and then we look at that report, whether through a committee or whatever however Government may want to do that but we would be quite happy then, Mr. Speaker, to support any extension of guarantee. As it is, we do not, thank you, Mr. Speaker.

HON. SPEAKER.- Honourable Members, I give the floor to the Honourable Salote Radrodoro. You have the floor.

HON. S.V. RADRODRO.- Thank you, Mr. Speaker, and I rise to make a contribution on the motion in the House in regards to the amendment to the Fiji Airways Government Guarantee.

Mr. Speaker, I would like to highlight two main important features in the proposed amendment. One is the removal of three years and the amendment now calls for an open-ended guarantee period and the second is on the one-off fee of 15 percent.

Mr. Speaker, as for the open-ended time period in regards to the guarantee, for the benefit of those who may be listening in and watching the television, a very simple analogy or example that I would

like to give that perhaps, would help us in our understanding of this motion that we are debating on is that for the open-ended period, an example would be if someone goes to a bank for a housing loan and the bank approves and gives it to that person without any specific time period for repayment which means it may pass on to their children, inheriting that loan, it does not make any real commitment on their part to pay up the loan because there is no specified time period.

Also in regards, Mr. Speaker, to the one-off fee of 15 percent, the Honourable Attorney-General and Minister for Economy did not come out clearly on how this 15 percent which is about \$68 million of the total amount, how is this \$68 million going to be paid up? Is it a one-off upfront payment or is it on a reducing balance like we do with our housing loans with the bank like, for example, if you take a housing loan from the bank and say, for example, it is \$150,000 and interest charge is on the reducing balance, by the time when you pay up between 15 and 20 years, you will pay up almost double that amount. But in here, the Honourable Attorney-General is not clear on how this 15 percent is going to be paid. Those are two very important issues that we must be mindful of and also I would ask the Honourable Attorney-General, even though he is not here, in his response, to clearly explain the reasons for the amendment in the removal of that timeframe period, because when you remove that, it raises a lot of doubt, questions. It can also impinge on corruption or corruptive practices, Mr. Speaker, because it questions the ethics and principles of good governance.

HON. J.V. BAINIMARAMA.- You should know that.

HON. S.V. RADRODRO.- You should also know that, Honourable Prime Minister.

Also, Mr. Speaker, the Honourable Attorney-General should have at least provided this morning to us - Honourable Members of this House, on some detailed, relevant information on what has worked, what did not work under the three-year guarantee period, and that is why they are seeking an amendment. We also ask: what is the real motivation, what are the real intentions of this amendment because the absence of vital information raises a lot of doubt.

Also, Mr. Speaker, in regards to good governance, on the principle of transparency and accountability, I would like to remind us in this House and particularly the Honourable Attorney-General, on his 2013 Constitution, Section 145, and I would like to read it, so that we remind ourselves on the requirements that he, as the Minister responsible is supposed to table with the motion in this House, so that we are all well informed, and I quote:

“Parliament, by resolution, may require the Minister responsible for finance to present to Parliament, within 7 days after the resolution, information concerning any particular loan or guarantee, including all information necessary to show:

- (a) the extent of total indebtedness by way of principal and accumulated interest
- (b) the use made or to be made of the proceeds of the loan, or the purpose of the guarantee
- (c) the provisions made for servicing or repayment of the loan and
- (d) the progress made in the repayment of the loan”.

Mr. Speaker, these are constitutional requirements and which, he, as the Minister responsible for Economy, has breached himself by not providing those information because now we are looking at the amendment of the original guarantee and at least, now he should have provided that information to the original guarantee, which was approved in May last year.

I would plead with the Honourable Minister for Economy that he responds to those questions on those relevant information that he is mandated under the Constitution to provide to the House, Mr. Speaker. Also, he has failed to provide the full disclosure, as I had mentioned under the requirements of the Constitution. He also has failed to provide any regular update on how Fiji Airways is doing under the current guarantee that was approved in May last year.

He has not tabled any Fiji Airways COVID-19 response plan. He has not tabled any annual report from 2014 to date, even though we on this side of the House have continuously request and remind the Honourable Minister to provide that to the House for public scrutiny through the relevant committee. That is important, Mr. Speaker. And for all those information not coming to the House, not being provided by the Honourable Minister for Economy, withholding it from all of us here, or even to the members of the public, and then the Government brings in this motion and expects us to rubberstamp, approve and agree. Mr. Speaker, that is why we are not supporting and agreeing to this motion.

Also, Mr. Speaker, the Honourable Minister for Economy, as I had already mentioned, must come out clean and provide all those relevant information to the House for the benefit of Honourable Member who are here in regards to our debate. Without that information because as we know, information is power and with all those vital information being withheld when the Honourable Minister presented this motion tantamount to being deceitful. It is like smokes and mirrors exercise or putting wool over our eyes because with those information, then we are able to contribute effectively to the debate.

Mr. Speaker, as already mentioned, without those relevant and vital information we are not in a position to make well-informed decision in regards to supporting this motion and that is why previous Honourable Members who have spoken have said that we are not supporting this motion.

In the debate on the original motion in May last year, the Honourable Attorney-General said, and I quote:

“What we have discussed with Fiji Airways is that they need to be in a strong financial position if we are able to give them the financial security now. We will be able to then ensure that Fiji bounces back quickly”.

So, Mr. Speaker, I again ask the question: this amendment to that original guarantee and particularly with what I have just quoted in regards to what the Honourable Minister for Economy, in his presentation last year, does it mean that this amendment is that Fiji Airways has not bounced back and in a bad financial situation? The Honourable Minister for Economy must come out very clearly and provide relevant details in his response.

Also, Mr. Speaker, I know and we heard you, Sir, that you have mentioned that this side of the House, in particularly mentioning about the priorities of the people in the challenges brought about by COVID 19, but Mr. Speaker, may I mention that this motion is very much linked to COVID 19 whereby the pandemic has brought us unprecedented, economic, social problems and challenges and, therefore, I would like to ask again the question in our consideration of this motion, will this guarantee help the reemployment of employees that have been terminated or the unemployment benefits that have been given out? Will it assist in putting food on the tables of our people, will it help our people pay the monthly rent, houses and accommodation, will it help for their water bills, will it help them pay for their electricity bills? Mr. Speaker, those are the questions that I am asking

The people are crying and suffering in pain in regards to the challenges brought about by COVID-19 and bringing in this motion to the House and also hearing the contributions of previous speakers, something is sounding out from those presentations that we are putting more emphasize to the aeroplanes and not to the human beings. So, Mr. Speaker, Sir, this motion kind of tantamount to do we support the motion which is about airplanes or do we not support it and support the people in regards to the assistance that government should be giving them?

So, I again support what has been contributed by the Honourable Professor Prasad that we are also patriotic about our airline but this is not the right time, Mr. Speaker, Sir, and all we are asking for is that, to defer it to the end of the year and let us focus on our people's needs right now.

The aeroplanes can wait maybe end of the year but let us look at the needs of our people. Let us put on our humanistic lenses and look at this issue from a humanistic perspective.

HON. CDR. S.T. KOROILAVESAU.- Repetition, repetition!

HON. S.V. RADRODRO.- Having said that, Mr. Speaker, Sir, I do not support the motion. Thank you.

HON. SPEAKER.- I thank the Honourable Member for her contribution. I now give the floor to the Honourable Aseri Radrodoro.

HON. A.M. RADRODRO.- Thank you, Sir. I rise to make my contribution on the motion before the House this morning. Mr. Speaker, Sir, to start off, I think the Honourable Minister has reiterated that we need this guarantee as a bit to save our national airlines and the urgency of the questions that was raised by speakers of this side of the House is questioning the rate of loan serviceability and affordability by Fiji Airways for its fleet of wings, Mr. Speaker, Sir. That is basically the gist of the questions that has been raised by this side of the House.

The volatility of the pandemic of the environment is noted and this is not the time probably to lecture a government about "I told you so" and r this and that over the last six years. It is imperative that government reminds itself that in future, this arrangement will continue to have a bearing on our development agendas and its sustainability.

Mr. Speaker, Sir, warnings of the global financial crisis has already on the cards from 2014. Now, this Government guarantees do not make me or any one from this side of the House comfortable. This raised another question based on the Honourable Minister's statements that the New Zealand Government has given its national airline \$900 billion to ensure its protection. In Fiji's scenario, we are not been told how much Fiji Airway is making presently in terms of turnover, et cetera. So, that we know the serviceability of these government Guarantees.

It is a simple request, Mr. Speaker, Sir, that the Honourable Minister needs to table in this House in his Right of Reply. Who is Fiji Airways intending to borrow funding from in order to protect our national airline; whilst it may not be practical to bring before this august House each and every procurement processes. It is important to remind those that are at the helm of leadership for the airline and from government that the longevity of the guarantee would very well see the airline engage with lenders who would not be in Fiji as a nation's best interest, Mr. Speaker, Sir.

I would like to reiterate what the Honourable Minister read out yesterday in terms of the percentage of lenders for Fiji Airways: FNPF - 30 percent; FDB - 10 percent; ADB - 18 percent; and another 12 percent for another set of lenders. This is what we, Mr. Speaker, Sir, would like the Honourable Attorney-General to enlighten us on - this 12 percent of lenders.

Desperate times, Mr. Speaker, Sir, can make people take drastic actions. It is known that at such times our unscrupulous dealers and lenders present themselves for the taking because for them what they can gain and derive from these deals or loans is always going to be paramount. The bottom line is the return on their investments. If you are dealing with domestic lenders or entities like ADB, it may not be too much of a concern. But if you are dealing with other lenders not normally on our approved list of lenders, then the alarm bells are raised. This is a red flag situation in any financial entity.

Mr. Speaker, even in the domestic markets, banks have a list of valuers, for instance, who they prefer to deal with because of their professional reputation and acumen. In this instance the Fijian Government is dealing with a national asset via our national airline, so it is imperative to engage with lenders who are reputable and will not pose future risks for the industry during this time.

Mr. Speaker, Sir, I am not an expert in the airline industry. However, as a layman for future references in hindsight, perhaps relationships with other reputable airlines like Qantas need to be protected for they come with a support structure back by their national governments who have a scope and affordability to provide financial security in times like this. These forms of relationships are strategic, financial processes that are needed for smart investment sustainability.

Mr. Speaker, I earlier alluded to the announcement by the Honourable Minister that their 12 per cent loan portfolio will be looked after by the group of lenders that we are not familiar. I would like to ask the Honourable Minister again to enlighten this House as to who these lenders are, when the people of this country will ultimately have to pay for the cost of national policies. As we see before the House today, it is crucial that we tread very carefully and ensure transparent dialogue is held so that our people will get to understand and be comforted that they will not have to pay or bail out any other future decision that is contrary to the principles of good governance and sound financial literacy.

The Government needs to practice full level of accountability and transparency and not a limited one. Mr. Speaker, Sir, as a SODELPA Government, we will always ensure that we are fully transparent and accountable to our people more especially when involving policies that affect taxpayers to the magnitude that we are dealing with today - \$455 million is not a small amount. That requires a higher threshold of accountability.

Mr. Speaker, Sir, this Government needs to accept that they have dropped the ball. As way back as 2014, some of us on this side of the House have been urging them to be smart and prudent with our domestic and internal arrangements and engagements. We have to grow the investment portfolios in Fiji, encourage entrepreneurs and remove regressive policies that can only kill off interest to engage in business. These kinds of policies will carry employment and domestic and sustainability in times like these.

Mr. Speaker, Sir, while speaking on the national carrier, we raise another question. What of the workers, as has already been alluded to by the previous speaker. People of Nadi who rely on this industry, workers of Fiji Airways, Air Terminal Services, Civil Aviation Authority of Fiji, and Airports Fiji Limited who had cases before the employment tribunal. What is Government doing in that respect?

Given its position, now to assist the airline, there are important and pertinent questions that need to be clarified in this House. The Government cannot siphon off its troubles and pretend that they are not there. It has to find solutions and if that means providing sources of income for them via their companies, for instance, using these types of guarantees to support staff with an income during the period of stagnancy – then please do it. Again, we will advise the Government that they need to create the economic activity and be optimistic about the quick return to economic viability when things normalise.

Mr. Speaker, Sir, they need to be human about taking risks. Do not just think about the airline; think about the human resource that support and have been true to the industry for as long as we can remember.

Mr. Speaker, Sir, I will also not support this motion before the House. Thank you.

HON. SPEAKER.- I now give the floor to Honourable Tuisawau. You have the floor.

HON. RO F. TUISAWAU.- Thank you, Mr. Speaker, Sir. I rise to contribute to the motion at hand on the Fiji Airways guarantee. When I saw this at the outset, I was convinced that this is the most imbecilic and moronic motion I have seen. Why, because we need to look at our financial situation. Fiji Airways has been exposed taxpayers of Fiji to \$455 million Government loan guarantees, \$200 million from FNPF and \$75 million through the Reserve Bank of Fiji via FDB. This is a total of \$655 million that will be added to the current national debt.

Fiji Airways is currently swallowing up every month, according to the CEO, between \$20 million to \$38 million of the airlines cash with no idea when the passenger planes will be flying again. He pointed out the following - one billion of revenue has suddenly become zero; a bulk of the staff have been laid off and he asks the question of how long can we survive and how to fix the recurring cost of \$38 million a month? He also revealed that Fiji Airways had built up some cash reserves from 2019, but this would dry up in seven months, which it probably has. The danger is that Fiji Airways will absorb taxpayers' funds of close to a billion or at the end we might end up with \$2 billion, on the already inflated national debt, which is currently over 70 percent of GDP. We do not know where that will reach.

With regards to the previous speakers from our side, there is an urgent need for thorough disclosure, and I refer here to the various structures and entities within Fiji Airways or dealing with Fiji Airways. I note in particular, the Honourable Minister of Economy had described Waqavuka which is, as described by the CEO, a vehicle to facilitate the loan or leasing in terms of aircraft purchasing. He had stated to Parliament on 15th March, 2018 when queried about Waqavuka that, and I quote:

“Waqavuka is 100 percent owned by Fiji Airways. The reason why we have a separate company is to satisfy the financiers offshore. So we actually have a leasing arrangement with Waqavuka Holdings and the financial arrangements are with them which is owned, of course, by Fiji Airways.”

But here, he contradicts, Stefan Pichler, the former CEO, who stated that Waqavuka is owned by a corporate managing subsidiary of Deutsche Bank. But then late last year, during the discussion on the guarantees, et cetera, when questioned, the Honourable Minister for Economy stated that the shareholders were Vistra Capital Markets since 2016 and this is confusing to all of us, which is why I fully support the insistence of full disclosure.

Of course, in terms of the labels or plaques within Fiji Airways on the aircraft and also on the engines, there is a label there which states that the engine is owned by SASO Aviation Island DAC, leased to Etihad Airways, sublease to Fiji Airways. All those raises questions with us. We need to know what exactly are the relationships in these various entities, how do they relate to this because we are discussing huge taxpayers' funds here and this, to me, is a threat to our national finances.

Within Waqavuka, I noticed in some of the past financial statements that they have gross profits, operating profits, interest payments and when I looked at the interest payments they, sort of, equal to those profits. So I am not sure what kind of operation is happening there, and these are the questions which we need to answer to the public and it raises more questions, especially when we are discussing the nation's finances in this difficult times, Mr. Speaker.

On the guarantee itself, as mentioned by my colleagues, 15 percent is charged for the guarantee and this amounts to \$68.25 million, so I am not sure how or what the rationale of that 15 percent is because the rate with commercial banks at the moment is much less than that. We should note that Fiji Airways is strapped for cash already, so how can they pay up that 15 percent? Do they need to find new money to that guarantee or where is the money coming from? Is it being arranged for donor funding or will it emanate from FDB as we had approved the guarantee yesterday through Reserve Bank of Fiji? Again, the Honourable Minister for Economy needs to come clean and show the people of Fiji the true financial situation of the Airline.

It is critical to the economy now but what if it cannot survive? What is the exposure left for future generations and what are the risks in maintaining the current situation? So, we must not take the country for granted nor the taxpayers.

The case of return of leased aircraft, has this been discussed with the Honourable Minister for Economy and also with the Fiji Airways Executive? Again, we are not sure what the terms of the lease are, so is this possible?

From the experience of other airlines, they have returned leased aircrafts. In one of the articles on 28th February, 2021 in *Simple Flying*, an aviation journal, it stated there a case regarding Jet Airways. They had purchased or leased aircraft, and I quote:

“These planes weren't being retired but were on a sub-lease to Etihad Airways, which was in the process of buying 24% of the carrier. Five planes eventually ended up with Etihad, which further leased them out to partners.

Three A330-200s went to Turkish Airlines in early 2014 as Jet Airways looked to shore up its finances.

The five planes that went to Etihad Airways have found new homes. Two have been leased to Fiji Airways, while another was leased to Etihad - Air Serbia. The final two went to Alitalia.

The three planes leased by Jet Airways to Turkish Airlines were later taken on leasing. Turkish operated the planes for years until withdrawing two of them. The third continued flying until February 2020. Turkish returned two of these airplanes to the lessor in September 2020”.

That is why I am saying, why do we not relook at the whole terms of the lease and get away from this situation? When we are talking about looking at options, which is what we in the Opposition are insisting, what are the other options available, what information do we have in terms of the Airline and the financial options available in terms of returning the aircraft, et cetera?

We cannot make any analytical thinking moving forward as a Parliament, we do not have the full information, and with that, we lose the opportunity costs which represent the potential benefits that we as individuals or businesses miss out when choosing an alternative over another. The idea of opportunity cost is a major concept which the Minister of Economy needs to consider and at the moment, I do not think we are really looking at that.

When we are not looking at alternatives, there is an opportunity cost there. It is a foregone benefit that could have been derived if the best option is chosen and that needs to be properly evaluated, costs and benefits of every option looked into and weighed against the others. That is another area which I thought I would raise today, Mr. Speaker.

The treatment of former Fiji Airways staff has been raised by the Members who I would not like to repeat that but just to emphasise, let us treat the staff in a humane way, respect their human rights, and I point that in particular, the discrimination in recruitment. I spoke to a few of them. They have reapplied for their jobs but all those who had taken the Fiji Airways to the Tribunal were not considered.

From the legal advice that I have, that is wrong, that should not be happening and I request the Fiji Airways executives to look at the staff, take them on, that is their legal right and you already have a trained workforce there, you do not need to have a lot of time training them because they already know the procedures and the processes and, of course, in the airline industry, that is very, very important because of safety issues.

The other suggestion is to further reduce the executive management salaries to cut costs, and I do support the other Members from our side who have spoken that we need an independent inquiry. I had brought this up in the Parliament in September last year, to have an independent inquiry into the situation of Fiji Airways and to assess options moving forward and unfortunately, this was knocked back at the, I do not know, Tables or Business Committee. Again, that needs to be looked at - an independent committee comprising independent experts co-opted by the Members of Parliament.

I even tried that with one of the Aviation consultants, Split Rock Aviation, to relook at the Fiji Airways situation. They had all the information on Fiji Airways and they did a terms of reference which was quite a good option and some of the components of the terms of reference included a comprehensive review of aircraft leases due diligence to confirm whether the leases were marketed at the time they are done, compare each review of all financing arrangements, again due diligence, review all actions of Fiji Airways to date, collaborate with Fiji Airways to evaluate and review these options, sensorial test, package and present cauldron and forecast operating numbers to lessors, banks and other counterparts, undertake competitive review that encompass direct competition, networks and shareholders, refine the most effective measures that can resonate with contract counterparts and recommend the best course of action that is available out there and apart from the other suggestions I am making, that should be seriously looked into.

With those, Mr. Speaker, Sir, I do not support this motion. I support that we should ask the Honourable Minister for Economy to relook at the wording of this motion, and present that again to Parliament with all the relevant information. Just like in any proposal we can face in any organization

or company, bring all the details and the options and then we could establish a subcommittee to look at it which could co-opt experts and then work with, for example, one of the consultants I mentioned - Split Rock Aviation. Thank you, Mr. Speaker.

HON. SPEAKER.- I thank the Honourable Tuisawau for his contribution.

Honourable Members, time moves on. What I intend to do is to take the lunch adjournment now and then we will continue with the debate in this order:

- (1) Honourable Bulitavu;
- (2) Honourable Nawaikula;
- (3) Honourable Qionibaravi; and
- (4) Honourable Faiyaz Koya, Minister for Commerce, Trade, Tourism and Transport.

Honourable Members, during the lunch adjournment, there will be a Business Committee Meeting at 12.45 p.m. in the Big Committee Room. We adjourn for lunch.

The Parliament adjourned at 12.28 p.m.

The Parliament resumed at 3.03 p.m.

HON. M.D. BULITAVU.- *Vinaka* Mr. Speaker, Sir. I rise to make my contribution on the motion that is before the House. I will start with a *Bible* verse from Hebrews 1:11: “Now faith is the substance of things hoped for, for evidence of things not seen.”

In Fiji at the moment we are facing the effects of a pandemic but it needs to build our national faith in terms of the God of Fiji and also the prayers that we are offering for our front-liners, for the government and for all taking part, that we become free from COVID-19. That is the situation we are in and we as a nation need to work together as I have said yesterday, and also December last year, during this difficult time brought by COVID-19 or the pandemic; we will need to manifest our finest hour. This is a trying time where we all are trying to make ends meet.

The motion that is before us calls upon us as leaders to make a very important decision in terms of our economy, our airline and also looking to see what the future of our nation holds, which only God knows and we are trusting Him to give us wisdom in our decisions. This is very important as we debate on this particular motion. My views are very clear. We need the aeroplanes and Fiji Airways in the lead for economic recovery through tourism and trade when travel resumes safely. That is the thought that I have, that Fiji Airways will play a very critical role through our economic recovery process, through tourism and trade and that is the thing we should be preparing for now while we are trying to contain COVID-19.

Containment measures and various health regulations have been put in place with various teams doing contact tracing - Dr. Fong and his team are trying to contain the virus through the various facilities and testing machines that have arrived in order to win the war against COVID-19. At the same time we need to weigh our economic opportunities and also what we really need to do looking into the future.

It was very clear from August last year that the CEO for the Fiji Airways had said that the company is paying \$38 million a month for repayment, and to me in March this year the ADB has come on board through their LEAP Programme to finance our airline; this is our national carrier and we must remember that. The loan includes a liquidity support facility to help the airline cover their operating costs and meet financial obligations due to the pandemic that induced the border closure. I think as leaders looking into the future we need to prepare our airline to be what they call in the airline industry, “future fit” so that when everything is back to normal we are able to stand up and recover quickly through this airline.

That is why I think we really need to support this particular motion because this motion will allow the borders to reopen, tourists will come on our planes, people will go back to employment in terms of the airline industry, in terms of tourists coming into our hotels, villagers will go back to work in the hotel and there will be other trickle down or multiplier effects leading to economic growth. Even the landowners who have hotels built on their lands and also those at the airport facilities will also benefit in terms of land rentals and other royalties. These are some of the views that we as leaders should have at this particular time looking into the future. As I reminded us earlier in Paul’s letter to the Hebrews that faith is a substance of things hoped for and evidence of things not seen.

To me it is really important that we see things as leaders. Fiji is in a dire situation. It is like we are all sailing in one ship and there is a hole at the bottom and water is coming in - we cannot be blaming anyone for the hole or trying to find out what happened because the water will kill us. We have to find strategies and ways in order to survive. This is one of the things that is before us as leaders - to make

decisions in very difficult times. Sometimes we have to bite the bullet in order to make tough decisions but decisions that will take us to the future and also prepare us for the future - a future which we hope and pray for through the God we serve, that we will be good and prosperous.

I do not see why we should worry about the 15 year term loan that we are offering although after seven years the maturity rate of the loan will be there. The thing that we really need to concentrate on now is to give the financier the confidence through this particular guarantee so that our industry is protected and alive, so that people who are also praying and have lost employment from the airline industry, from the tourism industry will, one day, be re-employed. This is the kind of decision which God, through His wisdom, will lead us so that we can be bold as leaders to make tough decisions as a majority shareholder; all the other small Pacific Island States who are small shareholders depend on it. So if we are building Fiji as an economic hub this is an investment that needs our national support. I might be unpopular given my views on this particular motion but I would like to reiterate that these are my views and it is important that we support the guarantee and the motion because it is for the betterment of Fiji and the nation.

We need to put the nation first, and we need to put our people first and see to the preparation of the environment so that various sectors will recover and trade can happen when our borders open - people here in Vanua Levu can export their goods and there will also be imports coming in. Once this airline opens up, freight will be free again. That is the view that I hold and I support the motion which is before us.

HON. SPEAKER.- I thank Honourable Bulitavu for his contribution to the debate. I give the floor to the Honourable Niko Nawaikula. You have the floor, Sir.

HON. N. NAWAIKULA.- Thank you, Mr. Speaker. I wish to make it quite clear that I am opposing this motion.

Mr. Speaker, about one year ago this time, we debated the request by Fiji Airways. This company terminated the employment of 758 people, human beings. This Government pride itself with the notion “leaving no one behind”. I wish to remind us to remember those people, to pray for them because I feel very, very sadly as ironic and cynical here to assist Fiji Airways without their interest being factored into any form of request assistance to Fiji Airways. At least, what the company should have done is to tell those families, “you will go, we cannot pay you, alright you can go but we will hold your employment and you do not have to reapply”. What is happening now is that, the former staff who are reapplying, they have an excuse to dismiss and not to accept people that they do not want.

Having said that and I said it again, Mr. Speaker, yesterday the Honourable Minister for Economy said that this Government had spent \$300 million on COVID alone. I wish to clarify to him that when he takes a stand to make his right of reply, how much of that money came from Government because we should acknowledge who were the contributors to that. I think that money came from FNPF, that money came from Australia, that money came from the New Zealand's donation, that money came from the donation from USA, WHO and India.

I think I know that they will acknowledge that. Australia is paying for the accommodation, Australia or WHO is paying for the quarantine facility. It is important that for any Government to acknowledge this, he is still dishonest for not acknowledging and that is the reflection of this Government. It uses people, disposes them and the Honourable Minister for Economy has failed us, his policies and his management and I am talking here in terms of the outcome, not even before it came to

COVID, he fails and for that, I am asking him to resign and take this motion outside with him because we are not losers.

The Honourable Minister for Agriculture can be our Minister for Economy and while I am still there, Mr. Speaker, I wish to call for the resignation of the Honourable Prime Minister as Minister for Sugar so that the Honourable Minister for Agriculture can be our new Minister for Economy and also Minister for Sugar. I am missing myself primarily here on performance, outcome, they have produced nothing and we need new ways of thinking and that is also the reason why I am very, very sad about the motion that we have before the House because the same thing that he has done for the economy, he will do for the nation in relation to the motion asking us to agree with.

It is very, very dangerous and if we look at it the wording of the motion, Mr. Speaker, just read through to it. That he is asking through Parliament, the people of Fiji to agree to the guarantee of \$440 million until the guarantee finishes, finalised and discharged by the lender. Where is transparency, where is accountability in this kind of motion, you cannot leave something open ended, we profess accountability and transparency and for that, we demand that there must be a limit. At that time Fiji Airways can come back and tell us how it is performing but no. So, what kind of childish motion is this? I can tell you, Mr. Speaker, we do not even have the capacity or the qualification to say "yes" or "no" to such an important question, whether to agree to this. Let me repeat that again, Parliament in this half an hour or 2 hours and so of debate, does not have the quality or the capacity to say "yes" or "no" to such an important decision like this. So let me illustrate that.

Firstly, we do not know and we are blinded. The Honourable Minister for Economy went on a charade for about 15 minutes or 20 minutes never did he say or tell us the total exposure. These are important facts that we should know. What is the total exposure, what is the total debt, what are the benefits this company is giving to the nation that it deserves this House to say yes to each request, bearing in mind especially what it has done to the poor 758 people he had terminated. We are not here to save planes, we are here to save people, let me say that again "people first".

Secondly, we really need to know the cost benefit analysis, he did not even address that, so where do we look to, for me to make a mature judgment about this request. What are the benefits, what are the costs, that is why I am saying that we cannot make a decision, there is a big caveat there, Fiji Airways does not bring its financial accounts to Parliament. So, why are we being asked to say yes to the request, by a company that does not allow us to look at its books, look at its activities, it is morally wrong for us to be doing that and the benefit of this, Mr. Speaker.

We have to look at FBC. FBC, has its own auditors but still the Auditors Report examines that and has found faults in FBC. Those are the advantages which I will address when I come to the next motion. Why it is important for us to be looking at the books and activities of this company in order for us to agree to this request.

Mr. Speaker, Fiji Airways is like FSC. In that, it is totally insolvent and the only thing that is keeping it alive is the public money that we are giving. So, are we being ask here to give a guarantee for assistance for a company that is technically insolvent. The public will be pointing a finger at us. We are the eldest of this nation, we must make a mature judgment, we cannot be asked to guarantee something that is insolvent. It is not earning money for one whole year and therein lies the fault or the weakness of this company. That is the reason it came back.

Last year, it made its forecast that COVID will be ended in one year so it came to us and ask for that, one-year guarantee and it shows us, Mr. Speaker, the uncertainty of COVID, we cannot be giving a guarantee for something uncertain when we are not sure for a payback and for a company that is technically insolvent that has no income for one whole year. This is a peculiar company that does not own the assets or the planes that we have been asked, it is owned by this company and as I said I cannot find the owner of this company. So why it did not, I am sure there must be some clauses there .that will be giving an excuse to return this plane to the owner instead of allowing us to hang in the noose to use their own words paying out \$38 million from our hard earn income that we should be using to our children and the 758 people that it dismissed.

Mr. Speaker, on Fiji Airways dealings, its true status is unknown, it is secretive. We had called for an enquiry, so that we can look at its activity and they have refused that. We need an enquiry, if we have to give them the guarantee, we should be satisfied. Satisfaction will come if we have to look at their books and activities, which we do not have. So we have been asked here to blindly support the guarantee without knowing the full extent, or what is secret about its deal. .

Mr. Speaker, we need to know what really is the agenda of the Honourable Minister for Economy. Yesterday, we were asked to guarantee FDB, today we are doing this, why is this all happening, it looks like he is dragging the whole nation to his idle, it looks to me that the Honourable Minister for Economy is an idealist. An idealist and practicality do not go hand in hand, his ideals of the economy has brought the economy to his knees and his ideals again will drag us into that.

There is also another example to his ideals on quality, equal citizenry or OMRS and a bit of human rights and the point I am saying we must be practical, we must make an objective judgment and we need information that we do not have.

Mr. Speaker, just look at our GDP of \$9 billion that liabilities of \$15 billion, GDP ratio over our liability is over 170 percent. So, you tell me, Mr. Speaker, can we afford to give this guarantee or not? We do not, from December, there has been no money, we have been living on donations from New Zealand and Australia from that time we need a supplementary budget and we are still waiting for that.

I can see the Honourable Minister for Infrastructure, Metrological Services, Lands and Mineral Resources saying that. We do not have the money, we need a supplementary budget to tell us what to do. That is the sad situation of the economy and I will end again, Mr. Speaker, by quoting to the Honourable Minister for Economy for him to answer the views in relation to the Fiji Airways by Mr. Savenaca Narube, and I quote:

"The finance position of this company because of COVID is a concerned that the risk of the Government comprised of the company depending on the loan is multiple on how many times, so there is very big risk that this company has already been insolvent they go under and the practical situation here is for him to wind it up. What is stopping him from winding it up? We do not have to have a national image or a national carrier, we have to be practical. Those countries are different from us, they do not have a distressing financial situation that Fiji has, so, do not compare us with New Zealand, do not compare us with Australia, do not compare us with USA. And continuing with the quotation, this is what Mr. Savenaca Narube said, Fiji Airways and Government have been way too optimistic which has presented them from taking a proactive action with cost consequences, you simply cannot compare other countries to Fiji because other countries do not have a financial distress. We must be concerned because that cash flow crisis with Fiji Airways will drag the whole

country down with it. The shareholder minister which is the Minister for Economy in my view not only build the time bomb with our national carrier but also that..."

In conclusion, let me say, Mr. Speaker, that the gist of what I am saying is that we need information to make a mature objective judgment. Section 145 of the Constitution is there for us to follow. Section 145 of the Constitution was quoted earlier by Honourable Aseri Radrodro but the problem with that section is that, it does not make it compulsory for the Honourable Minister to bring to the House information where you make immature judgment so it just made. But for the purpose of accountability and transparency, Section 147 advises him to go to the people who knows like PricewaterhouseCoopers, company to make an objective assessment with the recommendation put to the House for us to debate and agree on. That is the correct way of doing it not like what is happening. Thank you, Mr. Speaker.

HON. SPEAKER.- I thank the Honourable Nawaikula for his contribution to the debate. I give the floor to the Honourable Adi Qionibaravi. You have the floor, Madam.

HON. ADI L. QIONIBARAVI.- Mr. Speaker, Sir, I rise to contribute to the motion before the House. Foremost, Mr. Speaker, I wish to acknowledge the sacrifice and commitment of our frontline workers, from the Permanent Secretary for Health, Dr. Fong, Senior officials and all staff of the Ministry of Health and Medical Services, other ministries and agencies in their efforts to contain and eradicate COVID-19 pandemic. I also wish to thank religious organizations for their messages to their flock and who also have charitable arms directly feeding the needs of the people.

The Methodist Church in Fiji has rolled out a 24-hour round-the-clock programme, Sir, involving prayers in the 59 divisions in Fiji, from 30th April to 30th June this year (2021), Sir. As well as an ongoing programme by the Catholic Church through the Arch Bishop and other dominations and faiths who continue to minister to their parishes and congregations. I also recognise the tremendous efforts of civil society groups and Non-Government Organisations, such as Foundation for Rural Integrated Enterprises & Development (FRIEND) and, of course, other community groups who are directly helping families to meet their basic needs and fill in the gaps for those whose needs are not being assisted by Government.

Mr. Speaker, I also wish to commend the people of Fiji who are persevering through this pandemic. To you all fathers and mothers, children, grandparents, little ones and guardians, I know you are suffering and sometimes it seems your cries fall on deaf ears. For those who can, please, help your neighbours, check them and help if you can or direct them to the organisations who are helping at this time.

Mr. Speaker, I plead with the Government to focus of the suffering of our people and to prioritise the needs of our people. The Parliament is being asked to vary the conditions of the guarantee which was approved on 25th May, 2020, the Fiji Airways, or more correctly - Air Pacific which is trading as 'Fiji Airways'.

As I have said in my contribution yesterday, Mr. Speaker, unfortunately we have not been given any update on the performance of Fiji Airways since the guarantee was approved one year ago. We can learn from our Qantas that continues to provide market updates on its performance. This is good corporate practice and transparency, Mr. Speaker, Sir.

Mr. Speaker, here in Fiji, our national airline, Fiji Airways, is dependent on the loan:

- (1) guarantees from Government through Parliament;
- (2) the Fiji National Provident Fund which is the retirement funds of the workers; and
- (3) the Fiji Development Bank which is owned by taxpayers.

Therefore, Mr. Speaker, at the very least, Fiji Airways should post its annual reports on its website to be easily accessible to the taxpayers on whom it depends.

It is a sad day for Fiji, Mr. Speaker, Sir, for the mover of the motion to come to the House without the critical information that will help us as the people's representatives to assess and make an informed decision on the request for a sovereign guarantee.

Mr. Speaker, Qantas Airline, on the other hand, its CEO Alan Joyce, had announced that Qantas shared the pain but also outlined the proposal to capitalise on the gain. When Qantas emerges from the COVID crisis, it will have picked up about 10 percentage points in domestic market, slash not its staff numbers by a third and take a \$1 billion cut off cost. Its remaining workers will have a pay freeze and travel agents selling Qantas seats will seek commission cut from 5 percent to 1 percent. The airline is now expected to produce profit before depreciation over the next couple of years that will double what it made before the pandemic.

The people of Fiji are receiving no such updates from the Fiji Airways CEO or its board who must be accountable to the taxpayers of the nation. Mr. Speaker, the point I wish to emphasise is on planning, transparency and accountability. In the same vein, the company has not released its plan to address the severe second wave of the pandemic and to meet the needs of the people, Mr. Speaker, Sir.

If Government is a company, then the shareholders - the people of Fiji, at the very least, should be informed of the Government's plans. Being transparent will reassure the people that they are part of the plan and not just being dictated to.

Mr. Speaker, the number of positive COVID-19 patients is continuing to rise almost exponentially. In recent days, it is unfortunate that our front liners are the majority of cases. There is an urgent need for the nation's leaders to address the nation on this crisis and not just 'farm it off' to the Permanent Secretary for Health, who is issuing daily statements.

That is why, Mr. Speaker, Sir, the request of Government for a discussion to focus on the pandemic. To return the motion before us, there are Constitutional requirement guarantee, Mr. Speaker, Sir. I said yesterday that Parliament may request the mover of the motion to provide critical financial information. I also said yesterday that if I was the Minister for Economy, I would have provided those information when I came to the House both yesterday and today, unfortunately that was not done.

This is the critical question that we should be asking, Mr. Speaker, to the Board of Fiji Airways, is the company capable of paying its debts? To Government, are those companies that have guaranteed their debts capable of repaying their debts?

Furthermore, Mr. Speaker, Sir, during the May 2020 discussion on the loan guarantee, we were told that the survival of Fiji is dependent on the survival of Fiji Airways. But this is actually dependent on borders reopening and tourism resumes.

The truth of the matter is, Mr. Speaker, Sir, that the COVID-19 continues to mutate very quickly and scientists are scrambling to modify vaccines to neutralise mutations. This has enormous implications

for international travel and tourism industry, including Fiji Airways. However, it appears, Mr. Speaker, Sir, that Government is adamant that the debt of Fiji Airways be protected. That is the requirements of the borrowers must be complied with.

I have a question for the Honourable Minister for Economy to answer, Mr. Speaker, Sir, what of the escape clause in the Fiji Airways loan agreements for the aircrafts? We are told that the airline was forced to borrow a further \$132 million from the Asian Development Bank by way of a liquidity facilitation loan in March, 2021 so that it can meet its monthly fixed cost totalling \$38 million which includes the repayment of loans. Furthermore, Mr. Speaker, Sir, Fiji is unfortunate, we are one of the nine countries in the world, with the sublineage of the Indian variant as announced by WHO last week, based on the official communication from the Fijian Government WHO.

Mr. Speaker, given this uncertainty in the mutation of the pandemic and the delay in the reopening of borders, the question that comes to mind is, should the people continue to bail out Fiji Airways or is there an option to return the aircraft to the vendors? It is common knowledge that in most contracts is a standard force majeure clause, that is the event of unforeseen circumstances such as a war or natural disaster or other calamity like a pandemic, it is often called ‘the act of God’ clause and was used by Fiji Airways to lay off the 758 staff exactly one year ago, Mr. Speaker, Sir. These staff members have had to take the 360 degrees and are trying their best to fare for their families. That clause is now in Fiji's Employment law to enable businesses to lay off workers due to the pandemic. The clause is invoked in unforeseen circumstances, not due to the fault of either party, or which prevents the fulfilment of the contract.

I submit, Mr. Speaker, that the option to invoke this force majeure clause must be considered by Fiji Airways and Government. Obviously, the Minister in Fiji Airways started again invoking it, they must tell the people why it cannot return those aircrafts.

It is important, Mr. Speaker, at a time of national calamity as we face today that the people are not held to ransom over the ego and whims of the Minister or the Board or the CEO. Mr. Speaker, yesterday I raised the question on how Fiji Airways is repaying the loans and also a fixed cost of \$38 million a month from a near zero-monthly income? The answer has been given to us today through the motion, Mr. Speaker, Sir. The question that come to mind, what are the conditions to enable the lender to discharge the guarantee? As it is, we cannot as yet ascertain when the borders will reopen globally to enable the airline and the tourism industry to make a comeback.

In fact, Mr. Speaker, Sir, in my intervention yesterday, I had asked the question: is Fiji Airways simply obtaining further loans to repay their existing loans and will there be a call for financial assistance from Government? There is insufficient information on the capabilities of Fiji Airways to repay its total debt liability, even the total debt liability for Fiji Airways, we are not aware of. We have also not been told of that, Sir.

The basic needs for our people are increasing by the day and that must be the priority right now. Those aircraft that are lying on the tarmac of the Nadi Airport, they cannot feed the hungry families. We do not want to reach a worst situation, we do not want starvation, as lawlessness can surely the result when people are starved and take to the streets. Mr. Speaker, Sir, it would be wise to prepare the nation and the people now.

Mr. Speaker, I also raised yesterday the matter regarding the sale of land by the Fiji Sugar Corporation, another company which has received grants and loan guarantees from Government and has been bailed out by Government.

Mr. Speaker, Sir, native landowners who had given their land to the colonial government in the national interest, most of these parcels of lands were given under the Crown Land Acquisition Act for specific purposes, Mr. Speaker, Sir. These lands are now being put up on the market. With the current lockdown in Fiji, most offices are closed and we are unable to obtain the accurate information on these parcels of land that have been advised for sale. The original landowning units of these parcels of lands are raising questions on the sale of these lands. They are calling for dialogue on the sale of these lands.

Mr. Speaker, Sir, the landowning units number is increasing, the strong desire is there for the land to revert to them or should it be necessary to purchase these parcels of land back which was given in good faith by their forefathers, and they in return had expected to be returned in good faith to their descendants.

Mr. Speaker, Sir, Government ought to seriously consider the Office from the Opposition side of the House to convene a national summit to consider all aspects of the crisis facing the nation so that we can fully understand the impacts of the problems that we face and together work through the process for the survival of our people and our nation.

I appeal to the Honourable Prime Minister, Sir, now it is the time to work together in the interest of our people who are suffering. They all chose us, the national leadership, and we must work together. It will build confidence and national morale because the wisdom of the nation does not reside only in one or two persons. We have contained COVID-19 previously, and we can do it again if we all sit down, put our differences aside and prioritise the nation. This guarantee for Fiji Airways is a case in point with the non-sharing of vital information to enlighten the nation on the need for the guarantee. I regret therefore, Sir, the non-compliance that is expected in tabling the motion today, the lack of information on the recent performance of Fiji Airways, I cannot support the motion before the House. Thank you, Sir.

HON. SPEAKER.- I thank the Honourable Adi Qionibaravi, and I give the floor to the Honourable Qereqeretabua. You have the floor, Madam.

HON. L.S. QEREQERETABUA.- *Vinaka vakalevu*, Mr. Speaker.

Mr. Speaker, I think an open Government must have strategies and initiatives which are based on the principles of accountability, transparency, integrity and, of course, shareholder participation, principles which this motion lacks. Lest we forget, this week last year, nearly 800 Fiji Airways staff were suddenly laid off and given 48 hours to collect personal belongings from Fiji Airways' properties and offices.

This House cannot give *carte blanche* to Government in regards to this motion because, Mr. Speaker, this Government does not have the people's trust. I echo Honourable Professor Prasad, 'bring this motion back at a later date when all the concerns have been addressed and the facts and figures have been brought before the House'.

Leave the planes aside for the time being and let us look after the families of this country. Mr. Speaker, I do not support this motion.

HON. SPEAKER.- I thank the Honourable Qereqeretabua. I now give the floor to the Honourable Minister for Commerce, Trade, Tourism and Transport.

HON. F.S. KOYA.- Thank you, Mr. Speaker, Sir. Mr. Speaker, Sir, I want to take this opportunity to say a big thank you to Honourable Bulitavu for his very frank, honest analysis and his opinion on this particular subject, Sir. Mr. Speaker, Sir, I shudder to think what goes on, on the other side of the House in terms of how myopic their views is of Fiji Airways, Sir, and I really mean that in the optical sense.

Mr. Speaker, Sir, I am not alone in saying that Fiji Airways is not just a symbol of pride for Fiji but is actually the mainstay of our tourism industry. It is a huge part of our export and import industry. Mr. Speaker, Sir, when our international borders open Fiji Airways will be our link to the markets again. And just to remind this Honourable House, Sir in the pre-COVID period the tourism industry, and we have said this time and time again, the tourism industry contributes about 40 percent towards the Fijian GDP. And in fact a third of the tourism earnings can actually be attributed to Fiji Airways. We have carried about 70 percent of our visitors and that is over 800,000 visitors, Sir.

Mr. Speaker, Sir, the Fijian travel and tourism industry has been a \$3 billion industry prior to 2020 and approximately \$1 billion or so of this particular revenue, Mr. Speaker, Sir, and I repeat that, approximately \$1 billion worth of revenue is actually attributed to Fiji Airways. And because Fiji Airways is our national airline, Sir, of course with the majority shares owned locally, we have been able to retain almost \$1 billion of revenue in the economy.

If we listen to the Opposition, Sir, we will be losing this revenue to foreign airlines. We will be at the mercy of foreign airlines as to when they want to come, when our goods can go, we do not ever want to be in that particular position, Sir. We must do anything and everything at all cost to protect our airlines, Sir, and there is nothing major being asked for in this particular motion.

The world over, Mr. Speaker, Sir, airlines are all fighting for their survival and with the prolonged border closure and ensuing travel restrictions aside from cargo, there has actually almost been no passenger business. So it is during times like these, Mr. Speaker, where we acknowledge the support, commitment and the confidence, not just of Government but our long-standing development and bilateral partners, Sir.

The ADB as we all know has provided a loan to Fiji Airways to help us recover from the impact of COVID-19. In addition the Japanese government through the Japan International Corporation Agency (JICA) has partnered to support Fiji Airways. We would not have got this, Mr. Speaker, Sir, if we did not have such a phenomenal reputation as an airline. We would not have got this, Mr. Speaker, Sir, if we did not have a good phenomenal reputation as a country, Sir.

We have established ourselves around the world. Now this speaks volumes, Mr. Speaker, on the continued commitment of the international development partners and the confidence that they have in the ability of our national airline and I need to repeat this, it is our national airline and the ability for Fiji to keep the economy going. This is why the Fijian Government guarantee the financing actions taken by Fiji Airways as passed in Parliament in May last year, Mr, Speaker, Sir. And today we are asking for the guarantee period to be changed and a guarantee fee to be paid by Fiji Airways. I do not understand how that can be such a difficult thing to understand and this is why I say, Sir, the Opposition is completely myopic and in the optical sense.

We welcome actual partnerships on the basis of mutual respect, Sir and the partnerships that recognises the Fijian Government's efforts to keep our economy going. The Government actually recognizes the monumental work that lies ahead of us in rebuilding the Fijian economy, especially the travel and tourism industry in Fiji and in the Pacific, Sir, especially amidst this recent COVID wave in Fiji. And a very critical component of that rebuild is our national airline, Sir. Why can that not be understood? When international borders open countries will no doubt turn to international carriers to bring economic activity into the country and out of it through tourism and trade.

Last year, Mr. Speaker, Sir, the Fijian Government announced tourism incentives which are amongst the most generous in the world. And as you have just heard Fiji Airways, in partnership with the tourism industry, has actually put together these particular packages in anticipation of the borders reopening. We have had a tremendous response to all of this. The Fiji Airways has actually stepped out of its comfort zone to work with the operators to develop these packages in an innovative manner. In fact Fiji Airways has actually partnered with the COVID-19 Risk Mitigation Taskforce to actually realize these "Luxury vacation in paradise (LVIP)" concept.

As of today, Mr. Speaker, Sir, we have approved five LVIP applications for people to holiday in Fiji on a strict COVID safe pathway. All of these visitors, Mr. Speaker, Sir, they travelled on Fiji Airways. In addition we have got the *Survivor* crew in the country and the entire cast travelled on Fiji Airways. Whilst tourism is our backbone and the revival of our country is dependent on the opening of borders, we have ensured that cross-border trade actually continues. Do they actually realise these things? Do they want our airline to close? Do they realise that we need to diversify and do so many things and a critical component of that is Fiji Airways? Do they actually think about these things, Mr. Speaker? Despite sea freight being affected globally Fiji Airways has actually stepped in as natural partners so that our exports from Sigatoka, our exports from all around Fiji actually reach their markets on time, especially with our agro-products. Just ask the Honourable Minister for Agriculture, he will tell you how important that is to us.

Fiji Airways, Mr. Speaker, Sir, also took the initiative of linking our Fijian exporters to new markets from April to December in 2020. Mr. Speaker, Sir, Fiji Airways carried 6,400 tonnes of exports to their destined markets. Do they actually bother to ask about this, Sir? It is important to note that 54 percent of these exports were made up of fresh produce such, Sir, as Fijian turmeric, Fijian taro, Fijian kava, fresh herbs, fresh fruits, to actually name a few, Sir. It troubles me to think that the Opposition does not think of these things. They do not think about our farmers who are actually exporting and earning some dollars, Sir.

Our national airline and I say this from the heart, Sir, our national airline is important because we do not want our trade export of small businesses and movement of medical supplies and movement of tourists to be at the mercy of another country. Honourable Gavoka, please take note, we can never be at the mercy of another country. Fiji Airways is our national carrier. It maintains a pivotal position and its future is tied with the recovery of the tourism sector and essentially the Fijian economy as a whole, Mr. Speaker, Sir.

Mr. Speaker, Sir, supporting Fiji Airways is essential in the long term recovery particularly for the creation of employment, maintaining strong foreign reserves and bouncing back from the economic shock that has been brought to us by the COVID-19 pandemic. As Honourable Attorney-General mentioned, Sir, Fiji Airways is the pride of the nation. It is actually a flying billboard, they are our only source of guaranteed connection to the rest of the world.

The first thing that comes out of Honourable Gavoka's mouth is that Fiji must do this reconnection with Australia and New Zealand because that is our major source markets. Who does he think that is going to happen with? Another airline? No, Sir. Fiji Airways. And this is why we must support this motion, Sir. We see the success of Fiji Airways and its ability to fly again, as the success of our entire nation. After all a large portion of our economy is dependent on Fiji Airways safely returning to the sky, Sir. It is not just putting the planes out of order, returning them and shutting them down - is completely out of the question. You are literally asking the company to shut down. We are not going to be able to survive without Fiji Airways, that is the point, Mr. Speaker, Sir.

Mr. Speaker, Sir, I thank you for the opportunity to say my piece and I support this motion before the House wholeheartedly.

HON. SPEAKER.- I thank the Honourable Minister for his contribution to the debate. I now give the floor to the Honourable Prime Minister, you have the floor, Sir.

HON. J.V. BAINIMARAMA.- Thank you, Mr. Speaker. Mr. Speaker, I would like to again commend Honourable Bulitavu for the wonderful line of argument he came up with. In fact, I think he is the only sensible Member in the Opposition side of the House.

Mr. Speaker, you and I have already seen a shop that used to sell nice bula shirt and mumu dresses in the days passed called Tiki Togs. There is now another version called *TikTok*. It is most unfashionable and most distasteful. I think you should stay away from that one if anyone passes you that.

Mr. Speaker, I rise to speak on the motion by the Honourable Attorney-General and Minister for Economy. Prior to the impact of COVID-19, Fiji Airways was a thriving airline offering international flights linking Fijians to 30 countries and 23 cities around the globe. Its extended network, reached over 108 international destinations constituting 64 percent of all visitors to Fiji.

In addition, Fiji Airways was directly supporting over 1,000 Fijians with employment and in directly supporting thousands of Fijian families and their livelihoods. It was a pillar of strength for the national economy, generating revenue of hundreds of millions of dollars each year.

The fine performance of Fiji Airways, Mr. Speaker, was one of the main reasons that our Fijian tourism sector was able to grow to over 30 percent of our GDP. Sir, it was this performance that convinced my Government that providing strategic financial decisions through a Government guarantee was the right decision.

The performance of Fiji Airways has been on par with the best airlines in the world. Looking through their financial reports of the past years, will tell you this and there is no doubt about it. When the COVID-19 impacted the world and Fiji, it brought with it a lot of uncertainty.

As international travel around the world halted and borders began closing, more stringent drastic measures were enforced. As the impact of the pandemic grew on, Fiji Airways implemented an ongoing cost savings and cash preservation measures which included aircraft loan and rental payment deferrals, reducing recurring cost by millions of dollars. These strategic decisions, Mr. Speaker, were key for Fiji Airways to persevere through this crisis. This was the right decision. In fact, many of the lessors and financiers supported Fiji Airways with payment deferrals and new loan facilities. Dedicated international

freighter service by Fiji Airways still continue to ensure vital export and import chains including medical supplies for Fiji remain intact.

Mr. Speaker, it is important that we take all necessary measures to salvage our national airlines based on its strategic importance, not only to our economy and livelihoods of ordinary Fijians but also to our neighboring island countries. The changes being discussed today is about that, about extending a lifeline to our national carrier and the many Fijians that are part of the Fiji Airways family and of course, to our tourism sector.

Mr. Speaker, yesterday I heard a few of the Members of the Opposition side of the House raised their disapproval with helping Fiji Airways. How could they not think of the future? If they had it their way they would abandon Fiji Airways and the people, its employees and their families.

Thankfully, Mr. Speaker, they are not on this side of the House. We all have a part in helping opening up our borders and stopping the spread of the virus. We all have to think rationally and rebuild our economy. Put our people back to their jobs, create more employment. It requires everyone's commitment and perseverance not politicking.

For Fiji to open up its borders, return to strong economic activity and resume some levels of normalcy, we need to first ensure that Fijians are safe, secure and healthy which is why we must all make it a priority to take a vaccine jab when the opportunity arises.

Residents in the greater Nasinu and Nausori areas showed up in huge numbers at the vaccination drive earlier this week. By making the decision to come forward, each of these people are showing what it means to be truly Fijian.

Mr. Speaker, there are and will be many more opportunities to get the jab. My Government has a plan in place that will protect the whole of Fiji and its people but we must all take heed of the advice from the Ministry of Health and Medical Services and abide by the COVID-19 safe regulations. While we are taking this necessary precautions for health and safety of all Fijians, we also know that we must set the foundation for growth and development coming out of this pandemic.

Mr. Speaker, the whole of the Fijian Government and Fiji Airways are committed to reconnecting Fiji to the rest of the world and growing our economy.

Mr. Speaker, Sir, I support the motion.

HON. SPEAKER.- I thank the Honourable Prime Minister. I now give the floor to the Honourable Attorney-General, for his right of reply. You have the floor, Sir.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. Mr. Speaker, Sir, if I could be allowed some time to respond to a number of specific issues that have been raised by Members, in particular, from the other side, there are quite a few comments that they have made.

Mr. Speaker, Sir, there are a lot of these matters that have been raised, in fact, we have traversed on these previously but I just wanted to perhaps allay some concerns that were raised, unfounded as it may be.

Mr. Speaker, Sir, just the notion of guarantees and how guarantees work, I think a couple of examples were used, I think, the FBC example was used, saying an odd \$21 million guarantee was given and it is still there. Well, obviously there is a debt of now \$6 million. The debt has decreased from \$21 million to \$6 million, the guarantee will remain, but when we measure your contingent liabilities, you do not measure it as \$21 million. Your contingent liability is only \$6 million because there is only \$6 million debt to pay.

Just because you are given reasonable guarantee of \$21 million and you only got \$6 million to pay then you only measure \$6 million. So again there is a very unfortunate lack of understanding by the Opposition and they continue to talk about this, Mr. Speaker, Sir - it is basic banking. If you give a guarantee to someone for \$21 million and there is a \$21 million debt and they have paid off the debt of up to \$6 million, your guarantee exposure is only \$6 million.

Mr. Speaker, Sir, the Honourable Aseri Radrodro had asked the question about the split of the debt, and unfortunately he got some of the figures wrong. I said this yesterday, the FNPF has 30 percent of the debt which is \$229 million, ADB has 18 percent of the debt, which is \$134 million, FDB has 10 percent of the debt, which is \$75 million, the German Banks have \$278 million, which is 36 percent of the debt, and 6 percent of the debt the balance is \$47 million which is owned by Data Envelopment Analysis (DEA) (which are the lessor companies). So, Honourable Aseri Radrodro was saying, who else are we borrowing from? There is no one else, there is no person sitting with a dark coat sitting in a corner where we are going to borrow money from.

This guarantee and the information provided, Mr. Speaker, Sir, last year when we presented to Parliament, we gave a full disclosure on it. And if the Members read the motion the guarantee sum is not being increased so therefore that information is still valid, Mr. Speaker, Sir. Of course, a few things have changed since then, for example, Fiji Airways has reduced its monthly recurring cost, which is now about \$23 million, as opposed to \$38 million.

Honourable Ro Tuisawau is quoting some old figures and quoting in fact the CEO of Fiji Airways, a number of months ago last year, that situation obviously has changed. Mr. Speaker, Sir, there is a lot of talk about it and again we have discussed this so many times on the floor of this Parliament. They are saying that they are not anti-Fiji Airways, but Mr. Speaker, Sir, even before the pandemic when no one had even heard about the pandemic, when we were talking about the airbuses and various other things, Honourable Gavoka always used to go on about Qantas.

They are not telling the full story on the floor of this Parliament. Why did the SVT government go to Qantas and say ‘bail us out’? They are not addressing that issue. The reason why that arose was because the Government in those days used to interfere with the management of the company. They enforced the appointment of a CEO who was incompetent, as a result of which, Fiji Airways went down the gurgler and then the SVT government went cap-in-hand to Qantas and said, “Guys, please, bail us out”. They said, “Sure, we will increase our percentage of shareholding in the company”, and by the way, it is not only two areas, there are about 14 areas of veto powers that Qantas has or had, Mr. Speaker, Sir.

I find it quite flabbergasting that Honourable Gavoka says that they are going to decide our routes and he seems to be taking that as acceptable. How can we call ourselves a national carrier when we, as a country, cannot decide where we are going to fly to? It will be decided by a private company. Qantas is not even owned by the Australian Government or shares a percentage of shareholding. It is a private company that will determine the fate of this country with sovereign status as to where we are going to

fly to, and they think it is acceptable. It is not acceptable, Mr. Speaker, Sir, and let us not bend ourselves around and say, “We’re the national carrier” when we cannot control the fundamental decision-making power and ability.

Mr. Speaker, Sir, again they said that all these wonderful things they used to happen in Qantas. When, Mr. Speaker, Sir, Fiji Airways management became a lot more proactive, they found a number of the arrangements that Qantas used to enter on our behalf, for example, insurance premium. They were charging actually excess to us when Fiji Airways went directly to London to negotiate, they were able to get better insurance premiums, reducing our costs.

The same thing with engineering and various other areas so let us not try and pontificate. Honourable Qionibaravi obviously has now joined the fray, is now reading out about Qantas, what a wonderful organisation it is, no one is saying it is not an organisation that is functioning properly, it is a listed company, there are various requirements, you know. You are part of the director of a company that is listed. There is a difference between “listed companies” and “companies that are not listed”, you should also know that.

Mr. Speaker, Sir, under the new arrangement with Fiji Airways, the staff get a share of the profit. That did not happen when Qantas was in control of Fiji Airways. Every year the staff of Fiji Airways used to get a share of the profit until COVID-19 came around. Even the departing staff actually got \$1,000 from the previous year’s share of the profits.

The Members on the other side seem to talk as if that no other airline terminated employment of their staff. Notwithstanding the fact that Air New Zealand received \$900 million, 4,000 of their staff were terminated, 4,000 notwithstanding that support. Here they are, talking as if no other airline in the world has done that and Honourable Qionibaravi actually got caught out when she read about this wonderful epilogue on Qantas, she said ‘and the remaining staff will get this’, remaining from those who actually no longer have a job.

Mr. Speaker, Sir, the other point that I also wanted to highlight in that respect is that we have this almost xenophobic attitude towards expatriates, and I highlighted this yesterday. No problem in getting overseas expatriates for rugby, football, netball but suddenly everyone has a problem when some expatriates were appointed to some organization, no problems with expatriates in the tourism sector, no problem with expatriates in the banking sector, but suddenly when anything to do with the Government, it is a problem.

Mr. Speaker, Sir, for the information of the Honourable Gavoka, there are four expatriates in the 12 executive members of the Fiji Airways staff. All the pilots currently flying Fiji Airways are all Fijians. The first pilots were all the expatriate pilots. They were the first ones to lose their jobs and their contracts.

Mr. Speaker, Sir, the reality of the matter is this, this particular loan that we are talking about is not with the Fijian Government. It is with various individual institutions. We are guaranteeing those loans and Honourable Bulitavu quite correctly mentioned that by giving the Government guarantee to these institutions, you are giving them a huge level of confidence to continue to support Fiji Airways, financial institutions, whether it is FNPF, FDB and the Members of the Opposition sounded as if FNPF and FDB are giving free money, no, they are not. FNPF has mortgage over all the shares, they have got mortgage over other properties, they are well-secured. They are now on top of that, have Government

guarantees. The other organisations that have lent money or have leases have got guarantees and this is why some of them have agreed to actually give a moratorium.

In the same way, the Opposition is asking and that some banks have done, given moratorium to businesses in Fiji. Last year, moratorium till March of this year, it is exactly the same thing, and so as a result of this guarantee, they have the confidence to do that. I think the Honourable Bulitavu hit the nail on the head - very simple logic to it all, very simple logic, that you need to be prepared when you have the borders opened. You cannot be scrambling around and say, 'Oh, things are better now, let's get it all.' We are going to look beyond our noses, you have to look into the future. Of course, we can conjecture and say, "What will happen if the pandemic stays? What will happen if it is there for the next three years? We are not God, but we have to be able to plan and God helps those who help themselves. We have to be able to plan, we have to preposition ourselves.

Honourable Nawaikula said, 'May be we should shut down Fiji Airways'. To shut down Fiji Airways, Honourable Minister for Commerce, Trade, Tourism and Transport highlighted the fact about the foreign reserves that Fiji Airways brings to Fiji: 70 percent of all tourism arrivals in Fiji come on Fiji Airways. The hundreds of jobs, of course, that can be revitalized if Fiji Airways starts flying proper scheduled flights. If you have a foreign carrier, they will have a foreign crew. If you have a foreign carrier, their catering will be done by a foreign company, not by ATS, they all go on about ATS. Do they know if only Fiji Airways no longer flies, if Qantas comes, their food will be catered for in Sydney? No jobs for ATS, permanently shut down, finished. Do they understand the implications of it?

Mr. Speaker, Sir, there were numerous studies done in the Caribbean when they had the completely 'open skies policy' when all their national carriers were swallowed up by the large American companies. The dollar retention from the tourism sector in some of the Caribbean countries is only \$1 or one cent in a dollar, \$1 in \$100. One of the permutations you have to look at in the tourism sector, Mr. Speaker, Sir, is how much of the tourism spend actually remains within the country itself and "national carriers" is one of the best ways of attracting them.

Mr. Speaker, Sir, the Honourable Tuisawau again went on about Waqavuka and quoted a statement from the CEO which is outdated, as I highlighted - recurring cost is now \$23 million because the costs have been brought down, they have been rationalized. We have also, Mr. Speaker, Sir, debt reduction has also taken place by reducing costs from the two to four-year loan, principal payment has been deferred, aircraft rental deferrals and also restructured the loans.

Mr. Speaker, Sir, Honourable Tuisawau mentioned about Jet Airways. Jet Airways no longer operates, it is shut down; finished. Etihad had bought into Jet Airways. The airline is no longer in operation. Yes, there are two Jet Airways aircraft that were leased vis-a-vis Etihad, they are being returned early, Mr. Speaker, Sir. They were leased originally to ensure about the A350 - the overlap, they are being returned in June, we no longer need them. Boeing 737 MAX's are coming so they are being returned.

In respect of new leases of aircraft, Mr. Speaker, Sir, you simply cannot just lease an aircraft today and say, "Oh, I do not want it tomorrow and give it away. There are penalties to be paid. It is not like me going to buy a hire purchase for a bed from Courts. This is an aircraft, it costs hundreds and millions of dollars.

Mr. Speaker, Sir, the other point that I also want to highlight again, they talked about loans - what are the terms? The term of the loans range from seven to 15 years. I said this in my introduction and as

the amendment to the guarantee, it says that the guarantees will remain in place until the loans are paid in full. So within seven years some of the loans will be paid off. So the Government exposure as far as the guarantee is concerned will come down by that amount of loan that has already been paid off. It is not going to be intergenerational as they are trying to insinuate, it is not going to be intergenerational. It is the motion, Mr. Speaker, Sir, says as long as the loan is paid off and the loan term, the maximum is 15 years, that is not intergenerational.

Mr. Speaker, Sir, one of the things that they forget which Honourable Bulitavu, I think, also alluded to and the Honourable Prime Minister said that also, if the borders open quicker than we expect it, if air travel resumes with scheduled flights, then obviously the capacity of Fiji Airways to repay the loan is hastened and they can do those payments.

Mr. Speaker, Sir, the other point that I wanted to talk about, they said, “Do not talk about Australia and New Zealand” but Honourable Professor Prasad went on about the New Zealand debt GDP ratio. They talked about the incentives that Air New Zealand gave but they have given all that assistance but he also did not talk about the fact that 4,000 of the Air New Zealand staff have been fired.

Mr. Speaker, Sir, the other point that I also wanted to make was in respect of Honourable Professor Prasad made a very flabbergasting statement. He said, “Oh, if the nine years of straight growth was true, then people would not run out of money”.

Australia, Mr. Speaker, Sir, has had 23 years of straight growth, albeit 1 percent, 2 percent, nonetheless 23 years of straight growth. As soon as COVID-19 hit, they had people who lost their jobs. They had people who had to be assisted. The Government went out and borrowed lots of money so the logic is not there. Any basic economist would tell you that when you talk about growth, it is about growing the pie. It does not necessarily mean that the Government is accumulating vast amounts of gold. If that was the case, Australia with 23 years of growth would not have to go out and borrow money from the market. It is so fundamental and this kind of pedestrian analysis, Mr. Speaker, Sir, is unbecoming of someone who calls himself an economist.

Mr. Speaker, Sir, the reality is that someone else mentioned about, “Oh, Fiji Airways is insolvent”. I have highlighted this so many times. ADB has lent money for the first time to a private entity. ADB engaged BNP Paribas which is a French Aviation Expert Analysis Company. If they thought that Fiji Airways was insolvent they would not have lent the money - very basic, and this, Mr. Speaker, Sir, is the private sector arm of ADB, not the ones that give loans to governments on a concessional basis, this is the private sector arm of ADB.

The other point, Mr. Speaker, Sir, that I wanted to highlight is that the Opposition: Honourable Professor Prasad, Honourable Nawaikula, all of them go on about this, saying that the economy is mismanaged - financial mismanagement is not there.

For the first time in Fijian history, post-independence, we have New Zealand and Australia giving direct budget support, which means they give money to the Government saying “here is \$40 million” whatever it is, “you spend as you think it is worth your while in which areas”. Sometimes they may say, “Okay, out of the \$40 million, can you can spend or direct \$10 million into Social Welfare whatever it is, the rest you spend”.

Mr. Speaker, Sir, for us to be able to get direct budget support we have the Australian assessment is called the Assessment of National System (ANS). We have to meet that criteria before Australia will

actually give direct budget support. Under no other Government has Australia and New Zealand given direct budget support. It is a fact, please, check it. It is the first time they are doing it. If we are running some dodgy show out here as they try and portray, they would not be giving this direct budget support because their mode of assistance has always been to give to NGOs or for a particular project, not for it to go into Government consolidated fund because they do not trust the management. Now, they have that level of trust. So, please, look at third party validation. Do not just sit here and just negate everything, notwithstanding the fact that the facts are staring in your face.

Mr. Speaker, Sir, Honourable Professor Prasad said, “We are like drunks in a nightclub, spending money for the past number of years”.

Mr. Speaker, in the past number of years and Honourable Salote Radrodro hopefully will appreciate this, never before in Fiji’s history did rural pregnant women get food vouchers when they were pregnant.

Never before, Mr. Speaker, Sir, did disabled people get an allowance.

Mr. Speaker, Sir, never before did we get micro enterprises being given the type of support that we are currently giving them. Never before, of course, have we had rural electrification before, water connectivity before, but the rapid rate of rural electrification, the rapid rate of water connectivity, the rapid rate of tarsealing roads in rural areas: Hibiscus Highway, Buca Bay, the Monasavu-Naitasiri, Sawani-Serea Road, the hydro dam that has been built in Nadarivatu - electricity connectivity.

Mr. Speaker, Sir, the point being, these monies have been spent to ensure that there is a rapid rate of development and connectivity. The type of electronic and telecommunications connectivity that happened here in Fiji in the past number of years, that is why we have a growth rate because it feeds into that, Mr. Speaker, Sir.

Mr. Speaker, Sir, and I again come back to the point, because we had nine years of growth. It does not mean that because you have a pandemic, everything will still be hunky-dory, like all countries have seen. Look at the level of debt-raising that other countries are doing.

Mr. Speaker, Sir, the last point that I wanted to make is that, there was an issue raised about how did we come up with the 15 percent fee? The 15-percent fee is based on the independent assessment of BNP Paribas of the implied value the Government guarantees of \$455 million created for Fiji Airways.

The reality is, Mr. Speaker, Sir, and it is a fact that Fiji Airways would not have obtained new loans in the restructure and re-profiling of existing loans in a global pandemic in particular when the aviation industry has been hit so hard without Government guarantees - that is a fact. This is why most of the Governments that we have been talking about, even in the Pacific: Tahiti, New Caledonia, Solomon Islands, Vanuatu have all had Government assistance.

In our case, we could have gone for the budget and said, ‘Let us give Fiji Airways \$300 million, \$400 million, is that what they wanted? It would affect our bottom line. Write-off, take it off from the top but we went by way of guarantee which means there is no call on your finances now.

Mr. Speaker, Sir, secondly, there is no way Fiji Airways could obtain the long term loan at the low interest rate achieved, it varies from 3 percent to 5 percent or the restructure or the re-profiling at the revision of the existing interest rates varying from 3 to 6 percent.

BNP Paribas therefore believed that the implied value of the guarantee is a 3 to 4 percent interest saving on every loan, because if the guarantee was not there, your loan would have increased the interest rate by 3 percent to 4 percent for the remaining term of the loan. They have calculated the implied interest benefit and determine its Net Present Value (NPV).

The 3 percent implied interest saving has an implied NPV benefit of \$132 million on total loans of \$649 million, that is, 20.4 percent for Fiji Airways.

Similarly, the 4 percent implied interest saving has an implied NPV benefit of \$175 million on total loans of \$46 million and \$49 million, that is, 27 percent, therefore the 15 percent is a reasonable fee.

The question that was asked was that, how will Fiji Airways pay them? They need to pay them, we obviously can come to some arrangements with them, but the shareholders need to know, none of the other shareholders have come to the Party, Qantas is not coming to the Party. Air New Zealand or the other smaller countries that only have obviously to do so. I again reiterate the Opposition, Qantas is not participating in the board meetings through their own choice. The CEO of Fiji Airways has meetings with them. Narendra left Fiji Airways because he was bypassed as CEO, that is why he went to Qantas. Qantas realized how good he was and they snapped him up. That is how you lose good people, when they are not appointed on OMRS.

Mr. Speaker, Sir, the reality is that, we are now positioning ourselves for the future. I would urge all Members to support this, it is an amendment. The guarantee sum has not been amended. The term of the guarantee has been amended to the time when the loans will be paid off. The maximum term of the loans for anyone of those loans is 15 years and God-willing, with the vaccination rate that is taking place in Fiji, as the Honourable Prime Minister highlighted earlier on, we now literally have thousands of people now being done on a daily or weekly basis.

Hopefully, with Australia and New Zealand opening up too, we have had some overtures from other countries where they want to do what they call “mutual vaccination recognition”. That we recognise their vaccination programme.

They recognise ours, that is why it is very important to have integrity within the identification and the verification of those people who get vaccinated. If there is mutual recognition, then travel can actually open up, and that is what we need to do. Once travel opens up, we need to ensure that our carrier will be there because that brings a lot of benefits to us.

Mr. Speaker, Sir, I hope that all Honourable Members will support this particular motion. Thank you, Sir.

HON. SPEAKER.- I thank the Attorney-General and Minister for Economy, Civil Service and Communications for his reply.

Honourable Members, Parliament will now vote.

Question put.

Motion agreed to.

HON. SPEAKER.- Honourable Members we have a suspension motion for the purposes of compliance with the Standing Orders with respect to Sitting times, I will allow the suspension motion to be moved. I now call upon the Leader of the Government in Parliament to move his motion.

SUSPENSION OF STANDING ORDERS

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

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

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

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

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Mr. Speaker, very quickly, under Schedule 2 we have two Agenda Items. And of course, under Schedule 2 on Questions, we have eight Oral Questions and the three Written Questions thus the request to sit beyond 4.30 p.m. today. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- Honourable Members, the floor is now open for debate on the motion. If anyone wishes to take the floor?

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- No, I have nothing further to add, Mr. Speaker, Sir.

Question put.

Motion agreed to.

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

REVIEW REPORT ON THE FIJI BROADCASTING CORPORATION 2016 AND 2017 CONSOLIDATED ANNUAL REPORT

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

That Parliament debates the Review of Fiji Broadcasting Corporation 2016 and 2017 Consolidated Annual Report which was tabled on 7th August, 2019.

HON. G. VEGNATHAN.- Mr. Speaker, Sir, I beg to 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 finding as recommendation on the FBC 2016/2017 Annual Report on 7th August, 2019. For the year 2016 and 2017, FBC had performed exceptionally well and the Committee was pleased with the various initiatives and the team at FBC had undertaken to achieve high standard in the very competitive environment that they are functioning in. The Committee was made aware that the survey conducted by the Australian-based Pulse Insight indicated that more than 72 percent of Fijians said that the daily 7 pm FBC news was their preferred news source on television, and that over 74 percent of the Fijians regarded FBC as their favourite commercial channel.

This is an indication that FBC is dedicated towards service excellence. The Committee acknowledge the agreement signed between JICA, FBC and the government which enabled the installation of a state-of-the-art high powered amplitude modulation (AM) facility at the FBC's transmission site which would be most beneficial to Fijians in the rural and maritime islands, especially, during the time of natural disasters. The Committee was also pleased to note that the varieties of local contents on offer and recommended their continued towards and enhancing their local production, especially addressing social issues. The Committee commends the overall performance of the company.

Finally, the Committee appreciates the FBC's initiative of paying annual membership fee for women in business, which enabled female staff to attend various related conferences and workshops. The FBC also hosted quarterly forum shared by the CEO, where women at FBC discuss and share development and growth opportunities. Such initiatives of encouragement of gender equality at work is highly appreciated. Mr. Speaker, Sir, with these few comments, I move that the motion is debated, please.. Thank you, Mr. Speaker, Sir, for the opportunity.

HON. SPEAKER.- Honourable Members, the floor is now open for debate on the motion. 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 the FBC. I know that we have touched on a few issues on this in the past, in particular the financial performance of FBC over the years. I note the consecutive losses which FBC has gone through from 2010 to 2015, amounting to \$21.5 million, and also note the grants that have been provided by the Government, despite the losses from 2010 to 2015 amounting to \$16.4 million. Those grants had been consistently increased from \$2.6 million to \$2.9 million in 2015, and then in 2016 it was \$9.2 million, from when, it started to make a profit of \$4.08 million in return. In 2017, the period we are discussing, that grant increased to \$11.2 million with a profit of \$6.75 million after the income tax.

So as we can see, Mr. Speaker, Sir, the profits went up after the public service fee grant increased from \$9.2 million in 2016 to \$6.75 million in 2017. I also note in the 2017 Annual Report at page 20, I draw your attention of the financial statement which states that grants and special funding from Government to 7th March, 2016 were treated as capital contribution in accordance with the Cabinet decision. I would like to also point us out to the budget document Head 50. If you look at that grant, it is included under Head 50, Miscellaneous Services, which are administered by the Ministry of Economy. This Head includes allocations that require additional scrutiny for disbursement and stringent monitoring procedures to ensure that funds are utilised properly. This also provides control mechanisms for new programmes, and at the bottom it states the total of \$527.2 million is allocated under Head 50, which includes \$11.5 million for capital construction, \$30 million for capital purchases and \$403.8 million for capital grants and transfers.

So this specific capital construction, purchases and grants - construction can be explained as construction of static buildings, computer offices, furniture et cetera, and grants are contributions by the Government. That, Mr. Speaker, Sir, is again broken down. If you look at Head 50 in the Budget Documents, standard expenditure, Group 5, is most commonly referred to as purchases of goods services, number 7 and 8, Public Service Broadcast TV, \$4.6 million and Public Service Broadcast Radio \$6.6 million. The way I see it is that, this cannot be added to profit. I believe that there was a Cabinet decision which is contrary to what I am talking about here.

I also refer to the Financial Management Act, 2004. If you look at the Act, in Article 13(4), it states the budget estimates may denote items as the estimates requiring requisitions to incur expenditure. The next one under Article 14, subject to the Constitution and this expenditure Appropriated Consolidated Fund may be incurred only in accordance with the authorisation effected by the Appropriation Act as indicated in the Act and any applicable appropriation categories specified in relation to the Head of the Appropriation. Under 2, each Appropriation is to be administered by the budget sector agencies specified and tabled as being responsible for its administration. The approval of the Honourable Minister is required before the expenditure is incurred on the items denoted.

What I am trying to get here, Mr. Speaker, Sir, is the decision by Cabinet in which the income is included in the grant. It is treated as a profit and needs to be looked at. It needs to be reviewed and it probably could be an error in terms of, when you are looking at the public Financial Management Act. I also raise, in particular, with that the issue of the performance assessment of the Chief Executive Officer. I wonder about the process because in those years he was given an emailed letter dated 18th November, 2018 (for the financial year that we are discussing 2017), from the Honourable Attorney-General to Mr Sashi Singh, Chairperson of FBC, a bonus payment for the CEO, following consultations with the Honourable Prime Minister where approval was granted as the bonus payment of \$21,259 to the CEO of FBC, for the financial year 2017.

I am raising this, Mr. Speaker, Sir, questioning the basis of that \$21,259 payment to the CEO of the FBC. I am wondering what process was followed and whether the profits of those 2016 and 2017 could be considered as profits which are attributed to the performance of the CEO. Because, if you look at performance management, we look at how you assess performance management in terms of the principle of the performance review and the evaluation. That needs to be properly assessed in terms of historical performance against job descriptions and expectations, have KPIs and the ratification of improvements, impediments for development for professional development, agreeing to those KPIs. When we talk about KPIs, the question is; if it is profit, then how is that profit assessed because the major part of that profit is the Government grant? It is enabled by the Government grant. That is something which is questionable.

The other issue is in terms of good governance and conflict of interest, because that approval letter for \$21, 259 bonus is signed off by a staff of the Ministry of Economy for the Honourable Attorney-General, who is the brother of the person who has been awarded this \$21,259. So, from my perspective, in terms of good governance and ethics, that is a clear conflict of interest and something which should have been dealt with by another officer and not the Honourable Attorney- General. In terms of the approval of the Honourable Prime Minister again, I question the basis of the performance because in fact, in these kinds of assessments this should be done by the Board as a group after looking at the KPIs as approved by the Board. That, Mr. Speaker, Sir, is my contribution today.

I note, of course the other aspects of the Report relating to the Public Service Fee. We had raised the issue before about what constitutes the services provided in this Public Service Fee. At the moment

\$11 million or so is being paid and the fundamental question is that it is a service provided by the Government and paid for by FBC - that is what the understanding is. What FBC executives have stated is that the value of the service provided is much higher than that \$11 million. So, what we have been saying all along is that if it is much higher, then an evaluation needs to be done and probably, it is time to look at tendering part of those services in order to have a competitive bidding also good value for the taxpayers money in terms of those Public Service Fees. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Member for his contribution the debate. I now give the floor to the Honourable Veena Bhatnagar. You have the floor, Madam.

HON. V.K. BHATNAGAR.- Thank you, Mr. Speaker, Sir. I rise to make a short contribution to the motion on the floor, the 2016-2017 Fiji Broadcasting Corporation Annual Report.

Mr. Speaker, Sir, as stated by the Standing Committee on Economic Affairs in its second recommendation, the corporation was suggested to produce more local shows addressing social issues and it is indeed pleasing to note that FBC has over the years, engaged in producing great local content.

One such programme, Mr. Speaker, Sir, that caught my attention is the show "Farming Fiji" which premiered in February of this year targeted to help many Fijians who ventured into farming to support their families during this pandemic. I commend FBC on their bit to educate and support ordinary Fijians during this pandemic through such local content and I must say, Mr. Speaker, Sir, that this show is very popular and they had very good online review as well. I hope in future, many more such realistic contents will be produced by the corporation.

Mr. Speaker, Sir, FBC has come a long way since its inception, the hard work, the creativity and passion of the CEO and the staff at FBC is very much reflected in its successes, achievements and the growth over the years. So with these words, Mr. Speaker, Sir, I commend the contents of the review report and wish the Fijian Broadcasting Corporation all the best for its better future endeavours.

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

HON. V.R. GAVOKA.- Thank you, Mr. Speaker. Mr. Speaker, I just want to touch on something, to start off, that came from the Honourable Minister for Economy when he said something about mutual recognition with vaccination with other countries.

Mr. Speaker, this is what we wanted to hear this week that there is something in the works, between Fiji and some countries to mutually recognise the vaccination programmes and thereby lead in to travel between the countries and hopefully these are Australia and New Zealand. But my point, Mr. Speaker, is that this is what we wanted to hear this week. This is why we have been very critical of the programme this week. This is what we want to see and hear of the development in this area, Mr. Speaker. It comes out late on a Thursday, like its pulling teeth, Mr. Speaker, that we are not getting the kind of information that we wanted.

Mr. Speaker, while I am on that, we have here a request from the Nadi Chamber of Commerce sent out to all the Ministers and, in particular, the Honourable Minister for Health that they would like to see Nadi reopen, Mr. Speaker. There has been no infection in Nadi for the last four weeks and their economy is suffering very badly and likewise for Sigatoka, and they say, I think this is Dr Raju, the President of Nadi Chamber of Commerce, an authority on this, Mr. Speaker.

(Honourable Government Member interjects)

HON. SPEAKER.- Order, order!

HON. V.R. GAVOKA.-They do not come from Nadi, they do not come from the West and they do not know what they are talking about. Dr. Raju is a recognised

(Honourable Government Member interjects)

HON. V.R. GAVOKA.- He is a hybrid, he is from Suva.

Mr. Speaker, they are doing it hard in Nadi and Sigatoka; Ba and Tavua - no infection so they are fearful that there is talk of a national lockdown which will only compound the problem that they are already facing, Mr. Speaker. Please, Government, try and look into this, you have all received the request from the Nadi Chamber of Commerce - President, Dr. Raju.

Mr. Speaker, a number of points regarding the FBC. If I can read from their Annual Report, the Committee says in its conclusion "FBC has successfully established itself as a fully-fledged broadcaster owned by the people of Fiji and well-placed to grow and meet the challenges of the future" which is a very positive indictment on the company. If you look at the advertising revenue, Mr. Speaker, 2018 it had grown to \$15 million from \$12 million the year before. It is a company that is extremely doing well, Mr. Speaker, and a company that is funded by Government and a company that receives \$11 million in the Public Service Broadcast (PSB) grant every year.

Mr. Speaker, the time has come, we know what FBC has accomplished over the years, it used to be primarily radio and it went out into TV and doing very well. We are going to give them 'kudos' for that as the Committee has said. They are poised for growth into the future and looking at their advertising revenue, Mr. Speaker, it is quite good.

Mr. Speaker, we suggest that it is time that PSB is shared equally with the other television stations. We know that TV One is owned by Fijian Holdings and you know who owns Fijian Holdings? There was a report in the paper a couple of weeks ago saying that it is facing difficult times. Maybe, Mr. Speaker, it is time that instead of giving \$11 million to one company that we shared it with TV One. They are both important stations, both big in media and it is only fair, Mr. Speaker, that they also have a share of this PSB grants or, Mr. Speaker, instead of sharing that or giving them the same amount, they go on user-pay basis.

That Government uses both FBC and TV One for all the work that it needs. In the same way Government should be supporting both, *Fiji Times* and *Fiji Sun*. We have been saying this for quite some time. We need to have a strong media in this country, Mr. Speaker, and Government being a major player, we should play fair and support the major players in the industry. Otherwise FBC will become dominant and it will dictate the advertising rate. Right now they are the highest but because of the quality of their programming, they are able to command that, the rate they are charging but it will be at the cost of losing one of the key TV stations in the country.

So I would hope, Mr. Speaker, that this could be the way forward in broadcasting and television and certainly for us when we come into Government we will treat everyone fairly. We will give the work of Government to *Fiji Times* and *Fiji Sun*, TV One and FBC that is to us, Mr. Speaker, is the way to go and that is the way we believe we should restructure our support for our TV stations.

Mr. Speaker, a lot of things have been said by the Honourable Minister for Economy earlier on and he said that Australia had to borrow to meet the cost of those people who had been laid off in Australia. Mr. Speaker, I believe when they said 'borrow' the Reserve Bank of Australia actually printed money. Yesterday, my colleague, Honourable Tabuya, had talked about printing money and met with disbelief from the other side. But this is happening today so there is no danger in Fiji printing money but managed by professionals, and as we know, quite a bit of this comes from a former Reserve Bank Governor. When he talks about printing money, he knows what we need to do to manage it.

So, Mr. Speaker, these are ideas that we believe from the Opposition side can make a huge difference in the way we handle the crisis we currently have today.

On the matters of guarantees, Mr. Speaker, we disagree that if the guarantee to FBC was \$22 million and the loan outstanding today is only \$6 million, that the guarantee should stay at \$22 million. What it means is that, what we have seen in the reports is inflated. The contingency that the Government presents to Parliament is inflated. So we believe the contingency that is reported to Parliament must reflect on the actual amount outstanding in any loan. I believe it is only fair and I believe Parliament needs to know the actual level of contingency, not the inflated one.

Mr. Speaker, let me just close with this: the Honourable Minister for Economy is talking about the first time that ADB is lending to a private company ...

HON. A. SAYED-KHAIYUM.- Private aviation company.

HON. V.R. GAVOKA.- ... private aviation company, but let us remember one thing, it was only made possible through a Government guarantee.

What we want to know, Mr. Speaker, is this, the way forward post-COVID? That is what we wanted to know this week, how are we going to get out of this? What is the kind of formula we are going to have to raise money, to fund and save our companies, is it going to be borrowing guaranteed by Government? If that is the way it is, tell us so that we can all prepare ourselves for it. Not this piecemeal kind, it is almost dishonest the way it is being done, the way Air Pacific has been done, if that is the way it is, that no one will lend to a company without that kind of guarantee, let us know.

Mr. Speaker, we know (SODELPA knows that) the rules will need to change, the way we used to do things will change globally so we need to know. We need to know, Mr. Speaker, and we believe an indication of this is the way you have raised this loan, from ADB to a commercial company like Fiji Airways. So, please, do not hold back, tell us the truth, tell us everything. We are willing to work with you, we are willing to support whatever you do but do not give it to us piecemeal and do not give it to us in a manner that it does not make sense. We had a guarantee going for three years, you come to us today, 'Let us take it to 15 years' and you have not justified why you did that, if that is the way it is, tell us 'That is the way it is'.

The post-COVID-19, Mr. Speaker, we will come to the party but we just get the impression that the Government is treating the country like you are running your own show, Mr. Speaker. This House, as my colleague said, is "the House for the people of Fiji", we need to know the full truth. If this is the way it is, let us know, we will give it our support but do not do it in the way that it is being done today. Thank you, Mr. Speaker.

HON. SPEAKER.- I thank the Honourable Gavoka. Honourable Members, we will continue with the debate. Just for future speakers, stick to the topic of the debate, do not deviate.

I give the floor to the Honourable Minister for Employment, Productivity, Industrial Relations and Youth and Sports. You have the floor, Sir.

HON. P.K. BALA.- Thank you, Mr. Speaker, Sir, I will stick to the Report, Mr. Speaker, Sir, and I wish to take this time to briefly speak in support of the recommendation of the Committee on the review of the FBC 2016 and 2017 Annual Report.

Mr. Speaker, Sir, it is made very clear in the Report that for the periods under review, FBC has performed well and this is due to good corporate governance and practices despite the various mere campaign by the Opposition to try and discredit FBC at all times, Mr. Speaker, Sir.

The FBC, according to the Report, and all other accounts including market surveys have also progressed well as in blending commercial operations within its role as Fiji's public service broadcast, a role that it has played for a generation of over 60 years.

Mr. Speaker, Sir, to enhance its delivery of public service broadcast, Mr. Speaker, Sir, FBC has modernised its equipment and operation to become an entity on par with or better than its commercial competitors.

Mr. Speaker, Sir, the Report backed by the data from the surveys totally contradicts the broken record played by the Opposition Members when it comes to FBC.

Mr. Speaker, Sir, unfortunately, the Opposition continues to personalise and politicise the organisation and its leadership rather than dealing with the facts that clearly shows that the FBC, under its current management and leadership, is a public entity is viable, vital and vibrant.

I thank you, Mr. Speaker, Sir, and I reiterate my support for the Report and its recommendation for FBC.

HON. SPEAKER.- I thank the Honourable Minister for his contribution to the debate. I now give the floor to the Honourable Qereqeretabua. You have the floor, Madam.

HON. L.S. QEREQERETABUA.- Thank you, very much, Mr. Speaker, Sir. I rise to present some thoughts on the matter before us, that is the motion by the Honourable Vijay Nath, that Parliament debates the review of Fiji Broadcasting Corporation 2016 and 2017 Consolidated Annual Report, which was tabled on 7th August, 2019.

The first thing that caught my eye, of course, were the recommendations and that to me, speaks volumes of the character and attitude of FBC, and the sheer arrogance with which it takes public money in our annual budget, but can barely be bothered to show reciprocal gratitude by reporting on time and reporting in full. The first recommendation of the Committee, is that they noted that the format of the Reports were mostly financial statements and the Committee felt that FBC's Annual Report should at least elaborate a little bit more about how they actually spent public money.

What kind of Board or what kind of CEO and the executive management team do they have there if they fail to understand what an annual report should entail? What kind of Board or CEO or executive

management team do they have there, if they struggle to understand the basics in good governance and accountability? I hate to think what they actually do about the real news, Mr. Speaker, Sir. Maybe the Board, the CEO and the executive management team need a good firm shake up in performance and KPI's, because public money is not free, neither is it going to be freely available during these COVID-19 times. Certainly, we will be watching this keenly during the upcoming budget session.

Indeed, the Committee may have also pre-empted this even back in 2019 when they wrote the report, because their third recommendation highlights the Public Service Broadcast (PSB) fee of \$11 million, needing regular review, precisely. The value for money and return on investment to taxpayers is not immediately evident, nor can it be simply justified by gimmicky market share research which was done a few year ago, such was done by Claridge Research Group, Washington DC.

The objective of FBC as a public service broadcaster needs to be remembered. It is not a government propaganda broadcast medium although widely held perception thinks otherwise. Neither should public funds be used to defend any petty defamation cases by the CEO. I actually find it quite shocking and arrogant that the FBC can actually tell the Committee in the appendix of this Report, that because of the, "erosion of confidence in the FBC by the general public, FBC will counter this and incur legal Bills by way of legal actions for people and entities concerned." Who is the FBC to waste public funds on a dented ego? All media outlets have their good and bad days, everyone else takes it in stride, so why should one public service broadcaster that survives on public money, be special? This is absolutely ridiculous. Mr. Speaker, Sir, through you, I call on the FBC Board to pull up its socks immediately and stop this non sense.

Furthermore, Mr. Speaker, Sir, quite simply, the erosion of confidence in FBC is because of the perception of blatant nepotism, where the Honourable Minister for Economy's brother is the CEO. Let us not duck and weave about this. The fifth recommendation of the Committee notes that in addition to the \$11 million that FBC receives, it took a loan of \$22 million in 2014. Despite the Committee noting that the debt, as per 2019 when this Report was written, then standing at \$30 million there has got to be some serious questions about the expenditure and I would implore the Committee that when they next look at their future annual report ...

HON. SPEAKER.- There is a Point of Order.

HON. V. NATH.- Mr. Speaker, Sir, Point of Order. Like I am holding the Report in my hand. The Honourable Member has mentioned recommendation 5. In my Report, the recommendation 5 reads that the Committee noted that FBC has taken loan of \$22 million in 2014 and acknowledged this is the recommendation which is written there. I believe she is quoting the old report. Could I request her to please check?

HON. SPEAKER.- Thank you. Honourable Member, you have the floor.

HON. L.S. QEREQERETABUA.- Thank you, Mr. Speaker, Sir.

HON. P.K. BALA.- Very poor.

HON. L.S. QEREQERETABUA.- Mr. Speaker, Sir, ...

HON. V. NATH.- She is referring to the old report.

HON. L.S. QEREQERETABUA.- Because, Mr. Speaker, Sir, I am quite certain that the taxpayers have not forgotten the continuous losses made by FBC from 2010 to 2015...

HON. V. NATH.- You are totally wrong, you are wrong.

HON. L.S. QEREQERETABUA.- ... which was then publicly justified by the CEO as “Budgeting for losses”, which is really quite extraordinary.

In closing, I would like to adhere to my concerns also the stunts being pulled by FBC during this COVID-19 public health protocol times. It is very worrying how FBC has on a number of occasions undermined and released public health information before the public officially hears it from the Ministry of Health. This public health infectious disease era we are in, is serious and calls for wisdom and maturity and not just point-scoring for breaking news because it causes unnecessary fear and anxiety in the public at a time when already, government leadership has been missing in action or as we saw today, is more focused on planes than on people. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Qereqeretabua for her contribution. I now give the floor to the Honourable Nawaikula. You have the floor.

HON. N. NAWAIKULA.- Thank you, Mr. Speaker, Sir. What I would like to inform the House is the recommendation that was overlooked by the Committee. This is something they should have picked up and informed the Minister and for the Minister to change. I am talking in relation to the decision of Cabinet, Mr. Speaker, Sir, in 2016, allowing FBC to apply all government grants as income. That is totally wrong and I believe the speakers before me, the Honourable Tuisawau has referred to some provisions in the Financial Management Act that, that aspect or decision contravene.

That is totally wrong and just to put it into perspective, Mr. Speaker, Sir, imagine from 2010 to 2015, every money that has been coming to FBC were not applied as income and as the consequence of that, it incurred losses up to \$21.5 million then suddenly after Cabinet made the decision in 2016, it all changed and FBC started to make profit even to the extent of its CEO getting a bonus and the amount of money that is now called Public Service Fee that has been going to FBC from 2016-2017 is now \$16.4 million.

Now, the point I wish to say is, that is wrong and the auditors have consistently been reminding FBC that, that is wrong and now, Mr. Speaker, Sir, I wish to refer you to the Auditor’s Report which is Paper No. 88 of 2019 this is the audit of government entities and the observation of the auditor in relation to this confirms the issues that have been raised consistently by FBC’s independent auditors. Let me quote the observation from the auditor to you Mr. Speaker, Sir, on page 37, audit issue and I quote:

“The company accounted for all government grants received on 01 January 2016 to 07 March 2016 as a capital contribution. This is a departure from IAS 20 accounting standard which require government grants to be recognised as other income and it goes on to say, that the company complied with IAS 20 the impact will be an increase in other income by \$2 million and reduce capital contribution by \$2 million.”

Mr. Speaker, Sir, I urge the Minister responsible to relook at this and adhere to the recommendation of the independent auditors, as well as the government Auditor because it is only fair, that is the standard and the other side of the coin, it is totally unfair for the other broadcasters to be totally

neglected. If you call it public service fee, they are also doing public service so why are they not being looked?

The FBC is not doing public service, FBC is a propaganda tool for the Government, doing its dealings and it is not independent. So, it is very important, Mr. Speaker, Sir, and I wish to raise that and when the auditor's comments came out, I read it after it was tabled and I put up a post in relation to it and the reaction from FBC was to write to the Auditor-General, to ask the Auditor-General to amend or take that out. Auditor-General said no because it is a public but for me, as you will be aware, Mr. Speaker, Sir, I had a letter that was written to me from Parliament to take it down, I took it down but I had my observation that this matter has been laid before Parliament and it is a public document but I took it down anyway.

To conclude, may I urge the Government, please, look at the Auditor's Report after 2016, private auditors as well as the Government auditors, and then consider the Cabinet Decision of 2016. Thank you.

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

HON. F.S. KOYA.- Mr. Speaker, Sir, I thank you for allowing me to contribute to the Standing Committee on Economic Affairs' assessment of the Fiji Broadcasting Corporation 2016-2017 Annual Report.

Mr. Speaker, Sir, first of all, let me acknowledge the findings and recommendations by the Committee in the report in supporting Fiji Broadcasting Corporation Limited. I wish to provide specifically my comments with respect to the Recommendations of the Committee, particularly, Recommendations 4 and 5. It is there actually mentioned in Recommendation 4, the Committee commends the agreement that was signed between JICA, FBC and the Government, valued at around \$15 odd million, which enabled the installation of a state-of-the-art high powered Amplitude Modulation (AM) facility at FBC's Naulu transmission site.

The reason why I raise this, Mr. Speaker, Sir, is because this is a very critical component in our ability to reach the maritime islands. It has been beneficial to all Fijians in the maritime islands and also because of its ability to reach the meteorological sites during disaster times, as well as times of national crisis, such as now, Mr. Speaker, Sir, and the pandemic we have at hand right now. The FBC has been able to increase its reach so people are well-informed of the changing situation, despite what the Opposition may think, with regards to the virus and how they should behave and how they should stay safe. So, FBC has been a critical part of all of this, of the dissemination of information right through to the maritime islands.

Mr. Speaker, Sir, the media and communication industry is ever advancing in this particular century and it is very pleasing to note that FBC is keeping abreast with these developments, and the installation of the state-of-the-art high powered AM facility, was a necessary step to actually better our broadcasting coverage.

The AM facility is expected to benefit our fellow Fijians residing in the maritime islands, as I said, and also the most remote parts of Fiji, and on our journey towards 'leaving no Fijian behind'. Every Fijian has a right to be well-informed of the current affairs of the country and given the current pandemic,

and I congratulate FBC for taking that step to ensure that coverage is provided to all Fijians in all parts of Fiji.

Mr. Speaker, Sir, with respect to the Ministry of Commerce, Trade, Tourism and Transport, we have collaborated with FBC on many occasions to inform and update the public on the important work that we carry out from pre-recorded live shows. The FBC and the Ministry have worked together to allow ordinary Fijians to be equipped with the necessary knowledge of entering the commercial business market. The collaboration was instrumental during the roll-out of our MSME concessional loan applications where we ushered in more than 9,000 odd applications amongst other livelihood programmes.

Mr. Speaker, Sir, the team has actually participated in numerous talk-back shows, including the shows in the iTaukei and in Hindustani languages. The FBC's coverage and reach has been a medium to create more awareness and to disseminate the information on the different programmes administered by the Ministry. This is evident from the feedback received on the ground, especially during our monitoring and evaluation work during the visit to Kadavu, the team noted that majority of people were aware of the different business assistance programmes under the Ministry.

These are positive things, Mr. Speaker, Sir. We have had people contact our office from all around Fiji after talk-back shows, to access our products and services such as the IHRDP programme and the National Export Programme, the Northern Development Programme, the Business Reforms in National Trade, consumer protection issues and Trade Measurements Standards. This is actually the real life impact of how effective these platforms can be which are actually used in the right way.

Mr. Speaker, Sir, Recommendation 5 states that the Committee noted that FBC had taken a loan of \$22 odd million in 2014 and acknowledge that the debt now stands at \$13 million which reflects a very positive conduct of its accounts. Overall, the Committee was pleased with the strengthening of its financial position over the Corporation.

Further, to the recommendation, I would like to add that in 2016, after Fiji was hit by the most devastating cyclones, even after facing such a calamity, the FBC actually performed beyond expectations with increasing revenue by 90 percent valued at \$21.7 million and in 2017, its revenue further increased by 8 percent, valued at about \$23.4 million.

Such growth, Mr. Speaker, Sir, brings confidence and agility in our communications industry. I would like to take this time to thank the FBC Board and the management for a job well done. I wish them the very best for the years to come and hope to continue our collaborative efforts in improving the livelihoods of our ordinary Fijians.

In my opinion, Mr. Speaker, Sir, they have been fair to everyone, they are not one-sided, they are not only for Government, they do not just do Government's work despite what the Opposition may think, they do deal fairly with everyone.

HON. SPEAKER.- I thank the Honourable Minister for his contribution to the debate. I give the floor to the Honourable Waqanika. You have the floor.

HON. T. WAQANIKA.- I thank you, Mr. Speaker, thank you for giving me the opportunity. I know it has been a long day for everyone, my contribution will be fairly short and to the point.

Mr. Speaker, I must commend the FBC Board and the executive team for bringing that loan down to \$30 million, that is an achievement.

Mr. Speaker, Sir, given that they have reduced their debt substantially, I do not see the need for any further budget allocation going to FBC for the new Financial Year 2021/2022.

I have gone through their Annual Report and we are discussing the 2016/2017, and I am saddened to see that there were only two board members during that time - males.

It is always important in any board, especially a Government entity board, because this Government talks a lot about governance and transparency, that you have an equal representation of people, both in terms of ethnicities, gender, and moreso qualifications and competence.

Now I am told that there are three male board members on the FBC Board and there is a representative from the Ministry of Public Enterprise and the three board members, with the exception of the Ministry of Public Enterprise, they are all males, Mr. Speaker, and it would be encouraging to see that we have gender balance on the FBC Board, it is important.

In terms of the rotation of the Board Members, I note that the FBC Chairman has been the same since 2012, I do not know whether he was also the Chair right up to 2012, I do not know the Chair and this is not a personal attack on any board member of FBC, but in terms of board rotation and in terms of good governance, it is important that FBC adopts the principle of good governance and ensure that you have board rotation, bring in fresh blood, fresh ideas and it is always good.

In the Annual Report, the FBC launched a free-to-air commercial channel in November 2017 and for the viewers that do not understand, 'free-to-air' means watching television or watching television that is free, and this channel, according to the Annual Report of the FBC was established solely for the purpose of informing and educating the Fiji public at no cost.

We all know, Mr. Speaker, Sir, that our children have been at home during this pandemic, I mean, I have children, and they have pretty much gone through the pantry, most of them do not have access to the internet or laptops, and this channel, if anything, should be put to good use and allow this channel which we, the taxpayers, are paying for to be used by the Ministry of Education to push out educational programmes during this time. I mean, after all, this channel was established to educate the Fijian public, as the Annual Report says.

I will address the issue of advertisement by Government and, Mr. Speaker, Sir, sadly Government solely advertises only with FBC and I believe this came into effect in 2015 or 2016, I stand corrected on this. It is sad that they do not spend any advertising dollar with Fiji TV, they forget who owns Fiji TV.

Fiji Government also has shares in Fiji TV and Government shares at Fiji TV is held by Fijian Holdings Limited Media Company, and these entities are wholly-owned by Fijian Holdings Limited.

We all know, I will just remind the Government on this, Fijian Holdings' largest shareholder is the iTaukei Affairs Board and they hold 35.9 percent of shares then you have the iTaukei Trust Fund Board and they hold 32.82 percent shares. Then you have the iTaukei Land Trust Board who holds 2.99 percent shares, and essentially all these entities are funded by taxpayers. I cannot understand why Government is not advertising with Fiji TV. They must remember this: Fiji TV is one of their own children, do not forget them.

Mr. Speaker, Sir, when I look back at how things have turned out at Fiji TV after my termination from there, and like I said in one of my last speeches, I will not dwell on that, because I have moved on for the better. I am actually glad of how things have turned out when the Media Ownership Decree resulted in Fiji TV selling its Pay TV Sky Pacific because when you look at the way people are being entertained now, viewers watch content, which on most cases, are not the same contents and programmes that is turned out on free-to-air channel and Pay TV Channel.

If anything, this Government must be commended for doing the Fiji TV and shareholders a favour when you introduced that law. This Government reduced the risk exposure of Fiji TV, and thank you for that.

I also read in the Report the possible threats. The threat now that is affecting FBC, like all the other media companies, is the COVID crisis. Advertisers spending has surely and certainly reduced drastically and no media company will be immune from this.

The other biggest threat that we see now is Facebook, Netflix and other social mediums and back in 2007, 2008 right up till 2014, Fiji TV had already seen that the world will watch news as and when they want, and how they want it and they watch content on their smartphones, tablets, laptops, et cetera.

In fact, all my news I get on Facebook through the Free to Air Media companies that are on Facebook. If I am an advertiser, I do not see the advertisers product on any of the news programmes and for advertisers, this is a key indicator to the advertisers that the viewers are seeing their product so basically, their product is diluted because we do not see their product on their prime time.

Given the situation that we have now, and I have heard Honourable Bala and also Honourable Koya all commending how well FBC has done. It will be interesting to see the budget allocation for FBC in the next financial year.

Quite frankly, Mr. Speaker, Sir, we do not expect any allocation to them for that matter because as they have all said, they have done extremely well. Let them compete on a level playing field. The increase in budget for the new financial year ...

HON. P.K. BALA.- They will, don't worry, they will.

HON. T. WAQANIKA.- I am talking, Honourable Bala,

HON. P.K. BALA.- No, I am just saying to you, they will.

HON. T. WAQANIKA.- Thank you, Honourable, I will proceed.

Mr. Speaker, Sir, the increase in budget allocation for the new Financial Year, should go to the key Ministries. I mentioned yesterday, everybody saw the COVID coming except this Government and what they did in this financial year, they reduced the budget for Agriculture and Fisheries Ministries and these two Ministries fought for security so we expect to see an increase in budget for these two Ministries and also Health and Education which is key infrastructure because right now, Mr. Speaker, Sir, we are in survival mode, not in entertainment mode.

The Honourable Gavoka mentioned that the FBC offers the highest rate. If this is so, it makes all the more sense for the Fiji Government to take their money across and spend it with Fiji TV which is offering a

much lower rate. You need to save every dollar now. You need every dollar to be directed efficiently and effectively. If FBC is offering a higher rate, why are you still spending with them?

Now to conclude, Mr. Speaker, the majority of the Board at FHL are appointed by the iTaukei Affairs Board and their line Minister, that is our very own Prime Minister.

Surely, the Honourable Prime Minister must feel inclined to ensure that his own Government which he spearheads will spend with Fiji TV. After all, he has the final say in Government spending and how Government spending is done, or am I wrong?

I am not going to talk about nepotism because it has been harped on. This Government will not listen to the nepotism issue but I will end with this: there is an unseen Witness to all our dealings, and whatever is not built on the Word of God, will crumble, and I already see it crumbling with FBC, in everything that this Government has done.

HON. SPEAKER.- I thank the Honourable Waqanika for her contribution to the debate.

Honourable Attorney-General, you have the floor, as the last speaker.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. Just as I am responsible for public enterprises, I feel I need to comment.

Mr. Speaker, Sir, there has been a lot of issues raised about the agreement that we have for the services provided for Public Service Broadcasting (PSB) by FBC for radio and also for television.

Mr. Speaker, Sir, I think an Honourable Member from the other side said that there was a call for tenders for PSB. Sir, no other radio station in Fiji has got AM facility, no other radio station, so how can you provide a tender for that particular service? Mr. Speaker, Sir, if you look at all the radio stations that have come in, as we all know Fiji Broadcasting Commission as it was known previously, was 100 percent Government-funded. We also knew there was a lot of abuse in the past with Fiji Broadcasting Commission and I urge Honourable Members, if they really want to know about FBC, go into the history of it - there was so much abuse taking place.

However, the reason why AM frequency is critical is because AM, as I have said in Parliament before, travels a lot better over water, not FM, it travels way better over water so this is why AM is the frequency that is preferred by all the people living in maritime areas and this is why none of the Members actually acknowledged. Mr. Speaker, Sir, Honourable Gavoka and Honourable Nawaikula, as I understand, sat in the Committee and Honourable Tuisawau, but they did not acknowledge the fact that the Japanese Government partnered with the FBC, I think, to the tune of \$12 million or \$15 million to build a full AM facility in Naulu. Those people who know about AM would know that the copper coil is actually put underground where the ground has to be damp so that is how the frequency travels a lot better, and they funded that. The Honourable Prime Minister went and opened that. They have a backup facility there. If a tsunami hits over here, at least, we have Naulu as a backup - a small backup DRP facility built in Naulu.

No one provides an AM facility and if you look at CFL and if you look at the other radio station in the West (I forgot the name, the one, I think, by Richard Lucas), they have all essentially cherry-picked. They have cherry-picked as do mobile phone companies, that they actually go for wherever there is a large populated pocket because that is where they get their advertising dollar.

Fiji TV, Mr. Speaker, Sir, had exclusivity of licence for two decades. The Governments did not allow any other TV station to come in. The Bainimarama-led Government, Mr. Speaker, Sir, opened up the frequency. We did frequency rationalisation, we brought in International Telecommunications Union (ITU) to help us do that rationalisation in the VHF, UHF and also, Mr. Speaker, Sir, in respect of mobile telephone communications. That was how we started with the 3G and 4G.

Mr. Speaker, Sir, notwithstanding the years of exclusivity, Fiji TV is still having problems. Honourable Waqanika knows this very well. If you look at the management of Fiji TV for a long period of time, it is extremely top heavy. They had in-house lawyers, her and I think there were two other lawyers at one stage with her in Fiji TV, and a few other big managers who were very top heavy hierarchy. Sir, FBC does not operate that way, it is not top heavy at all. So, there are a number of business models.

We opened it up, *MaiTV* came into the space. We want competition. Mr. Speaker, Sir, *MaiTV* has not been paying its fees on time. I had a meeting with the shareholders, Stanley Simpson and the good pastor, where we have given them extended time to catch up with their licence fees. We could have shut them down, but we did not, because we want them to compete in the market. They know this and hopefully, they must be listening to this, but we have given them reprieve regarding their licence.

Mr. Speaker, Sir, the idea behind this is to open up the market. But one of the few factual things that Honourable Waqanika said was that, now the whole medium of telecommunications has changed. If you look at most young people, they do not actually sit in front of the television set. They actually have this thing (indicating mobile phone) in front of them. They watch the shows on that. People at home now, for entertainment, watch Netflix or Prime Video. So the advertising dollar as a result of that for entertainment purposes is reduced.

There is a lot of competition going on, Mr. Speaker, Sir, for the advertising dollar. This is why companies, like CFL, have slashed their rates, and Honourable Qereqeretabua complained about FBC releasing information before official news gets released, untrue! But I know that CFL has been complaining about that, maybe she is sounding the flag for them.

Mr. Speaker, Sir, the reality of the matter is that, the entire television structure and radio structure has changed. The way people want entertainment, the source of news has changed significantly. Government recognising this also then created the *Walesi* platform. The *Walesi* Platform, Mr. Speaker, Sir, essentially means that even financially-struck companies like Fiji TV and *MaiTV*, and even FBC that is going to face issues too, will not actually have to invest as much because the *Walesi* Platform will give equal access to everyone in Fiji. They will use the infrastructure provided by *Walesi*, so there is a redundancy built into the system also. So, you can sit at home and flick your channels and you get eight channels. Now, you get nine channels because you have also got the educational programmes.

The FBC has produced about 75 children's programmes since last year. There are many shows on FBC that does not attract any funding through advertisers, for example, in the iTaukei language, the programme on how to manage your money and many other programmes in other vernacular languages. As the Honourable Minister for Commerce, Trade, Tourism and Transport highlighted, we have FCCC coming in and giving us information; iTLTB talking about what they do – how they are reaching out to the public; the Agriculture Show; all of this information, Mr. Speaker, Sir, has a value attached to it.

Honourable Gavoka, Honourable Nawaikula and Honourable Tuisawau know this - that the value of the airtime is the asset, it is where you get the revenue from and you can actually attach a value to it.

It is in excess of \$20 million and there was hard-core negotiations. We did pull strings with “We are government, therefore, you must give us a much better discount”, and that is what the PSB is paid for, it is a fee. They know that - they have been misleading Parliament.

The auditors have said it should have been treated as a fee from the beginning. The International Financial Reporting Standards (IFRS) requires that to be reflected in their accounts, they know that, but I think Honourable Qereqeretabua actually hit the nail on the head. She did call the elephant in the room.

The whole issue regarding FBC from the beginning is because the CEO is my brother. If tomorrow he drops dead or I drop dead, the whole issue of FBC would go away from this Parliament. It is a fact, it will go away. They are only doing this for political mileage, even the issue about the bonuses. He knows that I did not approve it. The Minister for Public Enterprises, as per the Higher Salaries Act, with the concurrence of the Prime Minister has to approve the terms and conditions of the salary paid to any CEO of any of the enterprises that is listed under that particular Act, and any subsequent bonus also has to be approved. They can go to the Ministry of Economy and know that I have not given any of my opinions on that. It goes to the Permanent Secretary, it goes to the Prime Minister and that is how it is done. But prior to that, Mr. Speaker, Sir, it is the Board that has to make the recommendation, they missed that out. It is the Board that writes, like any other organisation, that writes to the Ministry of Public Enterprises and says, “This is the contract, these are the KPIs, this is what we are recommending,” independent civil servants do the assessment and then the recommendation is made. It is very simple but they come here to this Parliament, smoke and mirror, trying to obfuscate and personalise the issue.

Mr. Speaker, Sir, the other issue that I wanted to address was about access to advertising. Government does advertise, for example, for radio with CFL from time to time. For example, recently, I think it was last year, Fiji Corrections Service did a series of programmes with Fiji TV. They went to them, I think there was a four or three part series, they got paid for that. It is not that there is some kind of ban on Fiji TV. They have their financial issues, they need to sort that out, they chose to enlist the company, they have other private investors in that, and Honourable Gavoka then said, “We know who the owners are, name those owners!”. It is like some kind of threat. Just because the owners are these people or those people or them, therefore, their advertising needs to go there. Despite two decades of exclusivity, lack of investment in technology, lack of creativity, top-heavy management, of course, your bottom line will go. Government no longer holds shares in Fiji TV.

Mr. Speaker, Sir, I just wanted to address the issue about the piecemeal approach that was said, there is no piecemeal approach. There is absolutely no piecemeal approach in respect of the guarantees that have been given. I have been informed by the Financial Controller through the Ministry of Public Enterprises of FBC, that the Board of FBC has decided to completely pay off the loan that was owed to FDB of \$6 million by June because they have built their cash reserves to be able to do that, and they are going to do that. So the guarantee of Government that originally started as \$21 million (in this report it says \$13 million of loan outstanding), it is \$6 million and they are paying it off next month.

Mr. Speaker, Sir, I would like to very much highlight the fact that there has been enormous strides made in the PBS capacity. ABC Australia, Mr. Speaker, Sir, as I highlighted in Parliament before, is completely funded by the Australian Government. Nearly every country in western democracies, even in New Zealand, Australia and in various other places, Government fully funds what we call the national broadcaster. In Fiji, we do not fully fund it, we get a discount on the PBS capacity. All the other sources of revenue, they have to go out and get it in the market.

We have a law in place, Mr. Speaker, Sir, where we have listed programmes of interest that must be shown by all television stations. For example, the Olympics, the Coca Cola Games, or whichever ones they are. If the company does not have the capacity to be able to show that because they do not get enough sponsors, they write to the Ministry of Communications and say, “We cannot show this. We have no interest.” The FBC recently wrote and said that they cannot show the Olympics. There is no one who wants to sponsor the Olympics on TV. People watch it on this (indicating mobile phone), they watch it on You Tube.

If FijiTV has decided to go and do that, that is on their own peril. They want to say, “Yes, we are showing the Olympics”, but are you getting any money for it? The rights cost a lot of money, so these are the kind of sound and financial decisions that people need to make to be able to survive. The FBC has now launched a very interactive *Facebook* page, but they also have an App on the phone. You get your news, you get all sorts of things and they decide to move in that direction. The same as Post Fiji Limited. They have realised that people want to buy things online. They have got their e-platform, so they are getting into the game. They need to look at the alternative sources of revenue and to be able to be in the game, you need to be able to play the game.

Mr. Speaker, Sir, I would urge Honourable Members to look at what has actually happened within this particular space and and thank Honourable Members for their report. I support the motion.

HON. SPEAKER.- I thank the Honourable Attorney-General for his contribution to the debate.

I now give the floor to the Chairperson of the Standing Committee on Economic Affairs to speak in reply. You have the floor, Sir.

HON. V. NATH.- Thank you, Mr. Speaker, Sir. In fact I appreciate all Honourable Members contributions and most of the concerns raised were answered by the Honourable Attorney-General and Minister for Economy. He very well read and explained the Amplitude Modulation, which is AM, and this is the only radio station in Fiji which has that. Now, during natural disasters, in fact at times, when my Ministry wants to pass the message, this is the only station which reaches Rotuma, Lau groups especially, so this is the reason why it is important to have a strong frequency of stations.

Honourable Gavoka, used to be a Member of the Standing Committee on Economic Affairs. When the CEO came for his deliberation he did mention the article which is sent from FBC to the Ministry and the amount of payment made. It was very well said by the Honourable Attorney-General that it is all about air time, air time is an asset which means a lot. So taking that into consideration, both Honourable Gavoka and Honourable Tuisawau know about it. But again, I understand why they still want to come and argue this point here when they know that this is the only station which has a very wide range of programmes. I have a huge programme which is listed here, if you read the programme properly, you will find there are 29 plus programmes which are produced locally. With those words, Mr. Speaker, thank you so much for giving me this opportunity and thanks to all Honourable Members.

HON. SPEAKER.- I thank the Chairperson of the Standing Committee on Economic Affairs. 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 OF AUDIT REPORTS – MANAGEMENT OF DUTY CONCESSION
SCHEME AND MANAGEMENT OF PRISONERS, EMPLOYEES
AND ASSETS MANAGEMENT SYSTEM**

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

That Parliament debates the review of the audit report on the Management of Duty Concession Scheme and Management of the Prison, Employees and Asset Management System which was tabled on 3rd September, 2019.

HON. V. LAL.- I beg to second the motion.

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

HON. A.A. MAHARAJ.- Mr. Speaker, Sir, as Chairperson of the Standing Committee on Public Accounts I take this opportunity to speak on the motion in regards to PAC's review on the performance audit for the Management of Duty Concession Scheme and the Management of Prisoners, Employees and Asset Management System.

At the outset, Mr, Speaker, Sir, this Report focused on the findings of the audit management of Duty Concession by the Fiji Revenue and Customs Services and the Management of Prisoners, Employees and Asset Management System by the Fiji Correction Services.

Mr. Speaker, Sir, the tariff and trade duty concession management involved the establishment of sufficient guidance, materials and process to consider applications for duty concessions. Imposing of duties on certain goods are designed to influence the flow of trade by regulating their value to protect the local economy and industries.

It is important to note that importers, traders and manufacturers can obtain duty free entry of imported goods in Fiji through the use of Duty Concession Scheme. This entails foregoing revenue that could have been generated. Therefore, it is crucial to ensure that the Duty Concession Scheme is well managed. The existence of proper monitoring system and measures are necessary to prevent misuse of the duty concession that would be detrimental to the economy.

Mr. Speaker, Sir, the audit of Duty Concession Scheme was conducted to assess the efficiency and effectiveness of FRCS in managing the Scheme holistically in examining the framework that are placed to guide the staff, applicants and other stakeholders, equitable process of the applications, the management and administration of the Scheme and monitoring and reporting agreements. The Audit conducted by the Office of the Auditor-General examined how duty concessions were managed by the Customs Tariff and Trade Section from 2013 to 2017 financial years.

It is important to note that legislations such as the Customs Tariff and Excise Act came into effect in 1986. The customs tariff was, thereafter, developed containing the list of concessions available. The list is reviewed annually during the national budget process and amendments are made accordingly. The

previous concession were known as the Rebate Certificate on which, the manufacturing industry were mostly granted duty concessions. Concession are considered as government assistance to companies, entities and industries to reduce the cost of doing business.

Mr. Speaker, Sir, FRCS confirmed during the consultation that after 33 years, the custom legislation has lost some of its currency in terms of using different drafters using different terms, language style and grafted into reforms. Furthermore, it also confirmed that there was a need to merge the Customs Act 1986 with Excise Act 1986, since the administration of these Acts are quite similar with minor differences in application.

The merging of the two Acts will ensure that it is easier for the customs review team to analyse both, the Customs Act 1986 and Excise Act 1986 and compare the same to the New Zealand Custom Act 2018, as New Zealand is the latest Custom Act to be enacted. Also noted that after competitive analysis was undertaken, some key features in the New Zealand Act were identified and included and passed of the new Custom Act and Excise Act and also some of the section of the old Custom Act were maintained as important. In this regard, FRCS also confirmed that the plans have been in place to conduct a round of consultation to all stakeholders as listed in its responses to the Committee.

Mr. Speaker, Sir, it was further confirmed by FRCS that there are number of controls and checklist in places , such as SOPs on processes, CIBs on individual concession codes and concession monitoring team has been established who will continuously review the concession that were granted. Further, also confirmed that if there are breaches in the concession granted, it will be referred to the CIB Unit for further investigation, charges and collection of the duty liability. In addition, staff and technology are updated regularly upon changes to the legislation. Further, road shows are undertaken to brief staff along with other awareness programme for internal and external stakeholders.

Mr. Speaker, Sir, it is pleasing to note that the majority of the audit issues have been addressed by FRCS and details provided in their written response and the appendices of this Committee's Report. Mr. Speaker, Sir, the Committee in its review, identified gaps which could have been further improved in facilitation and management of Duty Concession Schemes.

The second report covers the Management of Prisoners, Employees and Asset Management System. The Report captures the audit made on the management of Prisoners, Employees and Asset Management System after the request from the Commissioner of Fiji Corrections Service in 2017, for a specific audit to be conducted on the procurement of the data software under the Swallowtail contract.

Honourable Members, the audit focused on the implementation of requirements of the Master Service Agreement between the Fiji Corrections Service and suppliers dated back to 19th August, 2011, and related transactions pertaining to the procurement of the Swallowtail software. The Commissioner of the Fiji Corrections Service had appeared before the Committee on Thursday, 25th April, 2019 and provided their responses on discrepancies identified by the Office of the Auditor-General during the time of the audit.

Mr. Speaker, Sir, the Prisoners, Employees and Asset Management System is a web application developed by a local company in 2011 to be used by the Fiji Corrections Service. The system was expected to improve data collection storage processing information of Prisoners, Employees and Asset Management System. However, in 2016, the system was not used by the Department as intended and this resulted in the conduct of Board of Inquiry.

In 2017, the Commissioner of the Fiji Corrections Service requested an audit into the probity of the procurement of the system. Mr. Speaker, Sir, the audit that was conducted focussed on the planning of the procurement of the system, the management of the implementation of the Master Service Agreement also referred to as the Swallowtail contract between the Fiji Corrections Service and the supplier dated 19th August, 2011, and related transaction pertaining to the procurement of the system. It also looks at the effectiveness of the use of the system.

Mr. Speaker, Sir, the Commissioner of the Fiji Corrections Service clearly stated in his response to the Committee that the system was designed to run in all its Correctional facilities Fiji-wide after its trial period. It was noted that the trial of record for the project were not maintained by those officers responsible at that time. However, the Commissioner has confirmed that FCS has improved its current process whereby proper records were not maintained including records of tender processes.

Mr. Speaker, Sir, it was further confirmed by the Commissioner that the system application was implemented in June 2011 and was discontinued and not utilised from then until to-date. Therefore, there was no update done to the system application and there was no additional cost incurred after the project was discontinued.

Mr. Speaker, Sir, the FCS staff were trained for the system as part of the Master Agreement. Also confirmed by the Commissioner in their response, that should this application continue, it would have resolved and captured a lot of informative data, then, however, this application will need upgrading and improvement due to the lapse in time and change in information required.

The Committee, in its consultation, was informed by the Commissioner that the current management team was not present at the time, the system was discussed until its deployment, and there was no record available to support their response to the Committee. However, the current management has put in place systems and processes to improve the areas highlighted by the Office of the Auditor-General and detailed responses to all issues were raised by the Committee and was captured in the Report. Mr. Speaker, Sir, we commend the current management of the FCS in trying to rectify and clean the books on the system and even requested for this audit to be conducted.

Once again, Mr. Speaker, Sir, I just would like to emphasise that it was the Commissioner of the FCS who initiated this particular audit. However, based on the audit findings and responses received from FCS, the Committee did mention some recommendations, which was accepted by the FCS. Briefly, those are my contributions to the debate of the Committee's Review Report which captures the audit results made to these two institutions, the Management of Duty Concession Scheme by FRCS and the Management of Prisoners, Employees and Assets Management System by the FCS. I thank you, Mr. Speaker, Sir, for this opportunity.

HON. SPEAKER.- I thank the Chairperson for his motion. Honourable Members, the floor is now open for debate on this motion.

I call on the first speaker, the Honourable Aseri Radrodro. You have the floor.

HON. A.M. RADRODRO.- Thank you, Mr. Speaker, Sir. As a Member of the Public Accounts Committee, I would just like to make a small contribution on the motion on the Report that is before us. I would like to also take this time to thank the Auditor-General for the work they put in to conduct this

audit in terms of the review of the Duty Concessional Schemes, that used to be enjoyed by certain businesses, regarding the application for Duty Concessional Scheme.

The area covered in the audit and findings is pretty much straightforward as we have alluded to in the Report. The issue of the framework applicable for the application of these years, at the time of the audit, the auditors have identified that there was still confusion in terms of the application of the existing Act and also whilst the review was in progress. So, that were some of the issues that were highlighted, and there needs to be an update from the Honourable Minister in terms of the application of the revised Act, so that it allows more awareness to people who need this Duty Concession.

Mr. Speaker, Sir, the second one is the management and administration of the Duty Concession in one of the recommendations during the budget estimates when the government announces Duty Concessions and all these initiatives that are given through these schemes. Majority of people, businessmen and farmers are not aware of how to apply for these processes. That is something in the recommendations that we have put out that there needs to be proper awareness by the FRCS to ensure that people in the rural areas are aware of the concessions that are in place.

I think at the time of the discussions on this Report, there were Duty Concessions given out during the budget on tractors and other farming equipment and implements. Unfortunately, most of the farmers were not aware of this Duty Concession, so they missed out on this perfect opportunity that could assist them and also assist the agriculture production to access this Duty Concession Schemes. That is why part of the recommendation is that when they announce initiatives there is a need for FRCS to work with the relevant provincial offices or relevant Commissioner's offices to ensure that the farmers and those who can access this Duty Concession Schemes are made aware and also have an opportunity to apply for this arrangement.

Mr. Speaker, Sir, in terms of staffing, there are issues regarding proper facilities and proper offices that was also highlighted. I know FRCS is a very important entity and they are spread all over Fiji, their staff need to be properly looked after, in terms of resources that are given in terms of the offices, vehicles and speed boat that will assist them to carry out their work. During our visitation to Lautoka, there was one huge speed boat that was left, probably purchased by FRCS and left in their offices, yet to be used, and I think it is only proper that the Honourable Minister can also advise what has now happened to that vessel, the boat that was stationed outside the Lautoka offices at the time of our visit.

On the second part of the Report, regarding the Prisoners, Employment and Asset Management System, I think the Chairperson has properly alluded to that the initiative that was undertaken, that is, to have a consolidated record of all the prisoners, employees and all the assets regarding all the facilities all around Fiji. Unfortunately, this system is yet to be completely implemented because probably the whole process of procurement was something that was questionable at the time.

While we are talking about the prisoners' management system, Mr. Speaker, Sir, I would also like to inquire about the community-based corrections. I think that was an announcement made by the Government in 2008 and whether this has now been actually implemented, or what is the status of the progress of this community-based correction.

Also, Mr. Speaker, Sir, if the prisoners' management system would have been implemented, it would allow the executives at the Prisons to ensure that they have proper records of those prisoners who

will be eligible probably for the Mercy Commission or the parole system. This is something that we would also like to enquire about. With the absence of the Prisons Management System, how does the Prisons Department assess who is eligible for parole, who is eligible to apply for a pardon with the Mercy Commission and the status of their application; where are they up to, to ensure that they are also given a right to live and the right to freedom as stipulated in the 2013 Constitution? Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Member for his contribution to the debate.

Honourable Members, we will take 15 minutes tea break and we will continue with the rest of the debate on this Agenda Item then we will head straight onto the questions after that.

The Parliament adjourned at 6.15 p.m.

The Parliament resumed at 6.46 p.m.

HON. SPEAKER.- Honourable Members, we will continue with the debate and I give the floor to the Honourable Tikoduadua. You have the floor.

HON. LT. COL. P. TIKODUADUA.- Mr. Speaker, thank you for the opportunity to make a short contribution to the motion before the House. I would like to first thank the Chairperson of the Standing Committee for Public Accounts for their Report and in particular the assessments that they made given the audit report by the Auditor-General and also I will be making a few references to three of the recommendations that the Committee made. I want to speak only on the Prisoner Employee and Asset Management System or PEAMS as it is called which is the second part of the Committee's Report, the first part being by FRCS.

The Committee noted the report by the Corrections Service and in particular the comments by the Commissioner for Corrections when he fronted the Committee in 2019. Mr. Speaker, the PEAMS or the Prisoner Employee and Asset Management System was a contract between the Fiji Corrections Service and an internet Fiji company or commonly known as Datec, that is for them to provide a data software under the Swallowtail Contract. In that contract, that they would look at, first the Prisoners Information System, second, the Human Resource Information System and third the asset management system of the Fiji Corrections Service.

Mr. Speaker, you would have noted from the comments made by the Chairperson of the Committee is that PEAMS should have been implemented to manage, as a management tool for the Corrections Service for all of their departments or all of their stations within Fiji looking after the areas of Prisoner Information System, Human Resource Information System and the Asset Management System. The sad thing about this is, this project was commissioned in 2011 and for 10 years, it is now 2021, it will be ten years come the month of June where after the commission of this project by the Fiji Corrections Service and after spending \$118,000, that being the total value of that contract, but PEAMS has not taken off.

During the audit, a lot of information and this was information queried by the auditor and I take this time also to acknowledge the initiative of the Commissioner of Fiji Corrections Service who called for the audit in 2019. I think out of that, I think that was eight years after the project was commissioned, but in 2011 after the contract was awarded and in June when it was completed, so to speak, the software was never used by the Fiji Corrections Service to-date and \$118,000, I suppose we can say, was wasted in that process.

We will read from the appendices of the Committee's deliberation all those questions that they asked of the Commissioner and, of course, the members of the Fiji Corrections Service to answer with regards to PEAMS brought out all the weaknesses that engulfed the whole PEAMS project and why it never took off. Unfortunately, Mr. Speaker, that to-date, I believe, still has not been verified. If you will read through the Report, one of the questions that was raised by the Committee to the Commissioner for Corrections or his team was, "what has the Corrections Department done to try and implement the PEAMS software?" Like I said, it is a management tool looking after those three major areas – Asset Management, Human Resources and of course, Prisoners Information.

According to the Corrections Service nothing was done for ten years. They said that they had applied for some funds to implement PEAMS or specifically to upgrade the database management

system of the Corrections Service in Fiji and they made this submission for the 2019-2020 Budget. I had done some research and I had asked my people if during the 2019-2020 Budget whether funds were dedicated or funds were given to the Corrections Service to upgrade their database management system thereby allowing for the use of PEAMS. Because this system was put in place to upgrade whatever was already there by way of human resource, asset management and prisoner information, I am not so sure where the state of this data is now with the Corrections Service? Some concerns were raised earlier by Honourable Radrodro with regards to the management of prisoners. Because this has not been implemented, I just wanted to know from Honourable Minister perhaps in his right of reply to say whether they have found an alternative to PEAMS, if there is at all, or whether they are going to dedicate resources this time to allow the Corrections Service to implement the software that they had spent so much money for.

That brings me to the recommendations of the Committee, I will read three and then I will comment on it very briefly.

Recommendation No. 1:

The Committee notes the improvement in records management system by the current management team and recommends the immediate activation of the PEAMS system which will ensure that there is no loss of critical records and data on prisoners and employees.

Recommendation No. 2:

The appropriate funding is provided so that the PEAMS system be fully operational and proper records maintained.

Recommendation No. 4:

The Committee recommends that a follow-up audit is to be undertaken by the Office of the Auditor-General on the issues identified in this Performance Audit Report: the Management of Prisoners, Employees and Asset Management System.

I do not know, Mr. Speaker, what system the Corrections Service is using right now, whether they have adopted a system since then because why I am saying this, there are critical bits of information with regards to those three areas that I have mentioned that we hear might fall through the cracks and make the Corrections Service less efficient. I know there has been a lot of complaints lately, we have heard of complaints by prison officers with regards to the terms and conditions of their work. I do not know how much has been done about that and I am sure there is a certain truth to it but I am sure with this management tool available, it would definitely help the Commissioner and his staff manage their own people, the prisoners and the assets that are with the Corrections Service.

Mr. Speaker, Sir, whilst I note that this was a Report from 2011, the Report shows some really serious breaches of financial regulations and other issues, and I believe the Commissioner has made an undertaking that they are now going to improve that. I am just calling on the Government now to take heed of the recommendations made by the Standing Committee and I have already read that out in the three recommendations that I put before the House today, to make sure that:

- (a) The efficiency and effectiveness of the Fiji Corrections Service is upheld or maintained and

developed; and

- (b) the \$118,000 that was given to the Fiji Corrections Service at that time is not wasted.

I know many records have fallen through the cracks according to the Report, but I am not sure, no one has really been taken to task about this, I am not sure if anyone has been. It would be nice to have the Minister tell us that if anything has been done about it or whether that has fallen through the cracks also.

Mr. Speaker, I will end by asking, please for the Government to consider funding the implementation of PEAMS if it has not found an alternative already so that the Fiji Corrections Service can benefit by way of looking after the prisoners that have come through the system, particularly Yellow Ribbon, so to speak, also look at the welfare and human resources, the welfare of the Corrections officials and at the end of the day, manage the assets that are available to it and when they do that, then they will have an efficient system that will then look after the people of Fiji who unfortunately have to go our Corrections Service and our prisons.

With that, Mr. Speaker, I support the motion before the House.

HON. SPEAKER.- I thank the Honourable Tikoduadua for his contribution to this debate. I now give the floor to the Honourable Lal.

HON. V. LAL.- Mr. Speaker, Sir, as a member of the Standing Committee on Public Accounts, I take this opportunity to speak in support of the motion on the Review of the Audit Report on the Management of Duty Concession Schemes and Management of Prisoners, Employees and Assets Management System.

Mr. Speaker, Sir, the Fiji Revenue Customs Services (FRCS) is a statutory authority established under the FRCS Act 1998 and is governed by the Board and administered by the Chief Executive Officer. At the time of this audit, FRCS had three major divisions – Corporate, Taxation and Customs. Mr. Speaker, Sir, the Customs Act and the Customs Tariff Act forms the regulatory framework that guides the implementation of the duty concession scheme. These were enacted correspondingly through Act Nos. 11 and 12 of 1986 and came into force on 1st November, 1986 through Legal Notice Nos. 105 and 106 of 1986.

Mr. Speaker, Sir, the enactments and legal notices were presumed to be the initiation points for the scheme. However, the Auditor-General made a note that the actual date of when the duty concession scheme established in Fiji could not be ascertained. Mr. Speaker, Sir, after years of amendments, it was noted that there was a need to merge the Customs Act of 1986 with the Excise Act of 1986 since the administration of these Acts are quite similar with minor difference in application.

Mr. Speaker, Sir, Phase 1 of the Customs Act which is to rewrite undertaken by the Customs Review Team was tasked to analyse both the Customs Act of 1986, the Excise Act of 1986 and compare the same to the New Zealand Customs Act of 1986.

For the information of this august House, New Zealand has the latest Customs Act and because of its close proximity to Fiji, it is the best ideal Act to benchmark Fiji's new Customs and Excise Act. After a comparative analysis was undertaken, some key features in the New Zealand Act were identified

and included as part of the new Customs and Excise Act while some sections of the old Customs Act were identified as important sections which needs to be maintained in Fiji.

Mr. Speaker, Sir, Phase 2 of the Customs Act Rewrite was to convene a meeting with Customs Executives and carry out a comparative analyses and provide their feedback. The Committee was informed that a total of 18 meetings were conducted with the Executives after which proposed amendments of the Customs and Excise Bill was drafted.

Phase 3 of the Customs Act Rewrite was the first for the Customs Rewrite conducted with the key internal stakeholders from the various business units - border, revenue management, intelligence, compliance and investigations on 26th February, 2019.

Phase 4 is the proposed consultation with external stakeholders to which the same is requested for approval by Cabinet. FRCS plans to invite key stakeholders such as the customs brokers, freight forwarder council of Fiji, shipping agents, customs agents, airline industry, manufactures, importers, hotel industry, et cetera. FRCS also intends to host wider consultations and public hearings which the individual brokers, freight forwarders and shipping companies can be provided an opportunity to provide their feedback. These actions will be undertaken to ensure that the amendments of the proposed Customs and Excise Bill is adaptable to the Fiji context.

Mr. Speaker, Sir, while concessions are facilitated, FRCS has a number of controls and checklists in place such as standard operating procedures, standard implementation guidelines on individual concession polls and a concession monitoring team that has been established to continuously review the concessions granted. Additionally, any breach of the concession is referred to the Customs Intelligence Unit for further investigation, charges and collection of duty liability. Other units within FRCS are also tasked to identify anomalies and refer findings to the appropriate sections.

Mr. Speaker, Sir, the monitoring system adopted by FRCS in ensuring that duty concession schemes are passed down to customers is the price civilian exercise. The exercise is carried out to review the process before and after the National Budget announcement. Under the provisions of section 137(e) of the Customs Act, it requires that the prices of the goods are to reflect the duty decrease. Persons who fail to comply with this legislation are liable for a fine of up to \$100,000 or a term of imprisonment not exceeding 10 years.

Mr. Speaker, Sir, a Customs Infringement Notice can also be issued. The Committee was advised that the team also engages with the Ministry of Economy and the Fiji Competition and Consumer Commission to monitor this. A few companies have also been penalized under the Customs Act who did not reduce their prices in accordance to the decrease in import duties.

Mr. Speaker, Sir, with regards to the risk of misuse or abuse of the Duty Concession Scheme, a risk profiling provision does exist in the AW system. Where there is a reason to doubt, the importer can be profiled into a system by the relevant units for further investigation. The profiles can be created on the importer HS code, country of origin and furthermore which may pose a high risk to revenue or border control. The Committee was advised that FRCS has set up a Concession Monitoring Team that is specifically tasked with monitoring of duty concessions approved.

To sum up, Mr. Speaker, Sir, customer services is paramount to FRCS and complaints are given urgent attention. The Committee was advised that there was no specific timeframe given for complaints,

resolutions as issues vary and the timeframe to resolve them varies as well. FRCS promotes and advice on concessions via newspapers, radio and television talkback shows. The standard implementation guidelines does also plays a vital role in informing users of the conditions and requirements of Fiji's concessions. The stakeholder awareness programmes has now been started where all custom agents and brokers have been invited for this awareness consisting of the compliance, revenue, border and customs.

Mr. Speaker, Sir, with those words, I support the motion before the House.

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

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. I will be extremely brief. The matter in respect of duty concessions, as you know, Mr. Speaker, Sir, there has been significant changes that were made to the duty rates that was announced in last year's budget (or the current budget) which essentially has meant that a number of the requirements to apply for concessions on an ad hoc basis and indeed have a list with FRCS has been, in fact, deemed not to be necessary anymore because they are straight out 5 percent, most of the duty rates. Mr. Speaker, Sir in respect of the Customs Act itself, we are currently working with the New Zealand authorities, we have done a round of consultations and we hope to have that completed by early next year.

Mr. Speaker, Sir, in respect of the matter with the Fiji Corrections Service, currently the practice is consistent data record keeping through proper maintenance of the files and manual data compilation through MS Excel and Word on a daily basis. The data records are compiled and checked through weekly and monthly reporting to Fiji Corrections Service Headquarters and has significantly improved its record management services. Honourable Tikoduadua highlighted a number of matters that he said needed to be addressed.

Now, there are quite are few things that do need to be addressed. It is unfortunate as to what had happened in respect of the software originally that was procured some 10 years ago now, Mr. Speaker, Sir. We are currently, through the CIU providing monitoring oversight of the key programmes and budget projects and we hope to in the near future, take into consideration the current COVID pressure that has put on budgets ability to expand into procuring new software, we will be working within the current resources to ensure that Fiji Corrections Service maintains a proper record keeping.

HON. SPEAKER.- I thank the Honourable Attorney-General for his contribution to the debate. I now give the floor to the Chairperson of the Standing Committee of Public Accounts. You have the floor, Sir.

HON. A. A. MAHARAJ.- Thank you, Mr. Speaker. Mr. Speaker, Sir, I would just like to take this time to thank the Members who have supported this Report that is before the House today on the Review of the Audit Report on the Management of Duty Concession Schemes and Management of Prisoners, Employees and Assets Management System. I do believe there were some issues with regards to this particular Report, but I would like to thank the management of FRCS who came on board and appeared before the Committee. Duty concession is something good for the nation, it brings in capital especially foreign investors who actually come in and if duty concession is given to them as well. It is good for the economy of the country.

I would also like to thank the Commissioner of Fiji Corrections Service for taking the bold step

to actually iron out that there was an issue and calling for an audit and as mentioned by the Honourable Attorney-General they are working towards rectifying the issues so that the process at Fiji Corrections Service improves. I would like to also thank the Members of the Committee and with those words, I would like to thank you for this opportunity.

HON. SPEAKER.- I thank the Chairperson of the Standing Committee on Public Accounts. Honourable Members will now vote to note the content of the Report.

Question put.

Motion agreed to.

QUESTIONS

Oral Questions

Review of OMRS Policy (Question No. 108/2021)

HON. M.R. LEAWARE asked the Government, upon notice:

Can the Honourable Attorney-General and Minister for Economy, Civil Service and Communications inform Parliament whether there are plans to review the Open Merit Recruitment and Selection (OMRS) policy?

HON. A. SAYED-KHAIYUM (Attorney-General and Minister for Economy, Civil Service and Communications).- Mr. Speaker, Sir, thank you. Mr. Speaker, Sir, the Open Merit Recruitment and Selection Guideline was first introduced in January 2016. It is, of course, a live document, like all HR documents it must be a live document and indeed it must constantly seek to improve the guidelines itself because given the environment it operates in, things, of course change.

Since the Guideline was launched in January 2016, there was an amendment in January 2017, there was also an amendment in August 2017, an amendment in 2018, Mr. Speaker, Sir and then there were updates carried out in 2019 and 2020. We now also, Mr. Speaker, Sir, and of course, I can go into the details but with interest of time, let me just answer the question directly. I have given the dates to when they have been reviewed, it has been reviewed. We have also now carrying out OMRS audits, Mr. Speaker, Sir.

The Ministry of Civil Service does randomly select recruitments that have taken place across the Government and then does an audit to see whether those respective ministries are actually adhering to the Guideline or not. We also had a report that has been compiled in respect of the impact of OMRS as to how it has affected recruitment, what has it done in respect of, for example, gender selection. All these matters have in fact been addressed in the OMRS Impact Report and we can say that most definitely OMRS has had a fundamental positive shift in terms of creating opportunities for women and various other people in particular, attracting people from the private sector to the Civil Service.

HON. SPEAKER.- I thank the Honourable Attorney-General.

We move onto the second Oral Question for today and I call on the Honourable O'Connor to ask

Question No. 109/2021.

Maritime Travellers Rights
(Question No. 109/2021)

HON. A.D. O'CONNOR asked the Government, upon notice:

Can the Honourable Minister for Commerce, Trade, Tourism and Transport inform Parliament on Maritime Travellers Rights?

HON. F.S. KOYA (Minister for Commerce, Trade, Tourism and Transport).- Thank you, Mr. Speaker. I thank the Honourable Member for the question.

Mr. Speaker, Sir, we are a nation of about 300 islands and surrounded by about 1.3 million square kilometres of ocean. This is an indication of the extent of our reliance and importance of maritime travel in our lives, be it for cargo or be it for persons. What this means for us is that, our shipping industry, Mr. Speaker, Sir, is important in connecting our maritime islands to the main islands, especially to creates some economic activities and this connectivity is enabled by the providers of maritime transport. Most, if not all of us in this august House have actually travelled by sea whether on a private vessel or a Government vessel. It is not just us but a majority of the Fijian population actually rely on the maritime as a means of travel. In fact some Fijians travel almost every week, that is how important maritime transportation is for us.

Mr. Speaker, Sir, what we are doing is, of concern towards improving the services of our domestic maritime industry and one of the key considerations is, the fundamental rights of maritime travellers and in this regard, the Fijian Government, through the Maritime Travellers Rights (MTR) Policy is strengthening efforts to provide safe, efficient, reliable and affordable shipping services to our maritime islands.

Mr. Speaker, the MTR Policy is developed to establish minimum rights for passengers travelling by sea and inlet waters and requires carriers to provide assistance in the event of cancellations or delayed departures. It will also provide persons with disabilities the same rights as anyone else to maritime services. The Policy is actually devised to achieve a balance between the service provider and the travellers through a traveller's need that will give them the protection and immediate proportion redress in the event of disruption such as delays or cancellation of trips by vessel operators.

Not only that, Mr. Speaker, the policy will also inform future investments both from Government and the private sector in critical infrastructure. The development of the Policy is a priority for this Fijian Government which builds on Section 34(1) of the *2013 Constitution of the Republic of Fiji* where it states, and I quote:

“The State must take reasonable measures within its available resources to achieve the progressive realisation of the right of every person to have reasonable access to transportation”.

Mr. Speaker, this sets the very foundation of the Policy so that no Fijian suffers direct or indirect discrimination on any other grounds. We want to have a comprehensive policy, there is a need for collaboration and consultation between key stakeholders and in this regard, the Ministry of Commerce, Trade, Tourism and Transport has actually formed a steering committee which oversees that consultations and the drafting of the policy and these actually include the Consumer Council, Fijian

Competition and Consumer Commission, Maritime Safety Authority of Fiji, Ministry of Rural and Maritime Development and the Fiji Navy.

We also try and engage and get some involvement with the ACCF. We began nationwide consultations in the Western Division in April this year and the feedback from Nadi and Lautoka has been overwhelming showing that there is an active interest by people in the Fijian Government's priority to improve shipping services where stakeholders from the tourism sector, fisheries sector, traditional boat builders, representative of Government agencies who frequently travel, we even had a high chief from the Yasawa's, who actually joined us.

In ensuring inclusivity, Mr. Speaker, in the formulation of the Policy, the Ministry also conducted consultations with the *mata ni tikina, turaga ni koro* at Nacula Village in the Yasawa's, islands of Vanuavatu, Nayau, Lakeba in Lau, the villages of Nalele, Naqelevu, Tawake, Wainiika, Vunikodi, Nabuno and Cawaro in North East Vanua Levu to name are few.

We have almost completed the consultations on our Government shipping franchise routes. We have received feedback from our passengers with respect to their expectations and we intend on meeting these. The travellers using shipping services are urged to be vigilant and be responsible consumers whilst accessing the facilities, particularly while we develop this MTR Policy. In these difficult times also, Mr. Speaker, Sir, the Ministry continues to provide support to our maritime islands to ensure that the basic necessities and provisions are transported.

In the last two months through the Government Shipping Franchise Scheme will continue with the services of cargo movement and have completed more than 20 trips to ensure that shops in the islands and families are provided for with groceries and basic necessities. We are also working hand in hand with the Ministry of Health and Medical Services through the Government Vessel *MC Veivueti* which has been stationed with dedicated crew in Lautoka for the past 20 days assisting with maternity cases and other health assistance.

In conclusion, Sir, I urge Fijians to contribute and send their submissions in with respect to what I have just raised because it is a very important policy that needs to be developed properly, Sir. I thank the Honourable Member for his question.

HON. SPEAKER.- I thank the Honourable Minister.

HON. S.R. RASOVA.- Thank you, Mr. Speaker. A supplementary question, can the Honourable Minister update Parliament on the complaints of travellers against Goundar Shipping and what is happening to Goundar Shipping since their announcement of ceasement of business last week?

HON. A.D. O'CONNOR.- Irrelevant.

HON. F.S. KOYA.- Mr. Speaker, Sir, I think the Honourable Member might be mistaken. If he checked his internet again, that was according to what we know, that was withdrawn. Apparently they have been some cyber-attack, et cetera. The Goundar Shipping has not stopped.

HON. SPEAKER.- Honourable Vosanibola you have the floor.

HON. P.W. VOSANIBOLA.- Mr. Speaker, Sir, a supplementary question to the Honourable Minister. Thank you so much for the consultations which have been carried out so far as he mentioned

on the Maritime Travellers Rights Policy. Are there any plans to carry out consultations in the provinces of Kadavu and Lomaiviti?

HON. F.S. KOYA.- Mr. Speaker, Sir, the consultations that we are going through are very thorough, we are trying to engage with as many stakeholders and citizens as possible. Those that are able to provide us with material through other means by writing in or through the internet, we welcome any submission. So, if the Honourable Member has the ability to gather some thoughts and send it across to us, he is welcome to do so and we will gladly accept them. But where we can go out and get submissions, we are doing so, Mr. Speaker.

HON. SPEAKER.- We will move onto the third Oral Question for today and I call on the Honourable Dr. Lalabalavu to ask Question No. 110/2021. You have the floor, Sir.

Confidentiality of Information – COVID-19
(Question No. 110/2021)

HON. DR. RATU A. LALABALAVU asked the Government, upon notice:

Can the Honourable Minister for Health and Medical Services inform Parliament on the measures in place to protect the confidentiality of COVID-19 vaccine registration information?

HON. DR. I. WAQAINABETE (Minister for Health and Medical Services).- Mr. Speaker, Sir, I thank the Honourable Member for that question. Mr. Speaker, as I rise to respond to the question, the COVID-19 vaccination registration system was developed by the Ministry of Communications and was rolled-out to the public on 1st March, 2021 and is one of the many digital tools employed to respond to the COVID-19 pandemic.

As you are also aware, one of the other digital tools that we have is the careFIJI App which we continue to ask all Fijians to download it because this is very helpful for our contact tracing in supporting and protecting our front-liners. This system, which is the COVID-19 vaccine registration system, since the roll-out has recorded almost 170,000 registrations from eligible Fijians and foreign nationals in Fiji. The COVID-19 vaccination registry securely verifies registrations at real time using birth information from the Births, Deaths, Marriages Registry and Citizenship and Permit Registry.

As Honourable Members may recall registration commences when the correct Birth Registration Number (BRN) or Citizen Number or Permit Number is entered with a correlating date of birth. Once these log in details are correctly filled in then each form is generated with important, critical questions. Registration can be done online prior to getting the first vaccine doze but we found that a lot of people register on the day of the vaccination and this is actually putting undue long queues at the vaccination sites.

Mr. Speaker, Sir, I urge all Fijians, if you have the means to, please register online because then it actually, be able to minimize the queues that happen especially as we also want to make sure that the vaccination sites are, one, are places where will have the spread of COVID-19 but more importantly we can then quickly go through the number of vaccinations that we have in those sites, and as we continue to receive vaccines, this is important.

The Vaccine Registration Online Portal was developed to provide for a simple, hassle free, self registration form be completed in the comfort of your homes or wherever you are comfortable with prior

to arriving at the vaccination site. This also simplifies the process for the vaccination team who then only focusses on verification of your identity prior to the vaccination and not the additional process of registering which as I have alluded to earlier, time consuming. This also meant additional persons and resources that had to be undertaken for the registration process. Therefore, I urge everyone to register online while you are going to get a vaccination site near you. Registration beforehand will also mean that you will have an expedited line therefore you will not have to wait in queues for a longer period. This will also increase the awareness and importance to register online beforehand.

Maintaining the confidentiality and privacy of the vaccination registration information is always paramount. The COVID-19 Vaccination Registry System which has been designed and developed by the Ministry of Communications is built on the privacy and security principle which means the protection of privacy of information has been embedded into the design of the system from the very beginning. The COVID-19 Vaccination Registration Scheme uses a Hypertext Transfer Protocol Security (HTTPS) protocol to transmit registration information to and from the server.

HTTPS is an industry standard encryption protocol which is used by the all secure web applications including the banking sector. The application was developed using proprietary and enterprise frameworks which is based on industry security standards and internationally recognized best practice. Only authorized Government personnel with a role in managing the vaccine programme and related administration have access to that information. And access to the vaccine information registry is limited to those with log-on rights and all access is recorded and can be audited. We use information from the vaccination register that we have identified to generate reports that include monitoring for the national coverage of the vaccine that provide evidence for vaccination status and to advise individuals when they are or were or due to receive a vaccine.

I re-echo the comments shared by the Members in Parliament yesterday that vaccination of our target population is one of the key measures towards economic recovery and the well-being of our people. With those who have registered, I thank you, and if you have not registered for the vaccine, please visit vra.digitalfiji.gov.fj.

HON. SPEAKER.- I thank the Honourable Minister.

HON. V.R. GAVOKA.- Thank you, Mr. Speaker. Mr. Speaker, can I ask the Honourable Minister if he is aware that there are certain elements within the medical fraternity who are openly showing concern about the efficacy of the vaccine?

HON. DR. I. WAQAINABETE.- Mr. Speaker, Sir, I thank the Member for the question which is different from what is being shared here. But I can assure you that our medical experts here in Fiji and also working with WHO guidance, we are very clear about the efficacy of the vaccine that we are using at the moment. We are using AstraZeneca including Covishield that came from India. We know that after the first doze of the vaccine, protection may be up to 70 percent and then, this can be further boosted to 86 percent or more after the second doze of the vaccine. In this regard, as a group here, there are experts who are working on it, together with guidance from WHO are absolutely sure that this is the way forward for us and ensuring that we have protection from COVID-19.

I think I just want to reiterate what has been said all along and Dr. Fong has said it that the vaccine actually protects us from getting sick and having the very bad sickness from the disease, including Intensive Care Unit and by doing that reducing the morbidity which ultimately reduces mortality. That has been shown by countries that have vaccinated significant portions of their individuals, the fact that

intensive admissions have dropped remarkably including those who are very sick who are needing to be looked after in the hospitals. I want to reiterate that we are as a Ministry of Health and also working with guidance from WHO, we are very clear that the vaccines that we are using has a high level of efficacy that we want to address.

HON. SPEAKER.- Thank you, Honourable Minister.

Mushroom Production and Supply in Fiji
(Question No. 111/2021)

HON. G. VEGNATHAN asked the Government, upon notice:

Can the Honourable Minister for Agriculture, Waterways and Environment update Parliament on the progress of expanding mushroom production and supply in Fiji?

HON. DR. M. REDDY (Minister for Agriculture, Waterways and Environment).- Mr. Speaker, Sir, mushroom is a growing commodity. We began major training on mushroom production in 2017. Since then we have seen quite a bit of turnaround in terms of mushroom production locally as well as export of mushrooms from Fiji. Mr. Speaker, Sir, the advantage of mushroom as a commodity is that it can be grown indoor in a cool room. That is a very good advantage except we need to establish a cool room.

Mr. Speaker, Sir, locally the tourism sector itself imports close to \$300,000 worth of mushroom every year which is around \$15,000 kilogrammes when the tourism sector does do well, when you look at another 30 percent of that local demand. So, locally there would be a demand of about 20,000 kilogrammes of mushroom in a good year.

Mr. Speaker, Sir, the two things that are critical about mushroom is, apart from the technical skill is that you need to develop your own substrate, the median on which the mushroom pores are placed and mushroom would grow. The second would be to establish a cool room.

We have got about 11 commercial mushroom farmers now at the moment that are developing their own substrate. They have established their own cool rooms and they are growing and supplying to some of the mainstream supermarkets like New World. Initially we have provided them with a substrate but to make it sustainable, we have done trainings and also on their field training to help them on how to develop their substrate.

One of the key grass that is utilized to make the substrate is juncao. So the juncao grass that we have at Legalega Research Station serves two purposes. One as a substrate for mushroom production and number two is a very high yielding cut and carry pasture for livestock. We have established juncao on their farms so that they can use that to develop the substrate and three of them we have provided them with containers. Thanks to the Government of China - Juncao Technology Programme. From that, they provided us with three containers which we have provided to three of these 11 commercial farmers. These containers, they installed air conditioners, et cetera, to manage the temperature that is required for the substrate to grow.

Mr. Speaker, in 2019, apart from supplying to the local market, in 2019 we saw about 3,000 kilogrammes of mushroom exported out of Fiji. From 2017 we ran about 27 training programmes and we are continuing with that. We are encouraging them to expand their production. We hope that more

farmers will come in and establish their own farms where they can grow the grass and then develop the technology to prepare the substrate and then develop the cool room where they do indoor mushroom farming and takeover the market and we do not have to spend \$300,000 that the tourism sector is spending to import 15,000 mushrooms per year into the country. It looks quite promising and we also see a lot of interest. We are about to launch two of the commercial ventures in the Western Division but we got caught up with the pandemic. We will do it after that and we will utilize that to show case this particular commodity of farming so that we can get more people interested in mushroom farming.

HON. SPEAKER.- We will move onto the fifth Oral Question for today and I give the floor to the Honourable Matanitobua to ask Question 112/2021. You have the floor, Sir.

Navua Fire Station
(Question No. 112/2021)

HON. RATU S. MATANITOBUA asked the Government, upon notice:

Can the Honourable Minister for Local Government, Housing and Community Development inform Parliament on the current status of the Navua Fire Station?

HON. P.D. KUMAR.- (Minister for Local Government, Housing and Community Development).- Mr. Speaker, Sir, I thank the Honourable Member for his question. The Navua Fire Station was de-commissioned on 16th December, 2020 for safety reasons. *TC Yasa* had also prompted NFA to vacate the station based on the projected path of the cyclone which was through the Central Division. Mr. Speaker, Sir, the structural integrity of the building was also in question. Assessments of the structure revealed that the building was not fit to occupy. The OHS and the Ministry of Health issued notices of closure due to the risk the building posed.

Mr. Speaker, Sir, the National Fire Authority did consider renovating the property initially. Assistance was sought from the Ministry of Infrastructure for engineering services. Engineering assessment of the building was carried out and it was established that the building was beyond repair. Mr. Speaker, Sir, while we acknowledge that this is an essential service every municipality should have, we cannot afford to repair a structure that is not feasible.

I wish to further inform the House that the Navua Fire Station building was given to NFA by the District Office on a goodwill arrangement. So this building was not even owned by NFA. The structure is actually a corrugated iron garage which underwent some improvements by NFA to serve as a fire station for the residents of Navua.

Mr. Speaker, Sir, currently the Pacific Harbour Fire Station provides services to the Navua Fire District. The Navua Fire Truck including firefighters and the equipment have been deployed to the Pacific Harbour Fire Station and Suva Fire Station. The NFA is planning to rent a suitable building for the purpose of setting up a temporary fire station for the Navua community. They have identified a residential building at Naitonitoni Road in Navua which is a minute away from the Navua CBD. The NFA is yet to carry out improvements to the temporary site to provide proper shelter for its trucks, as well as the equipment. These renovations will be carried out once the situation improves and supporting businesses and suppliers are back in operation.

Mr. Speaker, Sir, for long term vision, NFA has already secured a 99-year lease of a one-acre land in Navua for the construction of a new fire station for the Navua community. This is situated at Lot

1 Tokotoko Road which is within the CBD area. In addition, the preliminary work for the construction of the new station for Navua has already started with the design and documentation process. Mr. Speaker, Sir, I would like to reassure the residents of Navua and also the Honourable Member that NFA services will not be affected and the Navua community will be served by NFA based in Pacific Harbour.

Mr. Speaker, Sir, I also want to inform the House that in the last few years, the Government has constructed eight new fire stations in places like Korolevu, Korovou, Seaqaqa, Taveuni, Savusavu, Rakiraki, Nakasi and Lami. Nabouwalu is the ninth newly constructed fire station to be opened soon. So, during the day, Mr. Speaker, Sir, I have been hearing from the Members, “where is the money, unprecedented economic growth, money spent recklessly.”

For future, I would like to inform the Members that whenever you question where is the money, where is this unprecedented economic growth, please look around. What will you find? You will find new bridges, you will find new roads, you will find new hospitals, you will find new fire stations, you will find new school buildings, new staff quarters, you will find municipal markets, you will find new water and electricity connections, you will find new police stations and new court houses and the list can go on. So I hope that you will not ask that question in the future.

HON. SPEAKER.- I thank the Honourable Minister. We now move onto the sixth Oral Question for today. I call on the Honourable Pillay to ask Question No. 113/2021.

Housing Authority’s Debt Relief Assistance Programme
(Question No. 113/2021)

HON. V. PILLAY asked the Government, upon notice:

Can the Honourable Minister for Local Government, Housing and Community Development inform Parliament on the criteria and the number of Fijians who have benefitted from the Housing Authority’s Debt Relief Assistance Programme?

HON. P.D. KUMAR.- (Minister for Local Government, Housing and Community Development).- Mr. Speaker, Sir, again I thank the Honourable Member for his question. Mr. Speaker, Sir, the Housing Authority of Fiji introduced Debt Relief Assistance Programme in 2011 to assist home owners who could not pay their home loans.

As we know, Mr. Speaker, Sir, Housing Authority provides mortgage financing for low incoming earning customers and there are over 2,800 active mortgage customers with Housing Authority.

Mr. Speaker, Sir, the key criteria used for assessing applications are:

- (a) Home owner has retired and is over 55 years of age;
- (b) Home owner is unfit to work which is medically proven; and
- (c) Home owner is unemployed; and
- (d) The household income of the home owner is below \$10,000 per annum.

Mr. Speaker, Sir, under this policy, home owners can be assisted through various measures. For example, by writing-off full outstanding loan amount or through partial loan write off or as a temporary measure assist unemployed home owners by freezing their interest and fees on the loan balance for up

to 12 months. Mr. Speaker, Sir, the usual practice in loan business is to recover any unpaid debt through mortgagee sale of property.

However, the Housing Authority's Debt Relief Assistance Programme is an initiative to help those customers who are not able to meet their debt obligations due to genuine reasons. It is a programme to save homes from mortgagee sale. Mr. Speaker, Sir, to financially assist Housing Authority with this programme, the Government provides grant funding. The Government contribution to this programme is 50 percent of the loan amount written off by the Housing Authority and the other 50 percent comes from the Housing Authority.

Mr. Speaker, Sir, from the inception of this programme, Government has paid a total of \$5 million to Housing Authority to support the Authority's Debt Relief Assistance Programme. So far, 425 Fijian households have benefitted from this initiative at a cost of \$8.5 million. Sir, \$4.79 million has been paid through Government assistance and the balance of \$3.75 million has been met by the Housing Authority. There are currently 40 applications being considered for assistance by the Housing Authority.

Whenever the Government rolls out such programmes, Mr. Speaker, Sir, there is always a tendency that such programmes can be misused. So there are some measures and conditions put in place to prevent misuse of well-intended debt assistance programme and these are, if the home owner or his or her beneficiary wishes to sell or transfer the mortgage property within 10 years of receiving this assistance, then the total sum paid by Housing Authority is recovered under this programme. No further loans will be granted by the Housing Authority within 10 years of receiving this assistance unless the total amount is repaid to the Authority in full.

Mr. Speaker, Sir, the customers of Housing Authority who meet the criteria under this programme can apply for this assistance and the Authority will process the applications for consideration which is finally approved by the Housing Authority Board. Thank you, Mr. Speaker, Sir, that is all I have to say.

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

HON. L.D. TABUYA.- Thank you, Mr. Speaker, Sir, I just want to commend the Honourable Minister for what she has just shared about the Debt Relief Assistance especially at times as this. I just wanted to relate it to that issue to actually ask a question about young couples or couples who with their combined FNPf eligibility and have been on the list are actually able to purchase the land that has been allocated to them through Housing Authority. When they inquired, they have been told that the IFC decides on when the sale will happen. So, relating to that, what is Housing Authority doing to impress upon IFC to proceed with the sale of this land for these couples who are ready to purchase, seeing that this land has been sitting idle for a couple of years and that the Housing Authority too is really making some of the biggest loss in the history of this country.

HON. P.D. KUMAR.- Mr. Speaker, Sir, I do not know where this Honourable Member gets all this information from. It would be good if the Honourable Member just approaches Housing Authority or even she would have asked me earlier on rather than sitting with this information and with this kind of information. Let me just clarify, you would know, you are a lawyer by profession, that all this land is not IFC's land. Who are they? They are not owners of the land. The land has been developed by the Housing Authority. They have the development lease and they are the ones who will subdivide the land and they will issue it to young couples as you have mentioned if they qualify. What is the role of IFC? Sir, IFC's role in this particular instance is to assist Housing Authority in developing the documentation,

conducting the assessment for the strata apartments so that Housing Authority can develop strata apartments on all these pieces of land which has been earmarked for strata apartments. That is the role of IFC, not to own the land. The land still belongs to Housing Authority.

HON. SPEAKER.- I give the floor to the Honourable Qionibaravi to ask Question No. 114/2021.

Electricity Subsidy Scheme
(Question No. 114/2021)

HON. ADI L. QIONIBARAVI asked the Government, upon notice:

Can the Honourable Attorney-General and Minister for Economy, Civil Service and Communications update Parliament on the Government and EFL's Electricity Subsidy Scheme for households with combined income of \$30,000 or less?

HON. A. SAYED-KHAIYUM.- (Attorney-General and Minister for Economy, Civil Service and Communications).- Mr. Speaker, Sir, as far as the update is concerned, the Honourable Member would know that we had allocated in the current financial year a sum of \$5.2 million to pay for the subsidies granted to those families that earn less than \$30,000 a year.

A total of 40,182 families are, in fact, assisted through this subsidy and 779 schools are also being assisted through this subsidy in this period. However, Mr. Speaker, Sir, as we have seen now, this number has increased and of course it has also meant that the subsidy will increase too to \$6.7 million. So we will have to vire funds from within to meet the shortfall which we will be doing, of course.

Mr. Speaker, Sir, just to put into context, when we started the scheme in 2017 and 2018, an allocation of \$2.2 million was made. In 2018-2019, \$4.4 million, 2019-2020, \$5.2 million and now, of course, this year we will be paying approximately \$6.7 million. So a lot more families in fact are coming forward to register under the subsidy scheme.

Mr. Speaker, Sir, again because of the COVID measures that we have put in place, we collaborated with Energy Fiji Limited that also provided a subsidy essentially for the balance after the 51 percent that Government was paying which has meant, Mr. Speaker, Sir, that those families that did apply, they have not been paying anything for the 100 units of electricity until this ended. So in other words, they were only paying VAT.

Mr. Speaker, Sir, essentially this has meant that the EFL discounted total sum of \$6.7 million, of this total sum, \$4.92 million is being discounted for the period of April to December 2020 and \$1.84 million for January to March which is when the EFL subsidy of the other half actually ended.

HON. SPEAKER.- Thank you. Honourable Gavoka you have the floor.

HON. V.R. GAVOKA.- Thank you, Mr. Speaker. While we are on EFL, is the Honourable Minister aware that the Nadi Chamber of Commerce and industry are raising the issue that they have not received any kind of relief from EFL?

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

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, Dr. Ram Raju with due respect does make a lot of claims, some of it generally are out of context too. This subsidy is to assist families not businesses. This is, Mr. Speaker, Sir, for households. So over 40,000 households have been assisted and, of course, those households that earn less than \$30,000 a year, it is not for all households; not for rich doctors.

HON. SPEAKER.- Thank you. We will move on to the eighth Oral Question for today and I give the floor to the Honourable Kirpal to ask Question No. 115/2021. You have the floor, Sir.

Measures to Curb Road Accidents
(Question No. 115/2021)

HON. S.S. KIRPAL asked the Government, upon notice:

Can the Honourable Minister for Defence, National Security and Policing, Rural and Maritime Development and Disaster Management inform Parliament on the measures taken by the Fiji Police Force to curb road accidents?

HON. LT. COL. I.B. SERUIRATU.- (Minister for Defence, National Security and Policing, Rural and Maritime Development and Disaster Management).- Thank you, Mr. Speaker, Sir. I would like to acknowledge the Honourable Member for this question. Let me start by stating that the road fatality statistics for the last ten years was around 605. In the last five years alone, the total road fatalities was 308. Of the 308, Mr. Speaker, Sir, 114 were pedestrians, 107 were passengers of vehicles, 70 were drivers and 17 were on horses travelling by the road side. Most unfortunate, Mr. Speaker, Sir, and we can say that it is unnecessary and unwarranted as well. It can be minimized, it can be even avoided totally if we take responsibility seriously.

Causes, if I may quickly before I go onto what the Fiji Police Force is doing. Mainly as there is a lot of over speeding, dangerous and careless driving, driver fatigue and, of course, drunken driving as well to name are few. Mr. Speaker, Sir, as a result of this, it has become a KPI for the Force targeting induction in road fatalities by 30 percent, and of course if I may go again to the 308 over the last five years in 2016, we had 60. In 2017, there was an increase to 70 and in 2018, again we had 70 and then we started to decrease. In 2019 from the 70 the previous year, we had 63 again and in 2020 last year we came down to 45. So the Fiji Police Force, as one of its KPIs has made a commitment to reduce road fatalities by 30 percent.

How are we making sure that this commitment is realized, Mr. Speaker, Sir? One is through the partnerships. Partnership is very important, particularly with key stakeholders, the integrated multi-agency approach and, of course, we would recall, Mr. Speaker, Sir, the safer roads, safer vehicles and safer drivers launching that was done by the Honourable Prime Minister a few years back and of course, championed by the Honourable Prime Minister as well. That also includes the decade of actions for road safety and this has also been extended for the period of ten years to 2030.

Awareness and community engagement, this is through the school visitations, the crime stoppers programme, school patrols and awareness in the vulnerable communities as well. These activities, Mr. Speaker, Sir, have empowered those responsible so that they can be safe road users. Included with that is the joint partnership with the Police and LTA as well, particularly on the programme on the values in action for global road safety programme.

Lastly, Mr. Speaker, Sir, is on the enforcement measures. This includes the nationwide breathalyser and radar operations in most areas, the conduct of targeted operations in collaboration with LTA and, of course, also the posting of personnel on motorcycles and those on duty as well in bottle neck and choke points to ensure the smooth transition of traffic for all daily road commuting Fijians, Mr. Speaker, Sir.

In summary, Mr. Speaker, Sir, I would urge all Fijians, perhaps a key message from your Fiji Police is that life is precious and we need to respect the right to life of our fellow Fijians and we need to take our responsibility very seriously, particularly in ensuring that this can be reduced and minimised. Of course, we can also say, Mr. Speaker, Sir, that enforcement has to be seen as the very last thing and it starts with you and me and all Fijians to take our responsibilities seriously and just like COVID, we fight this together and we can help eliminate the unnecessary loss of life as a result of road accidents.

HON. SPEAKER.- Honourable Members, that is the end of Oral Questions. We have three Written Questions and I now call on the Honourable Qereqeretabua to ask Written Question No. 116/2021. You have the floor, Madam.

Written Questions

Gravel Extraction Licences (Question No. 116/2021)

HON. L.S. QEREQERETABUA asked the Government, upon notice:

Can the Honourable Minister for Infrastructure, Meteorological Services, Land and Mineral Resources inform Parliament on the number of individuals or companies holding licenses to extract gravel from the Wainadoi River?

HON. J. USAMATE.- (Minister for Infrastructure, Meteorological Services, Land and Mineral Resources).- Mr. Speaker, Sir, I will table my response at a later date as permitted by Standing Order 45(3).

Transport Subsidy (Question No. 117/2021)

HON. M.R. LEAWARE asked the Government, upon notice:

Can the Honourable Minister for Education, Heritage and Arts update Parliament on the transport subsidy and how many schools have been assisted through this subsidy by Division?

HON. R.S. AKBAR.- (Minister for Education, Heritage and Arts).- Mr. Speaker, Sir, I will table my response at a later date as permitted under Standing Order 45(3).

School Dropout – 2018-2020 (Question No. 118/2021)

HON. RO T.V. KEPA asked the Government, upon notice:

Can the Honourable Minister for Education, Heritage and Arts update Parliament on the number of school dropouts from 2018 to 2020:

- (a) in primary schools in urban and rural areas and by age and gender; and
- (b) in high schools in urban and rural areas and by age and gender.

HON. R.S. AKBAR.- (Minister for Education, Heritage and Arts).- Mr. Speaker, Sir, I will table my response at a later sitting date as permitted under Standing Order 45(3).

HON. SPEAKER.- Thank you, Honourable Members. That is the end of the Written Questions for today.

Honourable Members, I would like to thank you all for your co-operation for today's sitting and your forbearance. I also thank the Business Committee for your time today and we will now adjourn to tomorrow morning at 9.30.

The Parliament adjourned at 8.11 p.m.