

# **PARLIAMENT OF THE REPUBLIC OF FIJI**



## **PARLIAMENTARY DEBATES**

### **DAILY HANSARD**

**TUESDAY, 8<sup>TH</sup> FEBRUARY, 2022**

**[CORRECTED COPY]**

# C O N T E N T S

	<u>Pages</u>
Minutes ... ..	383
Communication from the Speaker ... ..	383
Presentation of Reports of Committees ... ..	383-386
(1) Consolidated Review Report – 2017-2018 Whole of Government Audit Report	
(2) Consolidated Review Report – Fiji Commerce Commission 2016-2017 and FCCC 2017-2018 Annual Reports	
Consolidated Review Report - Ministry of Industry, Trade and Tourism 2016-2017 and 2017-2018 Annual Reports ... ..	386-407
Review Report – 2018 Audit Report on GCCs and CSAs and 2017-2018 Audit Report on Statutory Authorities ... ..	407-443
Suspension of Standing Orders ... ..	443-444
Review Report – FNU 2019 Annual Report ... ..	445-464
Consolidated Review Report – Investment Fiji 2016-2017, 2017-2018 and 2018-2019 Annual Reports ... ..	464-472
Review Report – Fiji Airports 2018-2019 Annual Report ... ..	472-478
Questions ... ..	479-492

## Oral Questions

- (1) Update on the Strategic Management Team (Q/No. 11/2022)
- (2) Update on Visitor Arrivals – Reopening of Borders (Q/No. 12/2022)
- (3) Government Shipping Franchise Scheme - Current Status (Q/No. 13/2022)
- (4) Update on Damage to Aquaculture Farms (Q/No. 14/2022)
- (5) Special Purpose Audit on Lots Allotment – Housing Authority (Q/No. 15/2022)
- (6) Assistance to Cooperatives During COVID-19 Pandemic (Q/No. 16/2022)
- (7) Job Test for Heads of Schools (Q/No. 17/2022)
- (8) Increase in Inflation (Q/No. 18/2022)

## Written Questions

- (1) Status of Jobs for Nature Rehabilitation Programme (Q/No. 19/2022)
- (2) (Q/No. 20/2022-Withdrawn)

**TUESDAY, 8TH FEBRUARY, 2022**

The Parliament met at 9.39 a.m. pursuant to adjournment.

MR. SPEAKER took the Chair and read the Prayer.

**PRESENT**

All Members were present, except the honourable Prime Minister and Minister for iTaukei Affairs, Sugar Industry, Foreign Affairs and Forestry; honourable Adi L. Qionibaravi and honourable Lt. Col. P. Tikoduadua.

**MINUTES**

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

That the Minutes of the sitting of Parliament held on Monday, 7<sup>th</sup> February, 2022, 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.

**COMMUNICATION FROM THE SPEAKER**

Welcome

I welcome all honourable Members to today's sitting of Parliament, those present in person and those joining virtually. 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.

**PRESENTATION OF REPORTS OF COMMITTEES**

Consolidated Review Report – 2017-2018 Whole of Government Audit Reports

HON. A.A. MAHARAJ.- Mr. Speaker Sir, this Consolidated Report provides the Committee review findings of the 2017-2018 Whole of Government Audit Reports of the Office of the Auditor-General (OAG).

Mr. Speaker, Sir, this Report summarises the audit issues found in the Whole of Government 2017-2018 Audit Reports and also outlines the responses from the relevant Ministries and Departments. The review of the Whole of Government Audit Reports had focussed on the five Volumes by sector, inclusive of the remaining 2018 Audit Reports.

The Whole of Government Audit Reports included all the budget sector agencies in a consolidated financial statement. These Audit Reports include:

1. Volume 1: 2017-2018 Financial Statements of Government and 2017-2018 Agency Financial Statements of Ministry of Economy (*Parliamentary Paper No. 186 of 2020*);
2. Volume 2: 2017-2018 Audit Report on General Administration Sector (*Parliamentary Paper No. 148 of 2019*);
3. Volume 3: 2017-2018 Audit Report on Economic Sector (*Parliamentary Paper No. 147 of 2019*);
4. Volume 4: 2017-2018 Audit Report on Social Services Sector (*Parliamentary Paper No. 149 of 2019*);
5. Volume 5: 2017-2018 Audit Report on Infrastructure Sector (*Parliamentary Paper No. 150 of 2019*); and
6. Remaining 2018 Audit Reports on General Administration Sector, Social Services and Economic Services Sector (*Parliamentary Paper No. 187 of 2020*).

It was noted in the Audit Report that there were no acquisitions or disposals of controlled entities during the financial year. The Auditor-General's audit opinion highlighted that the accompanying financial statements of the Government of the Republic of Fiji which were prepared had all material respects in accordance with the 2013 Constitution of the Republic of Fiji, Financial Management (Amendment) Act 2016 and the Audit Act 1969.

Mr. Speaker, Sir, the Committee noted that the OAG had issued 37 audit opinions on the 2018 financial statements of Ministries and Departments out of which 24 or 65 per cent were unmodified opinions while 13 or 35 percent were modified opinions. This indicated that most agency financial statements did not contain material misstatements individually or in aggregate.

The Committee noted in its review that there were significant matters highlighted by the OAG which were matters of concern in which the Ministry of Economy with other relevant Ministries and Departments should have addressed.

In view of those issues, the Committee came up with few recommendations so that those relevant Ministries and Departments take serious consideration in the implementation of the audit recommendations. Mr. Speaker, Sir, some of these recommendations include:

1. Whilst the majority of Government Ministries and Departments have complied with their reporting timelines on submission of their financial statements to the Ministry of Economy, appropriate measures, however, should be in place to ensure compliance from those Ministries and Departments that continuously delay submitting their end of year financial statements.
2. The Ministry of Economy to provide oversight on the implementation of the relevant recommendations.
3. The Ministry of Economy should take the lead role in conducting regular and timely training for all Ministries and Departments Accounting Officers in the area of FMIS, Trust Accounts, Stores, et cetera.
4. Ministries and Departments should perform their reconciliation on a timely basis on their main Operating Accounts and Trust Fund Accounts, to ensure their internal control mechanisms are in place.
5. The Committee notes the work carried out by the Internal Audit and the Good Governance Division of the Ministry of Economy and recommends that adequate support be provided for efficient and effective audit conduct.

6. The Committee recommends that the Ministry of Economy, in conjunction with other Ministries, work with OAG for the reconciliation of the Main Trust Account.

Overall, the Committee commends the efforts of the Ministry of Economy in trying to address issues highlighted by the OAG. Other relevant Ministries and Department Heads should consider those issues as priority, and take appropriate actions and take their cue from the Ministry of Economy.

At this juncture, I wish to thank my fellow Committee Members, namely; honourable Ro Teimumu Kepa, honourable Joseph Nitya Nand (Deputy Chairperson), honourable Virendra Lal and honourable Aseri Radrodro for their efforts and contributions in the scrutiny process of those Whole of Government Audit Reports and in the final compilation of the Report.

In addition, it is also important to note that most Government Ministries and Departments are working towards achieving their contribution towards Fiji's 5-Year and 20-Year National Development Plan in line with the relevant SDG targets. With those words, I now commend the Report to Parliament.

(Report handed to the Secretary-General)

HON. A.A.MAHARAJ.- Mr. Speaker, Sir, pursuant to Standing Order 121(5), I hereby move:

A motion without notice that a debate on the content of the Report is initiated at a future sitting.

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

Question put.

Motion agreed to.

Consolidated Review Report - Fiji Commerce Commission 2016-2017 and  
Fijian Competition and Consumer Commission 2017-2018 Annual Reports

HON. V. NATH.- Mr. Speaker, Sir, the Standing Committee on Economic Affairs is pleased submit to Parliament, the Consolidated Review Report of the Fiji Commerce Commission 2016-2017 and Fijian Competition and Consumer Commission 2017-2018 Annual Reports.

The period of reports under review carried great significance to the organisation, as it was the year when the Fiji Commerce Commission was officially re-branded as Fijian Competition and Consumer Commission (FCCC). Mr. Speaker, Sir, FCCC plays a significant role in protecting consumer rights and promoting fair competition amongst Fijian businesses and the Committee commended the team at FCCC for successfully launching its five-year Strategic Plan.

During its deliberations, the Committee noted the various activities undertaken by FCCC during the periods under review which included; stakeholder engagements, ongoing awareness sessions, trader inspections, et cetera. While the Committee appreciates the data provided by FCCC on their activities and programmes, it made recommendations for data trend of, at least, five years be included into their future reports for better analysis.

The Committee noted that despite the ongoing awareness sessions, complaints were still being received by FCCC for various issues, such as trader non-compliance or landlord and tenant issues. The Committee believes that the formulation of more effective awareness strategies, including

collaboration with various stakeholders such as Citizens Constitutional Forum (CCF), the Financial Intelligence Unit (FIU), Department of Co-operatives and Ministry of iTaukei Affairs, as well as preparing and disseminating information packages regularly for all new and existing businesses on the various requirements under the Act would be beneficial.

Furthermore, the Committee is aware that FCCC initiated its work towards the proposed draft Landlords and Tenants Bill. Given the continuous issues surrounding rent complaints, the Committee recommends that stakeholder concerns be thoroughly considered and looks forward for the progress of the proposed Bill.

I would like to take this opportunity to extend our appreciation to the CEO and his team members for being prompt in answering the various queries and questions raised by the Committee.

Finally, I would like to thank our Committee Members who were part of the team that produced this Report: Deputy Speaker, Deputy Chairperson, honourable Veena Bhatnagar, honourable G. Vignathan, honourable Inosi Kurudrani and honourable Ro Filipe Tuisawau.

On behalf of the Standing Committee on Economic Affairs, I commend the review of the Fiji Commerce Commission 2016-2017 and FCCC 2017-2018 Annual Reports to Parliament.

(Report handed to the Secretary-General)

HON. V. NATH.- Mr. Speaker, Sir, pursuant to Standing Order 121(5), I hereby move:

A motion without notice that the debate on the content of the Report is initiated at a future sitting.

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

Question put.

Motion agreed to.

MR. SPEAKER.- Honourable Members, I have been advised that there are no Ministerial Statements today and there are no Bills for consideration as well.

### **CONSOLIDATED REVIEW REPORT – MINISTRY OF INDUSTRY, TRADE AND TOURISM 2016-2018 ANNUAL REPORTS**

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

That Parliament debates the Consolidated Report on the Review of the Ministry of Industry, Trade and Tourism 2016–2017 and 2017–2018 Annual Reports, which was tabled on 18<sup>th</sup> August, 2021.

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

HON. V. NATH.- Mr. Speaker, Sir, the Standing Committee on Economic Affairs tabled its findings on the Ministry of Industry, Trade and Tourism 2016-2017 and 2017-2018 Annual Reports in August 2021.

The Ministry of Industry, Trade and Tourism (MITT) now known as Ministry of Commerce, Trade, Tourism and Transport, plays a crucial role towards the economic development of Fiji. It has various Units and Departments within it that actively work towards creating sustainable growth of commerce and industry through innovative and sound policies that lead to improved livelihood of all Fijians.

Innovation is an essential driver of economic progress that benefits consumers, businesses and the economy as a whole, which is why the Committee is pleased to note that the Young Entrepreneurship Scheme (YES) continued to run successfully during the period under review.

Initiatives, such as the Micro and Small Business Grants (MSBG), which had over 18,000 recipients during the period under review, carry great importance, which is why the Committee recommended for stringent monitoring and evaluation mechanisms be implemented for all such projects, to ensure that applicants are compliant with the conditions under which the grants are disbursed.

The Committee commended the awareness, informal sessions and other services to co-operatives during the period of review. The year 2016 brought its own challenges for the Ministry as it was the year that Fiji had to endure the devastation caused by *TC Winston*, despite which the Ministry continued key trade negotiations, investment promotions and policy changes to enhance the business environment in Fiji and abroad.

I would like encourage everyone to have a read through MITT's Sustainable Development Goals Report which is available on the Parliament website, as part of the annexures to this Report, as it shows the significant work done by MITT during the period under review to progress towards its SDGs.

The Committee was satisfied with the overall performance of the Ministry and recognised the critical role they play in the economic development of the nation, and acknowledge the progress in the Tourism Development Plan, the MSG Trade Agreement 2, the Cooperatives, Micro and Small Business Grant and other programmes. Thank you, Mr. Speaker, Sir.

MR. SPEAKER.- Honourable Members, the floor is now open for debate on the motion.

HON. V.R. GAVOKA.- Mr. Speaker, Sir, I would like to touch specifically on the area of trade in this Report. Yesterday, we spoke at length about the ADB Policy Paper which we all know, is quite sobering in relation to our economy. And we make the point, Mr. Speaker, that our resources sector should be growing at a rate that can give us surpluses to grow the economy and also help pay our debt and bring it down to the level that we are comfortable with, which is normally about 40 percent of GDP.

Mr. Speaker, Sir, yesterday we spoke about the minerals and my colleague, the honourable Minister for Lands and Mineral Resources was very defensive and protective of his Ministry by I ask the question, how can you defend a Ministry that is contributing less than 1 percent to GDP? We want growth, Mr. Speaker, Sir, SODELPA wants growth!

Mr. Speaker, Sir, we also spoke yesterday about the fisheries sector. This is where I would like to focus my contribution this morning, on what is happening with our Tuna processing capacity in Fiji.

We have the capacity, Mr. Speaker, to process 75,000 metric tonnes a year, and there are about seven processing plants in Suva. But the problem is the supply of tuna. Fiji's water is not

ideal for tuna, but tuna is in plentiful supply in the waters of the Solomon Islands and the waters of Papua New Guinea. We ask the question that these are our MSG partners, our Wantok. Why is it that we cannot acquire tuna from their waters to fully utilise the capacity we have in Fiji?

This, Mr. Speaker, is a sad indictment on the way FijiFirst handles the relationship within the region, with our neighbours in particular. Of course, in the Northern part of the Pacific, there is also tuna in plentiful supplies, we also should be acquiring tuna from that area. So, I would ask the Government, why is it that you cannot use your relationship to enable us to secure tuna from those MSG countries and to keep our processing plants in Fiji fully functioning?

Mr. Speaker, it also goes down to the Suva Port which used to be hub of the Pacific. You have what you call, the distant fleet vessels. These are vessels from around the Pacific that used to come to Suva for resupply, for refit and the like. And there used to be about a minimum of 200 vessels a year. They have gone to Pompeii and they have gone to Pago Pago. Imagine the impact on Suva when 200 vessels a minimum, Mr. Speaker, Sir, staying for three days or four days, have relocated elsewhere.

Mr. Speaker, Sir, my friends in the Pacific have told me that there is no market in the Pacific, like the Suva Market - no market. From Port Moresby to Papeete and in between, nothing is like Suva Market. These vessels were helping our farmers in the Suva Market. I mean, there is only one aspect of it, the resupply, and there is the refuelling and the refitting, Mr. Speaker.

Mr. Speaker, Sir, we have lost this much business because we have miscalculated or mishandled our trade agreements. If this was tourism, we would have gone out to fill up the planes and fill up the hotels, and we would not have let go of this kind of business. Ask the question to FijiFirst, how is it that these vessels that were bringing so much money to Suva had been allowed to leave Fiji to go elsewhere, denying the people of Suva, the income or revenue or the money that we used to make here? Why is it? And I will tell you why.

SODELPA will bring back these vessels to Suva when we come into power.

(Chorus of interjections)

HON. V.R. GAVOKA.- Mr. Speaker, we will bring back those vessels to Suva. In the same way we bring back tourism, we will bring back these vessels to Suva, Mr. Speaker.

(Chorus of interjections)

MR. SPEAKER.- Order!

HON. V.R. GAVOKA.- That is all you hear from that side, 'hogwash.' But the fact of the matter is, if you go to Suva now, you do not see those fishing vessels anymore. They brought money into the country and he was sitting here. I do not know who convinced you to increase the wharfage charges, to increase the cost, without realising the multiplier effect on the visits of those ships.

I hope they understand the multiplier effect, Mr. Speaker, Sir. You do not let go of your business because you know it would multiply many times into an economy. They appear to have failed to understand that.

Mr. Speaker, as I have said, the ADB Report is very worrying. There is a lack of urgency on how to recover the economy. As I have called for yesterday for an economic summit, but all we have is this very passionate defence from the other side of the status quo. They are very passionate. "We



are doing well. It has never been like this before.” However, Mr. Speaker, we know that we are in trouble.

Mr. Speaker, Sir, SODELPA does not accept the status quo and SODELPA will grow the economy. The status quo will change. You are very passionate about it.

HON. MEMBER (Inaudible)

HON. V.R. GAVOKA.- Oh mining, yes. Yesterday, Mr. Speaker, the honourable Minister for Economy questioned SODELPA on why we opposed the mining of the Sigatoka River mouth. He comes from Sigatoka, Mr. Speaker. That operation would destroy Sigatoka, Koroua, Vunavutu, Nasama, Sigatoka, Yavulo, Laselase and Nayawa. He knows, he comes from that area.

Mr. Speaker, Sir, in here he is saying, “You do not want mining.” Yes, we want mining, but not at the cost of the habitat of our people or a community that have survived for generations and one of the best communities in Fiji, Sigatoka. We begin to wonder whether he really believes in being a Sigatoka person, Mr. Speaker.

That, Mr. Speaker, is a message that I would share today and I would impress upon the Government, look after your trade relationship properly. Look at the benefits of what should come to Fiji, and if something, like, the Melanesian Spearhead Group (MSG) and the Pacific Island Countries (PIC) is not working, that we are not benefiting from the relationship, then something is very, very much amiss, Mr. Speaker. And as we say in SODELPA, ‘Time for Change.’ Thank you, Mr. Speaker.

HON. CDR. S.T. KOROILAVESAU.- Mr. Speaker, Sir, I would like to rise and explain in brief the points that have been raised by honourable Gavoka. He seems to think that the transfer of tuna is a very simple matter. He brings in the challenge of our status within the Melanesian Spearhead Group and Pacific Island Countries.

Mr. Speaker, since 2017, one of our major push was to actually secure the tuna raw products to fill the newly-built freezer container at PAFCO at Levuka. The Ministry of Fisheries and the whole of Government and with the assistance of the Roving Ambassador to the Pacific, have been briefed to try and secure tuna from Papua New Guinea, Solomon Islands, Vanuatu, Kiribati and Tuvalu. But Mr. Speaker, this is a new dimension of politics. It is called tuna politics. The whole of the Pacific countries have their own by-products.

HON. F.S. KOYA.- Tell him, Minister.

HON. CDR. S.T. KOROILAVESAU.- They have their own factories. They even have limited resources to feed the factories that they have. So, all our attempts have been in vain. In every Forum Fisheries Agency (FFA) and Western and Central Pacific Fisheries Commission (WCPFC) meetings, I would call ministers from these countries and beg them. Please, provide us the raw products for our factory in Fiji. They are looking after their own financial status. Most of these countries, their national product, the actual financing of the governments constitutes 70 percent from tuna alone. They depend on it to finance the running of their countries. It is 70 percent, money that they spend on their budget is from tuna and then we have other political matters that is involved.

He is talking about the reduction in the number of fishing vessels coming to Fiji. It is not only Fiji. During the past years of COVID-19, we were not even allowed to accept vessels that are trading around the Pacific. The vessels have found it much cheaper for them to return to their mother country, unload their catch, go on the slipway, change crew, then retrofitting and come back into the

Pacific to fish. There is nothing similar to what the honourable Member is saying. He should not bring unconfirmed statements into Parliament and try and highlight facts and issues that are not factual. He must refrain from doing that. Thank you, Mr. Speaker.

HON. PROF. B.C. PRASAD.- Thank you, Mr. Speaker. My contribution essentially is going to be very brief. I note that these are reports that we are talking about, it is from 2016, 2017 and 2018. So, essentially we are looking at reports which are more than four years old. Obviously a lot of the issues that could have been highlighted at that point in time are not perhaps relevant but I just wanted to pick on because we have really looking at the review of Ministry of Industry, Trade and Tourism and maybe the honourable Minister Koya might want to address some of those issues when he speaks.

If I just look at the recommendations, really the Report does not touch much on trade or tourism and tourism is an important focus of the Ministry itself. There are a couple of points I wanted to make, Mr. Speaker. One of course is the tourism industry itself. We all know what has happened to the industry and what are the challenges going forward, you know in terms bringing some semblance of normalcy with respect to the number of tourist that will arrive in the country.

I was looking at the statistics for December and I found a big contradiction there, you know the Bureau of Statistics and as I said the honourable Minister could correct this, the Bureau of Statistics said that we received 23,000 visitors in December alone while the honourable Minister said it was 36,000 so I am not sure who is correct and the Bureau says that the whole of 2021 was more than 31,000. So, I do not know whether we are getting the correct statistics.

The other point that I wanted to make Mr. Speaker, is with respect to the tourism industry and our recovery efforts. I know this issue has been pointed out before. We have had so many changes with respect to the CEOs of Tourism Fiji and I am not sure what is happening there. Obviously there are issues that need to be dealt with.

The second point Mr. Speaker and I think the honourable Attorney-General referred to that, I think it was yesterday that there will be a lot of competition while Australia is opening up, its own domestic tourism is going to be a focus for them. We know that Australia is our largest source market and we need to look at the plans that we have to understand the infrastructure damage that we have seen and we are continuing to see with the floods et cetera especially in the Nadi area.

Apart from the fact that we hear the Ministry talk about Tourism Fiji's plans, the tourism operators and the composite efforts that is being made to ensure that our infrastructure is ready when we begin to possibly get more tourists later this year. If you look at the infrastructure around Nadi obviously damaged by floods but there are a lot of areas where I think the Ministry, the Government needs to pay attention to ensure that our infrastructure is on a regular basis looked-after in the tourism areas. I was talking to some of the operators last week, obviously before the recent floods in Nadi, many of them were concerned about the state of the infrastructure and what are the plans from the Government to ensure that it will be recovered and improved to facilitate the industry.

The other issue which the Report does not mention much, except the Melanesian Spearhead Group Trade Agreement (MSGTA) which it says has worked well and that the recommendation is that there needs to be more avenues within the Trade Agreement, improvements to see how we can facilitate trade.

Mr. Speaker, the ADB Report quite rightly points out that Fiji has been moderately successful in attracting foreign direct investment over the past decade, of course it says aided by political stability and a system of tax and other concessions. It also says that however these foreign direct

investment inflows have tended to be volatile and highly concentrated in a few sectors especially high-end tourism.

Fiji's net average, net foreign direct investment averaged 6.6 percent of GDP during 2010 to 2020 with a minimum of 4.4 percent of GDP in 2015 and a maximum of 8.4 percent of GDP in 2018. One thing, Mr. Speaker, we know and I think the Government does not seem to acknowledge it, which they should, is the role of the remittances. In 2020 alone, we had over \$652 million coming into the country through remittances and for 2021 I think it has already gone over \$700 million or close to \$800 million. Imagine if we did not have those remittances, a lot of the recovery that we might see or we expect to see or that we have seen in 2021 and that we expect to see in 2022 will be fuelled by these remittances as well.

Mr. Speaker, the point that I made yesterday with respect to a narrow base and us putting in some sense, all eggs in one basket, must bring us back to reality. And we must ensure that while we concentrate on attracting foreign direct investment which we have not been too successful in a decade. It is very low, it is modest. You know if we want to rely on high-end investment particularly in tourism and other sectors, we need to do better.

The second thing that we need to understand is that we at any cost must avoid just becoming a remittance and a tourism economy because going forward, I think for the next five to ten years, the tourism industry worldwide is going to be a big challenge and we are going to be also part of that challenge because there will be a huge competition at least in the next two or three years, so once again, we need to bring back, you know it must dawn to us now that we need to focus on broadening our economic base and not end up becoming a tourism and remittance-driven economy.

Mr. Speaker, I think the Ministry would need to do better in terms of putting out plans. It is no point producing these annual reports which come late anyway. I think every ministry and this Ministry in particular must at this point in time at least before the election, they must come out with a comprehensive 5-10-year plan as to what and how they are going to deal with diversification of the economy and promoting new industries.

We have heard a lot about tax concessions, I know yesterday the Acting Prime Minister was talking about it but these are mere talk. A lot of these is talk, a lot of these is feel-good kind of statements that we think would be building confidence. Yes, sometimes it is good to talk in those terms, make people feel good, create some confidence but at the end of the day, the bottom line will be what happens and that I think has been missing from all the public campaign that this Government has been doing with respect to what and how they are providing opportunities for new industries and new sectors so that we can broaden the base of our economy. Thank you, Mr. Speaker.

HON. I. KURIDRANI.- Thank you, Sir, for allowing me to give a brief response to the motion before the House and I thank the Committee for preparing this Report and giving some good recommendations for the Ministry.

From the outset, Mr. Speaker, Sir, I believe and I still do not understand why this Government joined together some important Ministries considered to be the drivers of our economy, for example the Ministry of Commerce, Trade, Tourism and Transport. This is considered to be the main drivers of our economy. We have just heard from the honourable Professor Prasad repeatedly saying in this House that our economy is narrow-based. We rely too much on tourism and that sentiment has been raised by economists and experts in financial matters. That is why I am saying that I do not understand if this Government relies on tourism, why has it been downgraded to a department? Why has the Ministry of Trade been downgraded to a department?

(Chorus of interjections)

HON. I. KURIDRANI.- Why a department? According to the Annual Report they are all departments. The Department of Co-operatives used to be a Ministry but now it is under the Department of Co-operative. I cannot understand, why? If we consider tourism to be the main driver for our economy then we should give the tourism the respect and the importance it deserves. Give it a full Ministry, there are a lot of honourable Members of Parliament sitting on the other side who do not have any portfolio, give it to them and distribute it to them.

(Chorus of interjections)

HON. I. KURIDRANI.- Mr. Speaker, Sir, my point here is, the Department of Tourism only has 23 staff to look at tourism which we are relying on as an economy. How can the 23 staff monitor and evaluate programmes on tourism development? That is why from the 15 years they have been in Government, we still have not reached the one million mark of visitor arrivals.

(Chorus of interjections)

HON. I. KURIDRANI.- That is it. Look at the small countries like the Maldives and Mauritius, they have exceeded the one million mark, long time ago. However, Fiji still cannot reach the one million visitor arrivals. Why? Because they are not giving the tourism ministry the respect it deserves. They only have 23 staff, so how can they monitor, evaluate and design programmes to facilitate the development of tourism?

Mr. Speaker, Sir, my second point is the Department of Co-operative. This is one area where this Government should put more focus on because of the importance of co-operatives in our country. The Committee was right in recommending the importance of co-operatives in economic development especially in the rural sector. It commends the awareness information, resources and other services to the co-operative during the period of review and urges the MCTTT to expand this service to other stakeholders, such as landowners, trustees and provincial councils. Before and I clearly remember that all villages in Fiji had co-operative stores. Why? Because this is our culture especially the *iTaukei* people, we work on a *solesolevaki* basis, co-operative basis and that is where we can grow our economy. We own land, we own resources ...

(Chorus of interjection)

MR. SPEAKER.- Order!

HON. I. KURIDRANI.- ... on a communal basis. Co-operative should be the solution in broadening and widening our economy base.

(Chorus of interjections)

HON. I. KURIDRANI.- Mr. Speaker, Sir, he does not understand what co-operative means. Look at what the Ministry has achieved in co-operatives. There is a total of 42 cooperatives in Fiji. Imagine that, only 42 co-operative organisations in Fiji. What have they been doing all this time? As I had said yesterday, they are slacking in their jobs. They are not giving co-operatives the respect it deserves. If you want to broaden and improve our economy, this is one area that you need to focus on; co-operatives.

I beg and plead to this Government, please relook at the human resource for each of these departments, especially tourism and co-operatives. They have been saying that the civil servants are

over worked. Yes, they are over worked because of what? Look at the big portfolio that they have to look after with only 23 staff. That is why 400 nurses have resigned recently. They are overworked but they are not well looked after and their welfare is not looked after.

I see the honourable Minister for Health smiling, he knows it. They are not giving the civil servants the treatment they deserve for working so hard. They come here saying that they care for the civil servants. No, they do not. They did not pay for their overtime allowance. Most of these civil servants, if you talk with them, they express their anger because of the ill treatment of these Ministers.

MR. SPEAKER.- Honourable Members, time moves on, we will suspend proceedings for a break and Parliament will resume in half an hour. I have two more speakers after this.

The Parliament adjourned at 10.32 a.m.

The Parliament resumed at 11.07 a.m.

HON. S.R. RASOVA.- *Ni sa bula vinaka*, Mr. Speaker. Thank you very much for giving me the opportunity to comment on the motion before the House by the Chairperson of the Standing Committee on Economic Affairs on the Review of the Ministry of Industry, Trade and Tourism of 2016-2018 Annual Report which was tabled on 18<sup>th</sup> August, 2021.

Mr. Speaker, Sir, along with the truth that is being said before me by my honourable Members, I like to just briefly continue. What I am trying to establish over here is the Financial Management Act. This is the 2016-2017 Report and 2017-2018 Report, and this is 2022, after four years then it comes here.

The Financial Management Act on 2017 gives you three months to draft the financial report to the honourable Minister. Five months after that he should give an Annual Report to Parliament by the honourable Minister responsible. This was even before I came into Parliament. These reports were supposed to be tabled.

The honourable Prime Minister amended the Financial Act and knowing fully well that his Government, his Permanent Secretaries, his line Ministers and Cabinet Ministers will confirm to the Financial Management (Amendment) Act of 2010, meaning that within two weeks after the end of each month or any other time specified in the financial manual, the Permanent Secretaries must provide a management report to their respective Ministers. Within two weeks after the end of each quarter, the Permanent Secretaries must submit to his or her Minister a report on the financial operations of agency as compared to the budget and the progress on the implementations on the output specified by the annual report.

We are here after four years to argue about the Ministry of Industry, Trade and Tourism Review Report 2016-2017 and 2017-2018. So, where is the transparency, credibility and accountability that this Government trumpets every time? This is unprecedented of any government for an Annual Report to arrive into this Parliament for debate after almost five years.

I hope that the Acting honourable Prime Minister and the Cabinet Ministers will take heed of the Financial Management Act that was gazetted and signed by the honourable Prime Minister, which you were supposed to conform. Unfortunately, we have 14 Reports that have come late into this Parliament. The Report has come late, that is why I say that it is almost irrelevant to argue about it.

On the report of the Cooperatives, I support honourable Kuridrani's claim on the Ministry of Industry, Trade and Tourism's formulation and implementation of policies and strategies that would facilitate growth in industry, investment, trade, co-operatives businesses, micro and small enterprises, standards and consumer protection.

The industry plays a pivotal role towards Fiji's economic growth and have designated Departments looking to specific activities. These Departments are the Economic Unit, Trade Unit, Tourism Unit, Department of National Trade and Measurement Standards Unit, Department of Co-operative Services Division.

Even though they have Trade Commissions in Taiwan, Los Angeles, Shanghai, Papua New Guinea and even though it has seven statutory authorities - the Consumer Council of Fiji, Fiji Commerce Commission, Investment Fiji, Film Fiji, Tourism Fiji, Real Estate Licencing Board and National Centre for Small and Micro Enterprises, that does not give you the right to delay the Annual Reports.

Tell your Permanent Secretaries and the Ministers to deliver these Annual Reports in time and I hope most of the Annual Reports are still delayed. It has to come here before we move out of this Parliament.

(Honourable Members interject)

HON. S.R. RASOVA.- Mr. Speaker, Sir, it has too, because that is accountability, its credibility, and that is what you people trumpet every time and the honourable Prime Minister said that in the Financial Management (Amendment) Act in 2010. He wrote it in the Gazette that you are supposed to....

HON. A. SAYED-KHAIYUM.- (Inaudible)

HON. S.R. RASOVA.- Stop laughing, honourable Acting Prime Minister. On his absence, you should trial these people...

(Laughter)

HON. S.R. RASOVA.- ... the Permanent Secretaries and the Deputy Secretaries

Mr. Speaker, Sir, that is all my contribution and I would like to thank the Committee on their Report.

HON. J. USAMATE.- Thank you very much, Mr. Speaker, Sir, for giving me the opportunity. I, first of all, would like to congratulate the Committee for the work that it has done on reviewing the activities that have been undertaken by the Ministry of Industry, Trade and Tourism, in all the kinds of work that it is doing. And in so doing, I would just like to comment on some of the issues that have been brought up.

One of the things that seems to have been discussed from yesterday and today is the need for economic diversification. As we all know, the Acting Prime Minister has talked about Fiji's history in terms of its economy where we were initially dependent upon sugar. Over time, we have developed tourism and now, we all know that our economy is becoming more of a service-based economy and you can also see that there are a lot more services that are involved. So, in fact, there has been that diversification over time.

Diversification has been taking place. We have gradually begun to move out of just dealing with private commodities, now we are doing a bit more of value addition, so that we get more out of the commodities that we are able to have in this particular country. And if you look at this particular Annual Report, you can see there is a strong emphasis now in this Ministry on the developing of the Micro, Small and Medium Enterprises. There are a lot of programmes that are there and there is also the Youth Entrepreneurship Scheme that is getting the youth involved. Not just the adults like us being involved in entrepreneurship but also the youth.

I think this is also a great diversification because that is where the future of the economy will lie when our micro enterprises will become small enterprises, then they become medium enterprises and then they can grow and they will be able to value-add to our economy as a whole. So, that is something I have been very glad to see.

As part of that, there has also been discussion about mining. I think yesterday and today, the honourable Gavoka was also talking about mining and referred to the mining of the Sigatoka River mouth. I would just like to clarify in this House that there is no mining currently being undertaken

at the Sigatoka River mouth, nor has there been a licence given for the mining of Sigatoka River mouth. The only thing that has been given is the right to explore.

The impact on the environment of exploration and mining is very different. But at the same time, before anyone gets the right to explore or to mine, they have to meet the stringent requirements of the Ministry of Environment. They have to meet those requirements. No one is allowed willy-nilly to come in and do whatever they want to do.

Very successfully, if you go now to the mouth of the Ba River where there is this great resource of Iron sands, there is a company there called Amex, which has invested more than \$140 million into that enterprise. They are mining the iron sands and at the same time, they are giving employment to people. They still have to recover the amount of money they have invested into that area.

Everything that they do, has to be done with the approval of the Ministry of Environment. While we all talk about the importance of mining, it is important also to make sure that we are talking about diversification and we talk about mining, that we support mining within the parameters of the protections provided by the Ministry of Environment.

Sometimes here in this House, we see people go anti-mining and then pro-mining. But I think for all of us, we are talking about sustainable mining. Mining is very important. Amex has been very successful and I think it is important for us. This is one particular sector, and when the economy goes down, they keep going on, they keep on their investments. An example in point is the Tuvalu Gold Mine. It has not had any productions yet, but they have put a lot of money into that mining. People have been employed through COVID-19 and they are still employed. It is a very resilient type of sector because a lot of the investment is done upfront and at the same time, the returns come much later.

I would like to add here two points for mining. The first point is, we need to be able to agree in this House to give out the message that we support this, as long as it is sustainable within the parameters that have been set by the Ministry of Environment. The messages that we sometimes get from the Opposition seemed to be mixed. Sometimes, you seem to be on for it and sometimes it is just for your own political mileage or whatever, you are against it. As a country, if you talking about diversification, we need to support it and at the same time, make sure that we take into account the interests of landowners and also the interests of the environment because the interests of the environment is the interests of the future generations of our country.

The other point is, the Ministry that we have, the Ministry of Infrastructure, at one point in time, this Ministry used to build all the Government roads. At one time, this Ministry used to look after the water supply in all our towns and services. But over time, what Government has done, it has taken the direct operational entities and placed them into bodies on their own. That is why we have created the Water Authority of Fiji (WAF), the Fiji Roads Authority (FRA), and when you do that Government then reserves the role of policy and regulation for itself and setting directions. The direct operations are put into these entities.

That is the same sort of thing we have in tourism. At one time, the Ministry would do everything, but what the Ministry is doing there in tourism, it is keeping a small team and if you look at this Annual Report, you will see all the different agencies that they have set up to do the actual operational work. This is how smart Governments work across the world. So, if you are standing and asking, "Why is it that you have 20 people in Tourism?" It is because this is the new approach. This is how we do it. The result is seen in the yield that you see.



You will see, post-COVID now, our numbers have gone up, and it is important to realise that. This is how we do a smart Government. We do not do all the operational activities. We maintain the policy, the regulatory bits, the budgeting, we control the money that is given to these entities, then we set up Boards and Ministers give policy directives to Boards. They require them to achieve the results for the money that is given to them. That is how Government is done.

No Minister here goes and does all the work of the workers in an organisation. We do not do that. I do not go and tell the people in FRA, "Go and fix this particular road." I expect them to have a framework in which they operate, that I have agreed to. You do not go and check all the drains and do all those kind of things, no! We set up entities and through strong governance principles, we make sure that they work and we hold them accountable.

As you were asking about why is it that the number of people in Tourism in that Ministry is small, because we are working smart. We are not trying to do everything. You look at the regulation, the governance and you make sure these entities do what they are supposed to do.

A smart government is the way forward, the way in which Government used to do everything is the days of the past. Looking forward, Government becomes smaller. The operational arms are outsourced and they do their work under the guidance of the Government and also through the monitoring of Government. So, that is the way forward. Thank you, Mr. Speaker, Sir.

HON. A. JALE.- Mr. Speaker, Sir, thank you for allowing me the time to respond to the Report before us for discussion. I must thank the Chairman and the Committee Members of the Standing Committee for their Report.

When you said that you are only allowing two more speakers, I was thinking that I will not have the opportunity to talk on this Report.

MR. SPEAKER.- You know, I always look after your interests.

HON. A. JALE.- I do understand that, Mr. Speaker, Sir. I will only talk about co-operative only. I know the Report has covered a lot of phases about the Ministry, but I thought that I will also speak about co-operative. When you see me, you see co-operative in me because the co-operatives paid for my education. So, that is why I have said that co-operative is so important for rural people, in particular the people in Lau.

If you do go to Lau, you will see the development of villages. These have been through the proceeds they get from co-operatives. It is quite alarming to see the number of co-operatives that have gone down to 42 only, as in the Report. I think the honourable Minister should do something about it to revive those co-operatives.

The emphasis that this Government is putting into co-operative is not the same as what was in the past. In the 1960s and the 1970s and now recently, there have been a lot put into that because there were some good reasons for doing it, and I am going to be touching on some of that this morning.

Firstly, it was a way to consolidate the people in rural areas and unite them. The word 'co-operative' is very clear, it is to bring people together, and that is exactly what the co-operatives did. It did a lot of work in harmonising the people, and get them together to focus on developing themselves. That means some of the roles that the Government was supposed to do at that time, was taken away from the Government because they were helping themselves.

The better utilisation of resources are resources in rural areas, not many, but what they were doing was to consolidate their good use. The co-operative had that role to play for them, like copra. They buy copra from the planters and then ship them to Suva, sell them and they get money from that to plough back into the development of people. But there have been some alarming trends that have been seen recently and I will quote one in respect of the province of Lau.

“People that came in to buy sandalwood from the islands. They came in and were offering very low prices for sandalwood and in some of the islands they were buying at \$10 to \$20 a kilogram. But when they came down to Ono, we got our co-operatives to be involved and our co-operatives negotiated with TLTB that they be given the sole licence to sell sandalwood from Ono.”

That was the reason why the price of sandalwood went from \$20 to \$50 a kilogram and now it is over \$100 a kilogram. And I must emphasise the importance of unity in respect of this because there are some business people that are coming in with their own agendas to get profit out of the resources of the people. We should think about those people, they do not have much resources, how can we help them to utilise and sell their resources to benefit them.

One of the good things about co-operative, it was teaching the people in the rural areas about financial management. They were taught on how to look after their money, how to run businesses. I think it was very important because most people do not understand that. But co-operatives were helping in a lot of way in doing that and most of our people in the rural areas particularly in the islands, they are elderly now but they can manage finances and be able to keep records about how their businesses are running.

There used to be a very highly expected time in rural areas when co-operative people come in to close their books. It happens once in the year when they come to audit the books, to decide how much profit they have gained during the year and how much dividend or bonus needs to be given back to the people. I am expecting a time when this will occur again, that the people work hard in order to improve their livelihood and also be able to develop their villages and settlements through their hard labour.

There are things about the weakening of co-operatives and results. I think the problem facing the coconut industry now, it is a direct result to the weakening of co-operatives in rural areas. There are co-operatives plantations that are going into ruins. There are old trees, no new coconut trees have been planted ...

HON. DR. M. REDDY.- That is not right. It is not correct.

HON. A. JALE.- That is my assessment. You can talk about it if you want to assess it.

(Chorus of interjections)

HON. A. JALE.- But the copra industry ...

(Chorus of interjections)

MR. SPEAKER.- Order!

HON. A. JALE.-... proceeds are declining and something need to be done about it. I feel that lower number of co-operatives and the weakening of the co-operatives movement in Fiji has a direct

link to the decline in the coconut industry or copra industry in Fiji. Worst still I must say, Mr. Speaker, Sir, the Government is working against co-operatives in rural areas.

(Chorus of interjections)

HON. A. JALE.- Post Fiji is directly running in conflict with co-operatives in the rural areas. They bring in their own products like sugar, flour and all those selling from Post Shop outlets. These are things that co-operatives should be doing, so that the people can get the money and I am asking the honourable Acting Prime Minister, please, look into it. You should not be doing that if you are promoting co-operatives on one-hand and then doing something to kill them, that is not right.

That is exactly what is happening now in rural areas where Post Fiji is directly in conflict with co-operatives selling the same products that they depend on to be able to survive and I am asking them, not only that, their agents and officers are being used by businesses in urban areas to be their agents in the islands and rural areas. Something needs to be done about it. I must say that co-operative means unity for *iTaukei* and rural people. Thank you, Mr. Speaker, Sir.

HON. F.S. KOYA.- Thank you, Mr. Speaker, Sir. Before I delve into the actual report, might I just quickly deal with some of the issues that have been raised. The most recent one was a topic of conversation regarding co-operatives. Once again, I think it just requires reading, it is actually written in quite a simple English. They are saying that there is only, one said there are only 24 co-operatives, one said there are only 42 co-operatives, that is very misleading, Sir, very misleading considering the Report says a total of 42 co-operatives were registered in 2017 - 2018 financial year of which 26 were cane farming co-operatives. Now, what that literally says, Sir, in that year we registered 42 new co-operatives. Misinformation on a huge part coming out of that particular direction and the correct statistic is that we have over 400 co-operatives – 42, ten times as much...

(Honourable Member interjects)

HON. F.S. KOYA.- Thank you. A very apt description by the honourable Acting Prime Minister. A Quick Draw and Quick Draw McGraw, both of them, Sir. So, 42 as opposed to 400 is the actual number for co-operatives. The fact that honourable Jale says that we should be doing a whole lot more for co-operatives, Mr. Speaker, Sir, we pay very close attention to co-operatives. As a matter of fact, I will give you a live example of how close attention we do pay.

We just had a volcanic eruption in Tonga, we have co-operatives in Lau, when the first ship that went across, I made sure and the honourable Minister accompanied them, that a team from my co-operatives department went across to check on the co-operatives in Lau. That is the kind of attention that we give to our co-operatives. You may think that you have a licence to only talk about them, I do too. I care about them and this is why we did what we did as a Government especially because it is Lau. I know he is laughing.

But, Sir, I shudder when I listen to some of the misinformation that comes up from the Opposition and gets passed on into the public space. That is wrong, Sir. That is wholly incorrect, so please correct your figures and in future it does not take much to simply ask us what is the number in terms of co-operatives. You would not come here and I would not have to do this.

Mr. Speaker, Sir, as far as honourable Biman Prasad is concerned, honourable Member, there is a question on tourism this afternoon which will answer all the questions that you actually raised earlier and with respect to the issues that were raised by honourable Gavoka, I think it is fairly well answered now in some parts. He was talking about Fiji needing to do more et cetera about

diversification and he specifically chose to talk about tuna and with very little knowledge on the industry.

The Honourable Minister for Fisheries pointed out to him that it is not about Fiji going to one of our neighbouring MSG countries and just asking them for their tuna. They have their own industries which they want to grow and they are in the same space as we are in terms of their fishing industry. We cannot just go and acquire their tuna from their waters to use because they have their own industry.

Now, Mr. Speaker, Sir, in terms of our relationship with the MSG countries and I think he again is misleading. We have a perfectly good relationship with our Pacific Island neighbours. As a matter of fact they look at us, we have put ourselves in a position and they look at us very highly. They look at us as to what Fiji has done around the world. When we speak and I know that all of us when we are in international forums, when we speak we do so also not just about Fiji, we are very protective of our neighbours and our country, MSG countries, et cetera, all of them. In every single forum and Fiji is looked upon very highly in terms of being able to protect our Pacific neighbours and our own interest.

Mr. Speaker, in terms of tourism, I think the honourable Kuridrani on the other side was talking about tourism and he said we have only got 23 staff. According to his numbers we have got 23 staff in tourism. Again, we are not paying much attention. He forgets, Sir. Most of the activity with respect to Fiji and its tourism is looked after by Tourism Fiji. There are three arms to tourism, Fiji Airways, Tourism Fiji and the private sector. He needs to realise that. We cannot have a tourism ministry on its own.

We are being smart about how we run Government so Tourism Fiji takes care of the marketing arm in terms of all of tourism activities, so he needs to realise it, Sir. You cannot blindly just turn and say it is only 23 people working there. That is just being smart and being efficient. Sir, you come from a tourism industry area and you should know that. You probably have people who are part of your own village that actually work for Tourism Fiji, so when you read these things it does not take much to simply pick up the phone and ask me. I would tell you.

Mr. Speaker, with respect to the Report, I thank the Standing Committee on Economic Affairs on its assessment of the Ministry of Industry, Trade and Tourism and the recommendations that have been put forward. Just quickly also, Sir, honourable Rasova was talking about the delay in reports et cetera, I think what has actually happened is he has gone through the Report, he cannot find any faults and he has found something that he can actually just hang his hat on just for the day. That is wrong, you should not do that.

Mr. Speaker, Sir, the majority of Ministry's budget in that particular year increased from about \$77 million to \$105.4 million and about 50 to 60 percent of that was allocated to capital projects. Majority of the capital projects were targeted to support and to grow businesses especially by encouraging MSMEs, as pointed out by my colleague, honourable Usamate. We have successfully supported young Fijians to pursue their dreams in doing businesses and under the leadership of our honourable Prime Minister, Sir, we have created an enabling environment for entrepreneurs and businesses to thrive.

So, over the last decade, Mr. Speaker, Sir, we have invested about \$100 million into 47,900 businesses and have close to, as I said 400-odd co-operative businesses which are operational, so that is not some small feat, Sir. I always say this, Sir, with respect to FijiFirst, we are focused on creating opportunities for all Fijians so we spend money for our future.

Now, you really need to understand why we invest in MSMEs and why we invest in our youth, they are actually the engine for growth for this country and you have been seeing this being successful right up until the pandemic and through this investment our businesses, we have actually pretty much created a middle income society and an entrepreneurial society. We have closed the income gap between all the different groups and Fiji now has a group of people who actually spend a whole lot of more money than they would have been able to do so before.

Some of the highlights and the key achievements with the Ministry during the period that we are talking about and that is under review, Mr. Speaker, Sir, there was a recommendation to include a detailed breakdown on YES, that is actually noted but since the inception, Mr. Speaker, Sir, we have received a total of about 685 applications and out of which we have had in the agriculture sector - 176 applications or 26 percent, wholesale retail sector by 111 and the service sector 104.

We are also happy to report, Mr. Speaker, Sir, that YES has a success rate of about 90 per cent. The Ministry has a young and a dedicated monitoring and evaluation team responsible for monitoring all our MSMEs-related projects. Since the pandemic and natural disasters, the team's role has actually expanded into doing surveys and to stay engaged with the MSMEs with regard to adherence of protocols, et cetera. We have also partnered up with other ministries such as the Poverty Monitoring Unit to undertake monitoring and evaluation and there is a joint exercise.

The results of this exercise actually speak themselves. Mr. Speaker, Sir, 75 per cent of businesses supported through our Livelihood Assistance Programmes are successfully operating and clearly illustrating the kind of resilience that we have trained them into and despite the difficult economic conditions over the past two years.

It is basically down to the fact that FijiFirst Government's investment policies had been put into the right place in order to increase employment and diversification is at the front of our minds at the moment to expand operations and graduate these small businesses to accessing a bigger package, et cetera through financial institutions. Mr. Speaker, Sir, again honourable Kuridrani turns around and says, "Why have we not a million tourists?" Let me put some numbers into perspective with respect to what they talk about in tourism.

Mr. Speaker, Sir, if we do a comparison with the Maldives, why have we not a million tourists? The statistics are, in 2019 Maldives received 1.7 million visitors and earned approximately \$6 billion. Fiji on the other hand received 894,389 and we earned about \$3.1 billion. Per visitor spend in Fiji was \$3,379 whilst the Maldives earned \$3,529. Are you really saying that we are so far worse off? Are we worse off than the Maldives? Per visitor income is approximately same but the visitor numbers are halved, so that is not a small fee.

Our tourism industry plan is actually very focused on quality tourism. It is not just about quantity so we definitely are doing something right despite the fact that him saying that we have got only 23 staff. One cannot just pluck things out of the air and say, "why have we not a million tourists?" Sir, \$3 billion-odd was earned from the tourism industry Sir. In a nutshell, Sir, the reports are unqualified, there is nothing in there that would deter and I am very happy to say that none of the earlier reports that have actually come out from the Ministry of Industry, Trade and Tourism have ever been negative.

Trade and investment also play a critical role in the development of the economy and we have seen a growth in our Trade and Investment Economic Recovery post pandemic also apart from the tourism sector will depend on trade. The region has actually further isolated from global trading partners. Our resolve also is to focus on the region. Discussions we have had recently, Sir, also centred on that and also to diversify into new goods. You would have heard yesterday the honourable

Attorney-General spoke about some other parts of the economy that we are diversifying into; the Business Process Outsourcing (BPO) sector, the light manufacturing, et cetera. It is not as if like the picture as painted by the Opposition that we are actually sitting back and doing nothing. Also with regard to agreements such as the Pacific Island Countries Trade Agreement and the MSG, that will be instrumental in strengthening our regional integration.

Our exports to the Pacific accounts for about 25 per cent of Fiji's total exports and the MSG region accounts for approximately 27 per cent of exports to the Pacific. So, you can see, Sir, that it is critical for Fiji to continue to pursue this particular market and also enable an increase market access for goods and services. Also the Fijian skills are being engaged by the MSG and Pacific countries.

The Ministry has actually continued to explore these opportunities and new markets. Another new market that has opened up for us, Sir, they are pilot for commercial exports of *kava* to Australia. It is something that we have been working on for many years has commenced. I think it was December 2020, Australia has already received what six tonnes of *kava* export of which 80 per cent was from Fiji. So that is another market for us.

We have *kava* capsules actually going into Coles and Chemist Warehouse in Australia and this is a major breakthrough for *kava* exports and diversification of the market. As a matter of fact, in conjunction with the Ministry of Agriculture, we have already had a workshop with our *kava* producers just about a week ago.

Since 2017, there has been a major increase in our ginger exports and 2020 alone, Fiji exported about a million dollars' worth of fresh and preserved ginger to Australia, New Zealand and United States while the processed one was about 2.8 weeks is being exported to Australia, Canada, Germany, Netherlands, New Zealand and USA.

The Ministry also, Mr. Speaker, with the help of the Singaporean Government worked on the re-designing of some application permits, et cetera we needed to get done. This is the beginning of some reform projects that have been undertaken with the Ministry. We also had considerable amount of work that we undertook with International Finance Corporation (IFC) and the World Bank to review our investment framework.

In 2019 the Investment Policy Statement was also endorsed and these actually sets out the overall vision of the Fijian Government. In 2021, the Investment Act was actually passed by Parliament. An Act is the region's most progressive and it completes the reforms. The Investment Fiji Act is currently under review.

In conclusion, Sir, I want to emphasise that the Ministry has broad responsibilities, I think everyone recognises that, but we have successfully undertaken all its tasks for the betterment of Fiji. This would not be possible without a very strong, courageous, young team. I wish to express my appreciation to the Permanent Secretary and the team who have ensured that the funds are all managed with full accountability and transparency. These civil servants, Mr. Speaker, Sir, have not only been responsible for prudent utilisation of funds but they have ensured the efficacy of the programmes and each dollar spent, creates values and opportunities.

HON. LT. COL. I.B. SERUIRATU.- Mr. Speaker, Sir, I just wish to contribute very briefly and of course add clarity as well to the issue about co-operatives. Let me assure all Fijians and particularly those in rural Fiji that Government is pro co-operative and Government has revived the co-operative since 2014. As Minister responsible for rural development, we liaise very closely and

in constant consultation with the Ministry of Industry and Trade about co-operative movements in Fiji.

About the reduction in co-operative, there are a few reasons but the history in this, Mr. Speaker, Sir, there was a paper years back, and I know that when I was Commissioner Northern way back in 2007-2008, the team came to Vanua Levu and all the Divisions for the closing of most of the offices in Fiji and the reduction. This was a paper written by Mr. Are Wakowako. I know that Mrs. Mataikabara was then the Permanent Secretary.

One of the reasons in the paper, Mr. Speaker, Sir, it is top heavy but there was not much happening in the co-operative back in those days for some obvious reasons which I will go to. One of the major problems that we are facing and we have to be honest with ourselves here is mismanagement. That is why a lot of co-operative movements in Fiji were closed. The same thing happening too now in postal agencies. We want the services and Government supports it, but the problem is mismanagement.

Sir, I will probably give one or two examples. When I was Commissioner Northern, I wanted to know which co-operatives were running well in Vanua Levu and I was told about the Wainikoro Co-Operative. The *Turaga na Tui Namuka* would know this very well, so I went to Wainikoro, had my first briefing. In the briefing, I knew that something was seriously wrong. I came back and told the Divisional Planning Officer that I wanted the Senior Co-operative Officer, Northern Division, my Chief Accountant and one from another Ministry to do an investigation about that co-operative. I knew from the briefing that something was seriously wrong. Mr. Speaker, Sir, we handed over the investigation to the Police, two of the management ended up in prison because of mismanagement. One is from Druarua Island, and the Co-operative Officer himself is from Yaroi. That is the problem that we have in most co-operatives.

Just two weeks ago, Mr. Speaker, Sir, when the team went to Lau as alluded to by the honourable Minister, the Co-operative Officer, Mr. Iosefo had to cancel one of the appointments that I arranged. This is another co-operative in Tailevu - the Dairy Co-operative. There is mismanagement as well in that co-operative and we are trying to revive it. This is a common issue in most of the co-operatives in Fiji but let me assure everyone in this august House that Government is pro co-operative and is reviving co-operative. As seen in the report, the number of new co-operatives that are recently established.

The Ministry of Rural Development a month ago has launched our strategic development plan. We are working with the Ministry of iTaukei Affairs and, of course, one of the key elements of that strategic plan is the economic empowerment of rural Fijians, particularly, *iTaukei*.

We will also look at fisheries and the co-operative in agriculture. In fact, Mr. Speaker, Sir, when the cluster system in agriculture was established, the intention behind that is they started as farming clusters, once they are market oriented and they have regular production, they have a buyer and through contract farming, they will then establish their own co-operatives. So, this was one of the plans but cut it short, Mr. Speaker, Sir, again we are working according to our Strategic Development Plan and working very closely with the Ministry because we want all these co-operatives to be revived and of course to be strengthen as well. We are working now with the key agencies particularly SMSEs, UN Women and UNDP for the capacity development of our people, particularly in entrepreneurial skills, some basic bookkeeping skills so that these co-operatives can survive and sustain in the long term.

HON. DR. M. REDDY.- Mr. Speaker, Sir, just a quick, short intervention. The honourable Members from the other side said that a large number of co-operatives before and the number has

come down. It is not necessary a bad sign when the number of co-operatives have gone down. The reason is this, why are co-operatives established? Co-operatives have been established because when individual farmers, I will talk from a farming point of view, do not have enough of their own resource to make the required investment that they want, so, co-operatives allow pulling of those resources. I am telling you from a practical purpose because we are with the Ministry of Industry and Trade forming co-operatives in agriculture and then they pull the resources to buy tractors. In fact, there is a large number of co-operatives being formed in agriculture over the last three years.

Mr. Speaker, Sir, going back to my earlier point, so they pull the resources to make that investment whether they would want to buy a tractor, they want to buy a new land for the group. Over time when they do well, when they now have got enough of their money, then they break up to make commercial ventures, commercial investment for individuals. You will not see a co-operative for a long period of time because they grow. If you see a co-operative for a long period of time that means there is no growth at the individual level. So, it is not a good sign, Mr. Speaker, Sir. I suggest that the honourable Members on the other side really understand full about why co-operatives are formed, how they operate over time and some of the indicators and measures to see whether they are doing well. Thank you.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, just very briefly on a couple issues that we would like to address. Obviously, I think a lot of the honourable Members of the Opposition talked about cooperatives. You got the figures wrong, you are saying 42, in fact, there are 400.

I think the honourable Minister for Defence, National Security and Policing has highlighted a very critical point, that many cooperatives actually have a lot of management issues. The Ministry of Cooperatives does work with them to try and resolve those issues.

The society is changing. Honourable Jale talked about what happened in the 1960s and 1970s. In the same way, we can talk about the sugarcane industry. It was very different in the 1920s, 1930s, 1940s, 1950s and 1960s. Those children do not actually work in the sugarcane plantations. We used to have no problems in getting access to cane cutters. We now actually have to use people from the Corrections Service to actually do cane cutting. We now have mechanical harvesters.

Society is changing, honourable Jale, and you need to keep up with the time. The younger population, a bulk of them below the age of 40 years (70 per cent) have a very different outlook towards life. People want to do their own investments.

I think, to say that Post Fiji is, therefore, undercutting cooperatives, again, it is nonsensical because many people want a regular supply of goods and services, and Post Fiji actually offers that. Does he know also that a lot of Lauans who live in Suva order through Post Fiji to send goods and services to their families in the outer islands? That is what they are using the Post Fiji for.

Mr. Speaker, Sir, there was also some talk about remittances not being acknowledged. We have repeatedly said that. In fact, the Governor of the Reserve Bank of Fiji, in their reports, the Ministry of Economy in the Budget, we have always acknowledged remittances. Of course, it is a great contributor, but that does not mean we were simply dependant on remittances. Of course, it is a great source of foreign exchange, no doubt about that, but we are not simply dependant on that.

As we have highlighted and, again, the Opposition seems to have some kind of amnesia about this or probably do not even know about it, that in the last two years, during COVID-19, 3,000 new jobs has been created in the Business Process Outsourcing (BPO) sector - outsourcing, call centres and business processing.



Today, the outsourcing sector employs 7,000 people, predominantly between the ages of 19 years and 33 years. It is a \$140 million industry in Fiji. As highlighted, we have enormous potential to grow more jobs up to 100,000 in the next 10 years and this has only been possible because of the huge investments and, indeed, the liberalisation of the telecommunications sector in Fiji. That is why Fiji has become attractive.

We, of course, have a number of natural advantages, we are exactly 12 hours ahead of Greenwich Mean Time, so the time fits us. We all speak the English Language, and Mr. Speaker, Sir, the cost of telecommunications is a lot more attractive now in Fiji because of the liberalised approach. The FCCC has done a lot of good work in that space, and as we are told, we all have neutral accent, so a British, American, Australian or Kiwi can actually understand our people.

These are the new areas of growth, and I am highlighting this, Mr. Speaker, Sir, not to take up Parliament's time, but there is so much lack of knowledge or misinformation being spread by honourable Members of the Opposition.

We now have ASPEN Medical, an Australian operator in the medical services. They went through a proper tender process. Of course, because of COVID-19, certain things have been delayed.

The Ba Hospital will be up and running in the next month. We have now gone to Lautoka Hospital where, as soon as they take over management, they will be providing open heart surgery facilities 24/7. Chemotherapy will be available. They will also be building a new wing.

Now, a lot of people have not thought about it. We have said this in Parliament. Why did we choose Lautoka, why not Suva? One of the critical issues is because we thought about the long term. Lautoka is very close to Nadi International Airport. It is easier for doctors to come and easier for medical tourism purposes.

Our people are extremely good at looking after children and elderly people. Most of you probably know relatives or friends, people who actually work in the West Coast of North America in California, who are caregivers to elderly people. A lot of them are there illegally, some of them are there legally, but they are very good at it.

So, there is enormous potential with ageing population in Japan and Australia for us to set up retirement villages in Fiji. We need them to be set up here, we need our people trained. We are currently talking to FNU to develop courses where there are recognised certification, so that our people get trained here and we have retirement villages in Fiji. No one will set up a retirement village unless you have an internationally certified full care tertiary medical facilities available. That is why it is in Lautoka. Pacific Islanders can also come there, it is very easy for them.

These what we call the building blocks of the diversification of our economy. These things do not happen overnight. The way they speak as if it should happen overnight. But, Mr. Speaker, Sir, these are some of the things that, in fact, has been done and we will continue to do so.

Mr. Speaker, Sir, I just want to reiterate what the Honourable Minister for Infrastructure, Meteorological Services and Lands and Mineral Resources mentioned and what the Honourable Minister for Fisheries mentioned in the fisheries sector.

Again, it is like saying to Solomon Islands and Papua New Guinea, if they came to us and say, "Give us your sugarcane, we are going to set up a sugar factory in Solomon Islands or Papua New Guinea." We do not want to give them our sugarcane, we want the value adding to be done here.

It is really quite prosperous to say that we have not done well just because we are not getting Solomon Islanders or the Papua New Guineans to sell us their tuna. They are not going to do that. They have their own canneries.

Mr. Speaker, Sir, similarly about mining, our main priority is the environment. As we have seen in many countries, you can actually provide that balancing act between managing environment and also being able to have some extractive sector, but it is a very fine line at times and we have to manage that.

Mr. Speaker, Sir, the last point that I would like to make is, there has not been any large scale investment, et cetera. The world is changing. A few years ago in the 1990s when Fiji had free market access to the American market, we had about 22,000 garment factory workers in Fiji, predominantly women.

When we were declared to be a middle income country, we stop getting that free market access to the US market. So, the Bangladeshis of the world and Chinas of the world, produced massive shirts - 10,000 pieces or 100,000 pieces of one shirt.

We had to remodel our garment industry. It plummeted to about 2,000 or 3,000 jobs. As we are currently working with the BPO Council, we also gave the Textile and Footwear Council of Fiji amounts of money, I think it was \$200,000 or \$300,000 for three years to carry out marketing.

Today, the garment industry employs about 7,000 people, mainly women again, but we have reengineered ourselves. We do not do mass production of one type of shirt, we do 300 pieces. We have provided the Victorian Police Force their uniforms, private schools actually get their uniforms sewn in Fiji and rugby jerseys. Before COVID, if there is a final match, it is produced in Fiji very quickly and flown away as far as the United Kingdom.

Garments that are actually being supplied now do not go to warehouses from Fiji, they go directly to the retail shop, and that is what you need to do, to reengineer yourself. That is what the Government did, we did a lot handholding. We provided the funding, work with the Australians, now that industry is now on stronger footing.

In the same way, we are doing handholding with the BPO Council. and God willing, in a few years' time, We currently are talking to a particular company, just looking and providing what we call 1,500 seats, which means 4,500 jobs because 1,500 seats in one shift and they do three shifts. So, these, again, are the new works that we are currently doing. There is actually a six star hotel that is currently looking at a location in the Yasawas. They want to start the investments and we have provided a number of incentives in that space, and obviously these things do not happen overnight.

Mr. Speaker, as I have highlighted, we need to be competitive in the tourism sector. I would like to take this opportunity, again, to highlight to all those tourism operators, please, do not take it for granted because the competition will be extremely tough. Once the world opens up, moves away from pandemic to epidemic levels, a lot of the countries will open up and will make themselves a lot more attractive.

Honourable Kuridrani talked about 1,000,000, but I think the honourable Minister for Commerce, Trade, Tourism and Transport actually highlighted that fact. It is simple mathematics. You can get 10,000 visitors and they may spend \$1,000 each, and that is \$10 million input into the economy. But you can get 5,000 visitors and they spend \$3,000 each, you get \$15 million.

We have to look at the yield. Of course, the numbers will be great to increase but you also have to look at the yield because if you have 100,000 people more, even though they will spend less, they will still need to use your infrastructure, your sewer system, roading system, electricity system, so you need to get a good rate of return. That is the point. You need to get a new rate of return, Mr. Speaker, Sir. When you get a high yield, of course, you are able to get a lot more money into the country.

So, Mr. Speaker, Sir, Honourable Jale talked about cooperatives. Again, I can mention Cicia Co-operatives, with all the issues that ended up with Cicia Co-operatives, we know that, it is very well documented in the public space and what happened there.

However, Mr. Speaker, Sir, the Ministry of Commerce and Trade has been highlighted in the 2016-2017 Report. Honourable Rasova would also know that many of the industries, even prior to many, many years ago were not actually producing their reports on time too. Of course, that is a KPI of the Permanent Secretaries. The Permanent Secretaries, of course, are employed by the Public Service Commission and these are some of the efficiencies that the Permanent Secretaries need to be responsible for and they need to, indeed, highlight, and I am sure with the work that PSC is doing, we will be able to improve those services too, Mr. Speaker, Sir. Thank you.

MR. SPEAKER.- I now give the floor to the Chairman of the Standing Committee on Economic Affairs, to speak in reply.

HON. V. NATH.- Mr. Speaker, Sir, I do not have any further comments.

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

Question put.

Motion agreed to.

#### **REVIEW REPORT – 2018 AUDIT REPORT ON GCCS AND CSAS AND 2017-2018 AUDIT REPORT ON STATUTORY AUTHORITIES**

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

That the -

1. Review of the 2018 Audit Report on Government Commercial Companies, Commercial Statutory Authorities and Other Entities, which was tabled on 17<sup>th</sup> August, 2021;
2. Review of the 2017-2018 Audit Report on Statutory Authorities which was tabled on 18<sup>th</sup> August, 2021.

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

HON. A.A. MAHARAJ.- Mr. Speaker, Sir, the honourable Acting Prime Minister, the honourable Leader of the Opposition, honourable Ministers and honourable Members of Parliament; I, as Chairperson of the Standing Committee on Public Accounts, take this opportunity to speak on the motion on the Review of the 2017-2018 Audit Report on Statutory Authorities and the Review of the 2018 Audit Report on Government Commercial Companies, Commercial Statutory Authorities and Other Entities.

The 2017-2018 Audit Report on Statutory Authorities covered the audit of 13 entities. In this regard, the Office of the Auditor-General (OAG) had raised 12 audit opinions out of which eight were related to 2017 Financial Statements, while four on the 2018 Financial Statements for the various entities.

It is important to note that the audits that were carried out on the 2017 Financial Year were issued with unqualified opinion on five or 62.5 percent of the Financial Statements audited for the various entities. However, the audits that were undertaken in the 2018 Financial Year were issued with unqualified opinion on all or 100 percent of the Financial Statements audited for the various entities.

Mr. Speaker, Sir, for Government Commercial Companies (GCCs) and Commercial Statutory Authorities (CSAs), there was no modified opinion issued for the 2018 financial year. The OAG had issued an unmodified audit opinion on all the 2018 Financial Statements that were audited for the various entities, and one of the Financial Statements that was in backlog for the various entities was issued with an unmodified audit opinion. Financial Statements of the most entities audited for 2018 were timely and of very good quality.

Mr. Speaker, Sir, it is pleasing to note that there were some outstanding performances by some entities that I would like to highlight, and these includes Airports Fiji Limited (AFL). In 2018, AFL's net profit increased by 0.5 per cent or \$300,000, compared to 2017. This was mainly due to increase in revenue generated mostly by landing and parking fees of international airport by 19 percent, domestic airport by 11 percent, domestic passenger service charge by 10 percent and rental from check-in counters by 15 percent. AFL's total profit for the financial year ended 2018 stands at \$79,212,882. Also, net asset increased by \$185,342,950 or 84 percent in 2018, compared to 2017.

In addition, there was increasing in investment made with various financial institutions by \$21 million in 2018. A total of 15 Airports altogether operated in Fiji and this includes two International airports- Nadi and Nausori and 13 Domestic airports.

Mr. Speaker, Sir, the Copra Millers of Fiji Limited made a profit of \$67,220 in 2018, compared to a loss of \$162,393 recorded in 2017.

For the Fiji Development Bank (FDB), it was noted that FDB's net consolidated asset had increased by 7.4 million or by 5 percent in 2018, compared to 2017. Fiji FDB Nominees Limited Company in 2018 recorded an increase in its operating profit by 25 percent, compared to the profit of 2017.

Fiji Broadcasting Corporation Limited's (FBCL) net assets increased by 31percent or \$4,736,768 in 2018 compared to 2017. This was mainly attributed to the increase in investments made by the company during the financial year and additions to property, plant and equipment. Mr. Speaker, Sir, FBCL has made a total of 17.97million of Capital investment in THE 2018 financial year.

Post Fiji Limited recorded a net profit of 2.32 million in 2018, compared to a net profit of \$0.47 million in 2017. This was attributed to the reduction in administration and operating expenseS by \$1.8 million or 18 percent.

The company's total income in 2018 also increased which was largely due to agency commissions from international parcels by \$1.9 million and sales revenue from Post Shops by \$0.97 million.

It was noted that the net assets increased by \$2.32 million or 22 percent in 2018, compared to 2017. This was mainly due to the increase in cash and cash equivalent by \$1.93 million.

Energy Fiji Limited (EFL), Mr. Speaker, Sir, in 2018, there was an increase in EFL's net assets by 7 percent or \$53.8 million, compared to 2017. This was mainly attributed to the increase in cash on hand and property, plant, equipment, receivables and prepayments balances. In 2018, EFL's total profit was \$79,800,000.

Mr. Speaker, Sir, Housing Authority's total comprehensive income increased by 3.1 million or 216 percent in 2017, compared to 2016- which was largely attributed to the increased in the value of Land and Buildings from the revaluation the authority had carried out for the 2017 financial year.

Mr. Speaker, Sir, Fiji Teachers Registration Authority (FTRA) in 2017 recorded net surplus of \$14, 142 compared to a net surplus of \$2,937 in 2016. An increase of \$11,205 or 382 percent. The increase in net surplus was mainly due to decrease in the Administrative expense by \$36,000 due to decrease in printing and stationary excise in Computer expenses compared to 2016.

The Fiji Higher Education Commission had signed a five year 7.3million agreement with Ministry of Foreign Affairs and Trade of New Zealand on 27<sup>th</sup> June, 2016 to improve the higher education sector in omission of internal capabilities. In the End-fact project funding variation was made to allocate \$220,000 as a diminishing assistance towards the management remuneration for three years. This variation was approved and signed off by Department of Foreign Affairs and Trade (DFAT) Development Manager and the Commission's board chairperson on 26<sup>th</sup> November, 2016 and \$100,000 was released to the Commission in the 2016/2017 financial year.

Fiji Meats Industry Board, Mr. Speaker, recorded a net profit in 2017 compared to a loss recorded in 2016. This was largely due to the sale of three acres of leasehold land to the Fiji Police Force for the construction of the Nakasi Police Station. There was an increase in net assets for 2017 compared to the balance in 2016 which was largely due to increase in cash at bank and increase in account receivables.

Mr. Speaker, Public Rental Board (PRB) in 2017, the Board's net asset had increased by \$851, 204 or 4 percent compared to 2016 and this was mainly attributed to increase in property, plant and equipment which increased as there were some additions and the capitalisation of repairs and maintenance to the properties of the Board.

The Fiji National Sports Commission in 2018, its total revenue increased by 50 percent or \$3.25 million.

National Fire Authority's net operating surplus increased by 61 percent or \$1.9 million in 2014 compared to 2013. The increase was mainly due to the increase in revenue received from fire levy contributions and Government grant during the financial year 2014. It was also noted that the Authority's net assets had increased by 41 percent or \$5 million in 2014 compared to 2013. The increase was mainly due to the increase in cash and cash equivalents. In addition, it is also important to note that most entities are working towards achieving their contribution towards Fiji's five-year and 20-year National Development Plan in line with their relevant SDG targets.

Mr. Speaker, Sir, we commend the vast contribution made by these entities towards Fiji's economy in these challenging times. This, in terms of providing of employment to our people, dividends paid to Government from the revenue generated through its operations and other contribution towards our overall GDP.

Overall, Mr. Speaker, I thank these authorities and entities for their outstanding contributions towards economic development in Fiji and this will set a benchmark for other entities to improve their performance in moving forward. With these few words, as a Member moving the motion, I thank you, Mr. Speaker. *Vinaka*.

HON. A.M. RADRODRO.- Thank you, Mr. Speaker. As a Member of the Public Accounts Committee, I stand to make my contribution in support of the motion before the House which is the Review of the 2018 Audit Report on Government Commercial Companies, Commercial Statutory Authorities and Other Entities.

Mr. Speaker, Sir, from the outset, the OAG Report has highlighted the systematic occurrence of chronic delays in the submission of financial statements by Government Commercial Companies, Commercial Statutory Authorities and those reorganised statutory entities.

The Auditor-General has highlighted that the reasons for the delay provided by the entities were mostly due to the incomplete draft accounts submitted for audit whereby it is unnerving to note that some of these backlogs date back to 11 years from the date of the audit in question being 2018. Such entities are drawn out for the attention of the Public Accounts Committee. These include but are not limited to:

- Viti Corporation Limited which had 11 years of delays in its audit,
- Food Processors Fiji Limited which had a 10-year delay,
- Fiji Investment Corporation Limited which had 13 years delay,
- Walesi Fiji Limited had a four-year delay despite being a new entity and
- Biosecurity Authority of Fiji had a delay of six years to name a few.

Mr. Speaker, Sir, from the outset, these kind of practises are unacceptable, Government-supported entities with its appointed boards and executive management cannot afford to proceed with such business practices where international standards of good governance and crucial accounting of taxpayers' funds are not considered as a priority, to ensure accountability and value for money is attained.

Mr. Speaker, Sir, I borrow from the honourable Minister for Infrastructure, his description of a smart Government. In this kind of situation what will Government do to address the chronic issues as it appears. These trends of delays in submission of financial statements to the OAG will continue. What will Government do?

Mr. Speaker, Sir, it is noted that each time the OAG highlights these various anomalies, they come under heavy attack by Government side and the various entities that they scrutinise. In essence, Mr. Speaker, Sir, the performance of these entities would not be acceptable in a commercial world and would warrant a total overhaul of the managements and boards given they have commercial targets, service delivery and the ultimate reporting authority are the line ministers or the Minister for Public Enterprises.

Mr. Speaker, Sir, whilst the OAG has highlighted the backlogs for institutions under the Government commercial companies, commercial statutory authorities and reorganised entities, I would like implore the Auditor-General to investigate why majority of the Government entities that are reported on this Auditor-General's Report are not following the new fiscal years of Government where it used to be from January to December in their financial reporting and has now changed to 1<sup>st</sup> August to 31<sup>st</sup> July. This has been something that we have been highlighting from this side of the House, Mr. Speaker, Sir. With these entities still adopting the old fiscal years of Government, this

may result in the consolidated books of Government being greatly misrepresented and will not give a true reflection and value of Government investments in these entities and the state of economy.

Mr. Speaker, Sir, the OAG has highlighted that the Fiji Roads Authority has now made necessary changes to its reporting timelines and its financial year in line with the Government fiscal year. It would be good that the honourable Attorney-General take note of the comments that are coming from this side.

Mr. Speaker, Sir, Government on an annual basis provides financial support apart from other subsidies to these entities that we are scrutinising today and it is therefore quite dismaying to note that the Tourism Fiji in 2018 had a delay of four years in their audited accounts. The National Fire Authority, a delay of four years. The Agriculture Marketing Authority, nine years delay, iTaukei Affairs Board, 16 years delay, Fiji Human Rights and Anti-Discrimination Commission, 11 years of delay, Fiji Servicemen Aftercare Fund, four years of delay and Independent Legal Services Commission, a delay of three years.

HON. A.A. MAHARAJ.- Mr. Speaker, a Point of Order! The Auditor-General's Report nowhere says how many years of delays. We have a very specific mandate that were given, review reports of 2017 and 2018. That was our mandate. That were the reports that were actually provided to the Public Accounts Committee ...

(Chorus of interjections)

MR. SPEAKER.- Order!

(Chorus of interjections)

MR. SPEAKER.- Order!

HON. A.A. MAHARAJ.-... for 2017 and 2018. Nowhere in the Report, is he saying that how many years of delays were there. We were just given this Report which we were supposed to scrutinise. Let us not go back and talk about 2010, 2016 and all those.

(Chorus of interjections)

HON. A.A. MAHARAJ.- Yes, just these ones. The ones that were given to us, we scrutinised that and we are debating that, Mr. Speaker.

(Chorus of interjections)

MR. SPEAKER.- Order, order! Honourable Member, you have heard that Point of Order. You have the floor.

HON. A.M. RADRODRO.- Thank you, Mr. Speaker, Sir. I would just like to direct our chairperson that all these delays were reported in the Auditor-General's Report, page four and page 56 - appendix one. It is all from the Report, Mr. Speaker, Sir.

(Chorus of interjections)

MR. SPEAKER.- Order!

HON. A.M. RADRODRO.- Mr. Speaker, Sir, I just want to reiterate, no more comments from this side. Let me continue, Fiji Servicemen's Aftercare Fund - four years delay; Independent Legal Service Commission - three years delay and Telecommunication Authority of Fiji - four years delay. Those are just a few, I have a whole list in the Report and probably Mr. Chairman can inform them.

HON. J. USAMATE.- He is bringing up entities that are not in these Reports.

HON. A.M. RADRODRO.- It is here, it is in the Report.

HON. J. USAMATE.- We need to limit our discussion to the entities that we are talking about in this particular Report. We need to limit our debate on what there is to be debated, not just what they want to talk about.

MR. SPEAKER.- Honourable Members, just stick to the Report. Is that the information you have in the Report?

HON. A.M. RADRODRO.- Mr. Speaker, Sir, I am lifting from the Report. Maybe the honourable Minister can just refer himself to the Auditor-General's Report. I am not complaining about the Auditor-General's Report. I can continue with the list if they want.

Mr. Speaker, Sir, there are many others that were delayed in their audits as highlighted in two of the Office of the Auditor-General Reports by one to two years. None of these delays are acceptable by any standards, no wonder the reaction from that side of the House.

Mr. Speaker, Sir, in noting issues highlighted in the Office of the Auditor-General's Report, various alarm bells ring when I see issues like resources of various entities not being utilised to full potential, withholding and incorrect financial transaction disclosures and improper record keeping to name a few. Those anomalies that has been pointed out are consistent with a lot of entities audited by the Office of the Auditor-General. Their performances present a whole set of issues that we need to scrutinise further. Do these entities have people with the right and necessary skills to perform the required roles within the entities? That is the question. Are the reforms being implemented to the entities working or should the Government acknowledge that they have failed? How long does it take to admit that the management and boards of such entities are not equipped to manage the various organisations and companies?

Mr. Speaker, Sir, I note that the Office of the Auditor-General's Report has not directly discussed workers issues, like employee recruitment, workers welfare, attendance, etcetera. Perhaps, it means that generally employees of such entities are well catered for, however, things do not add up when we note the structural and procedural errors being highlighted, which in essence will lead us to question the capacity of workmanship and leadership in summary. When we have well established companies like the Post Fiji Limited and Housing Authority highlighting that their companies are still in a process of establishing procedures, it is very alarming. Does this mean that prior to 2018, these entities were operating without proper policies, given the Housing Authority is now suggesting the implementation of a formal policy on provisioning of inventory as per the Office of the Auditor-General's Report?

Mr. Speaker, Sir, it is crucial that new management that enter into entities do not rewrite the will of existing systems. What needs to be done is simply a review of the gaps that exist in structural policies, and as such, those that warrant improvement are done so without upsetting the cart of apples and starting from scratch all over again. In my experience and work as a Public Accounts Committee in the last seven years in Parliament, the insight that I have gained has consistently highlighted that institutional knowledge within entities are not properly recorded and valued, and every time new



management enter into various entities, they present a new target and a new vision for their term of leadership, and this could be contributing to the five-eighth performances of such entities. The scripts need to be consistent and reflect long term sustainable development, not a new turn and twist at every corner.

In the two Reports, the age old problems of mismanagement is obvious, Mr. Speaker, Sir. Unauthorised use of contractors and machines continues which should result in responsible officers being investigated and removed for possible collusion and corruption, Mr. Speaker, Sir. Workers and CEOs, Ministers and boards are governing taxpayers' funds and as such any unauthorised hiring and engagement of machines of personnel must be strictly investigated and disciplinary measures warranted.

I draw out under the Water Authority of Fiji, Mr. Speaker, Sir, audit issues as per the Office of the Auditor-General Report before us, this is without a doubt a non-performing entity. They continue to engage contractors, vehicles, machines and professional services without proper authority. An accounting firm was engaged to provide a three years risk based internal services which was done on an annual basis costing \$58,000 from January 2016 to December 2018.

What is interesting is this was done without following WAF's tender processes and when asked by the Office of the Auditor-General, the response was that this awarding of internal services was a board decision. Such engagement cannot be a board decision alone. It will require a tender process to ensure the best services are provided as identified at the most competitive price. Collusion and corruption can and maybe raised in the absence of such independent processes and scrutiny when we do not follow existing financial procedures and processes which, if not done, point to a laxity in the good governance aspects of such entities like the WAF.

Mr. Speaker, Sir, the reform of the WAF much like the Fiji Roads Authority was supposed to have improved services provision and removed corruption. The best skillset was supposed to have been engaged and harnessed and yet it is evident that the reforms were a total failure. If water shortages and water cuts are a daily occurrence, Mr. Speaker, Sir, a new water connectivity despite being fully paid by customers remain unconnected two years later.

Mr. Speaker, Sir, Government has to admit that it has lost direction when it comes to infrastructure reforms and the sooner they admit that we have busted our budgets unnecessarily by increasing costs in these two entities from when it was Public Work Department.

For FRA, obviously their books are in a mess according to the Office of the Auditor-General despite the reform and the qualified audit opinion. It was noted that the Authority had not recognised the amount it was expected to collect. It was expected to pay municipal councils, for instance, \$34 million and \$22 million respectively was not properly recorded in the books of FRA as income and expenditure. These anomalies noted, Mr. Speaker, Sir, may have resulted from a legal directive to transfer all roads, drains and management from municipalities to FRA. Their transition period has likely not been done properly.

Mr. Speaker, Sir, to conclude, these entities being reviewed are Government-owned and supported and if anomalies highlighted point to systems, management and leadership problems, we have to be very weary and apprehensive over the other Government entities that are no longer under the audit review of the Office of the Auditor-General's ambit.

I trust Government will not go through these processes for the sake of presenting OAG Reports as if it is required by law but they take corrective measures to ensure proper utilisation and

accounting of the people's money. I repeat, Mr. Speaker, Sir, they need to take corrective measures to ensure proper utilisation and accounting of the people's money.

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

The Parliament adjourned at 12.35 p.m.

The Parliament resumed at 2.34 p.m.

MR. SPEAKER.- Honourable Members, we will continue with the debate on the motion.

HON. PROF. B.C. PRASAD.- Mr. Speaker, Sir, the Public Accounts Committee deserves our thanks for these Reports. Although the Committee reviewed these Reports with the Auditor-General and since then Mr. Speaker, Sir, many interesting scenarios have unfolded and they are very important. They unfolded after this Report was compiled and tabled in Parliament in August 2021.

The findings of the Auditor-General in the Report reviewed and noted by the Committee as well as its audit of the Government Commercial Companies, statutory organisations and other entities following the scrutiny for 2018 has led to far more serious issues. Of course, Mr. Speaker, Sir, we have been hearing particularly from two entities listed in the report - the Fijian Broadcasting Commission (FBC) and Walesi Communications giving their own spin to the so-called objectives and how wonderfully they have performed.

Mr. Speaker, Sir, I mentioned these two entities because in the last decade, both have jointly been allocated about \$150 million of taxpayers funds in grants. Walesi has been granted until the end of this financial year \$67 million while FBC has been allocated over \$80 million in the last decade and in this Auditor-General's Report, Mr. Speaker, Sir, reviewed by this Committee, FBC shows a profit of over \$4.7 million just because they got \$11.3 million in grants from Government under the guise of Public Service Broadcast fees for television and radio. This, of course, has been treated as revenue or income and not a capital grant and, of course without it FBC would have recorded a loss of almost \$7 million for 2018. This is similar to a profit as we saw before declared by the Fiji Sugar Corporation a few years ago because it received a last minute injection of around \$50 million in taxpayers funds.

So, these are essentially Government grants given to those organisations which then translates into profits. Worse, Mr. Speaker, FBC has now for all intents and purposes become a State or Government broadcaster instead of a national radio and television service provider and that too after consuming \$80 million of public funds. From a mere \$1.5 million before the *coup* in 2006, 15 years ago in grant, this Government has raised the bar to \$11.3 million. We only saw a little dip in the current budget and the amounts still stands at an extremely high of \$9.3 million.

One wonders, Mr. Speaker, Sir, why the exceptional rise in Government grants? What is the nature of the Public Service that FBC provides which benefits the entire nation or is this like exclusive print advertising by Government in the *Fiji Sun*, another excellent example of exclusive beneficiary of taxpayers' dollars and no prizes for guessing that *Fiji Sun* is also a Government rag a propagandist?

Then there is Walesi, a 100 per cent taxpayers own communications body which is listed as having a revenue based of \$30 million on a United States Analytical site called Dun & Bradstreet. Walesi's board chairman, Mr. Robert Khan is listed as the principal despite not owning a single share in the organisation. The question is, why? Is this a mistake? Is this erroneous as claimed by Walesi a week after the NFP revealed this information through honourable Lenora Qereqeretabua and I want to ask, has it been corrected if it was wrong?

In terms of this Report, Mr. Speaker, Sir, if Walesi's income is in the millions of dollars, why the financial statement as pointed out by my colleague honourable Aseri Radrodro were not presented for four years? The Committee could not scrutinise Walesi because it did not provide anything to the Auditor-General until this report was compiled. However, Walesi has been in the news lately and that has led to a scenario never before witnessed in our history since the enactment of the Audit Act over 50 years ago in 1969. Way past the completion of this Report by the Public Accounts

Committee is the stunning development of a Commission of Inquiry into the Office of the Auditor-General announced by Government on 31<sup>st</sup> December, 2021. We will not die wondering why.

The Auditor-General's Reports because of this tabling in Parliament with rapidity, made the news, and the news was not very pleasing for this Government. It mirrors Government's interference through amendment of Standing Orders, the change in provision since Independence of an Opposition Member always chairing the Public Accounts Committee.

However, what was announced on New Year's Eve, Mr. Speaker, is far worse than anything else in terms of transparency and accountability. A Commission of Inquiry into the Office of the Auditor-General, just for doing his job as an independent constitutional office holder.

And any government worth its salt must ensure that the Office of the Auditor-General remains independent under credentials of the Chairman of the Inquiry, Mr. Speaker, is highly questionable. His role, you and I both know, in the biggest financial scandal in our history, at least, that is what the honourable Minister for Economy says, the National Bank of Fiji collapsed, is never mentioned at all by the Government announcement of the inquiry. Why?

Mr. Speaker, Sir, it suits the honourable Minister for Economy and the Acting Prime Minister now, and his devious agenda to lay the blame squarely on the shoulders of the then Prime Minister, Sitiveni Rabuka. Yesterday, he referred to Mr. Rabuka as piped piper.

Mr. Speaker, Sir, the Acting Prime Minister is obviously frightened that the former Prime Minister and former Leader of the Opposition has become a formidable political opponent by attracting a large chunk of support away from FijiFirst. And this is forcing the honourable Attorney-General and his Party to scurry all over the country because they fear being buried in the political grave like ....

HON. A.A. MAHARAJ.- A Point of order, Mr. Speaker, Sir.

Mr. Speaker, Sir, we are debating about GCCs, Statutory Authorities and CSAs. I do not know what Rabuka has to do with it. I do not know what Election has to do with it. I do not know what the National of Bank of Fiji has to do with it and I do not understand what the Acting Prime Minister has to do with it.

I request honourable Professor Prasad to remain on the subject. Please, debate the Report that is before Parliament.

HON. PROF. B.C. PRASAD.- Mr. Speaker, Sir, I am perfectly on the subject and I can see that the honourable Member is complaining like a little kid who has lost all his lollies.

Make no mistake, Mr. Speaker, their fear is genuine and will become a reality after voters give their verdict because we now see the honourable Attorney-General and Acting Prime Minister and most of his silent 25, aided with equally silent replacements who are scattering away like the bullets that honourable Minister for Commerce, Trade, Tourism and Transport talked about yesterday, failing to hit the target because they are shooting blanks. A good example of shooting blanks is not giving the full credentials of the Chairman of the Commission of Inquiry into the Office of the Auditor-General. The Chairman, as we all know is, Winston Thompson.

HON. A.A. MAHARAJ.- A Point of Order, Mr. Speaker.

HON. PROF. B.C. PRASAD.- We know that, Mr. Speaker, Sir.

HON. A.A. MAHARAJ.- Mr. Speaker, Sir, the Commission of Inquiry into the Office of Auditor-General has nothing to do with the Report that is before Parliament. I request the honourable Member to refrain from bringing all those things to this debate. It is as simple as that. Now, he is behaving like a kid and not understanding what is supposed to be debated and what is not.

HON. PROF. B.C. PRASAD.- Mr. Speaker, Sir, the Report is from the Office of the Auditor-General, and this Parliament has all the right to talk about the inquiry into the Office of the Auditor-General.

The credentials of the Chairman of the Commission of Inquiry. Mr. Winston Thompson was the Chairman of the National Bank of Fiji Board from 1992 to 1995 until replaced by the Rabuka Government after the discovery of the financial scandal that the honourable Attorney-General raises time and again.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, a Point of Order.

MR. SPEAKER.- Point of order!

HON. A. SAYED-KHAIYUM.- Sir, we had discussed this matter in the Business Committee meeting about the Commission of Inquiry. I did alert the honourable Member, who continuously refuses to come to the Business Committee meeting when he is a permanent Member, sending honourable Qereqeretabua all the time. I urge him to read, please, the Commission of Inquiry Act and the boundaries that you need to actually adhere to once the Commission of Inquiry is put in place by His Excellency the President.

Mr. Speaker, Sir, if he continues to do that, I urge him to go and say that outside because he will be in breach of the law and that is precisely what he is going to do now. The Commission of Inquiry is independent to this particular report that is before the House, and he is now trying to use this Parliament to slander the Chairman of the Commission of Inquiry. That is what he is doing, that is the path that he is following now, Sir.

MR. SPEAKER.- Honourable Professor Prasad, just stick to the Report.

HON. PROF. B.C. PRASAD.- Mr. Speaker, Sir, this Parliament has all the right, no one in this country is above the law, including His Excellency the President. And if a Chairman of the Commission of Inquiry has a credibility, a record problem, then this is the forum that needs to know. This man was the Chairman of the NBF Board...

(Chorus of interjections)

HON. A. SAYED-KHAIYUM.- Point of Order, Mr. Speaker, Sir.

HON. PROF. B.C. PRASAD.- ...who ignored the Auditor-General's Report at that time.

HON. A. SAYED-KHAIYUM.- Point of Order!

HON. PROF. B.C. PRASAD.- Do not yell!

HON. A. SAYED-KHAIYUM.- Because you cannot hear, you are so far at the back. The next thing, you will be out of the door this year.

MR. SPEAKER.- Order, order!

HON. PROF. B.C. PRASAD.- You wish, you wish!

HON. A. SAYED-KHAIYUM.- You will be my friend, you watch it.

HON. PROF. B.C. PRASAD.- You wish! Do not threaten!

MR. SPEAKER.- Order!

Honourable Member, while that process is in the process, it should not be touched by anyone else. It is not a matter of who is not above the law, that is the normal procedure, and you know that. Every Member in this Parliament knows that. So, you have the floor but stick to what is on the Agenda.

HON. PROF. B.C. PRASAD.- I do not take the threat from the Acting Prime Minister. He should stop threatening me.

HON. A. SAYED-KHAIYUM.- We leave you to get voted out, it is not a threat.

HON. PROF. B.C. PRASAD.- While you wish and you should think about that as well.

Mr. Speaker, Sir, as we heard from honourable Aseri Radrodro, I mean the details that he provided is actually a very, very sad indictment of the way in which this Government has been functioning. And it shows the kind of transparency and accountability that they want. No wonder, the Code of Conduct Bill has not been enacted, although it was introduced in April 2006, revived in 2018 post-Elections and still gathering dust. No wonder, the Accountability and Transparency Commission has not been appointed due to that deliberate delay in enacting the Code of Conduct legislation.

Mr. Speaker, Sir, yesterday, the honourable Acting Prime Minister in his capacity as Minister for Economy, kind of, subjected us to his own curriculum about economy, about their transparency and accountability, and last night he talked about financial reporting standards, saying we do not demand reports of unions and organisations, the Women Crisis Centre, FRIEND, FPSA, to be in Parliament.

HON. A. SAYED-KHAIYUM.- No, I did not say that.

HON. PROF. B.C. PRASAD.- Reports of these institutions are provided.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, Point of Order! He is again misleading Parliament. I did not say that Parliament does not demand those reports from those organisations. What I said, Sir, was that, those organisations do not get audited by the Office of the Auditor-General. They get audited by other accounting firms. Does that mean, just because it is not being audited by the Office of the Auditor-General that their accounts are not credible? That was what I said. Do not mislead Parliament!

HON. PROF. B.C. PRASAD.- Mr. Speaker, Sir, I think the honourable Acting Prime Minister is further confusing himself.

HON. A. SAYED-KHAIYUM.- No, you are!

HON. PROF. B.C. PRASAD.- Yesterday, he talked about some organisations which are not being audited by the Office of the Auditor-General, therefore, the reports do not come here.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, a Point of Order, again. I did not say that. The *Daily Hansard* will reflect that.

HON. PROF. B.C. PRASAD.- You said that.

HON. A. SAYED-KHAIYUM.- I did not say that. Sir, I know the words I uttered.

MR. SPEAKER.- I follow.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, what I said, once again, for him to be able to comprehend and I will speak slowly, that these organisations that I had mentioned do not get audited by the Office of the Auditor-General, they get audited by audit companies. Does that mean, just because they are not audited by the Office of the Auditor-General, that their accounts are not credible? That is what I said, it was a question. However, he is saying now that what I said yesterday was that that should be presented to Parliament, I never said that. I know that. He is, again, misleading Parliament.

HON. PROF. B.C. PRASAD.- Mr. Speaker, Sir, if Fiji Sugar Corporation and Fiji Ports Corporation Limited reports can be tabled in this Parliament, why not Fiji Airways'? He has constantly denied bringing the Fiji Airways reports to Parliament or Air Pacific, trading as Fiji Airways Annual Reports tabled in the people's Parliament. So there is still this contradiction. Why are we asked to get the reports from the company's office in case of Fiji Airways? What law prevents tabling of Fiji Airways reports on the floor of Parliament, Mr. Speaker?

The honourable Acting Prime Minister also gave his own interpretation of the Asian Development Bank Classification Report of 2021. As the honourable Usamate always says, "no amount of hogwash can now camouflage the truth", and the truth is, Fiji's economy and debt levels are like a decaying egg, shiny on the outside, but rotten inside. That is the ultimate truth, Mr. Speaker, Sir.

I want to respond to what he said yesterday, the reclassification of Fiji's status means we are a step away from hitting the rock bottom. The honourable Minister for Economy's claim that reclassification is because we are being ravaged by the climate change, therefore, need access to concessional loan, is not the single most important reason provided.

Mr. Speaker, Sir, Fiji has been reclassified for the following: The substantial and sustained deterioration in Fiji's public debt ...

HON. A.A. MAHARAJ.- A Point of Order, Mr. Speaker.

HON. PROF. B.C. PRASAD.- Again, Mr. Speaker, Sir, they are complaining like little kids.

HON. A.A. MAHARAJ.- Mr. Speaker, Sir, I really do not understand how many times we, from this side, actually had to stand up and tell the honourable Member that he should stick to the two Reports that are being debated. He has been uttering all these nonsense for a while which is not part of this Report. Let us not waste the time of Parliament and of the honourable Members, it is almost 3.00 p.m., so let us stick to the Report, debate on the contents of the Report and let us proceed further. He needs to understand that he needs to stick to the Report, Mr. Speaker, Sir.

MR. SPEAKER.- Honourable Member, take note of that.

HON. PROF. B.C. PRASAD.- Mr. Speaker, Sir, look who is talking?

In this Report, Mr. Speaker, as you had allowed quite rightly, we do respond to issues that have been raised by honourable Members previously. So, it is about the Report and I do not know why they are complaining like little kids, again.

Mr. Speaker, Sir, Fiji has been reclassified for the following reasons:

1. The substantial and sustained deterioration in Fiji's public debt sustainability (that is what the ADB says).
2. The downgrade in Fiji's long term sovereign credit risk by Moody's Investors Service and Standard and Poor global rating (S&P), to highly speculative, reflecting a longer term deterioration in Fiji's sovereign ratings.

Why has ADB done this? They have pointed this out very clearly. Fiji's poverty rate has been rising, even before the outbreak of COVID-19.

1. As at February 2020, poverty had increased to 29.9 per cent, and we have talked about this, despite Fiji enjoying what the honourable Minister for Economy says, unprecedented growth.
2. The economy declined by 04.4 per cent in 2019 before COVID-19 and 19 per cent in 2020 according to ADB.

We were told it was 15.2 per cent, RBF projects a 4.1 per cent decline in 2021. Even if we take figures of ADB for two years, the economy declined by 19.4 per cent. And if we add RBF 2021 forecast, we end up with a 23.1 per cent decline in three years, compared to a modest average growth of 3.1 percent from 2015 to 2019.

HON. A.A. MAHARAJ.- Point of Order, Mr. Speaker. Sir, I ask for your judgment to ask this honourable Member to actually stop this nonsense in this Parliament.

The ADB Report is nowhere mentioned in this Report. We seriously do not understand what he is talking about. Economy about 2020, he is talking about, the decline in economy that he is talking about is not in this Report. He needs to stick to this Report, Sir and I ask for your judgement to ask the Member to either stick to the Report or sit down.

MR. SPEAKER.- Honourable Member, I have asked you to stick to the Report.

HON. PROF. B.C. PRASAD.- Mr. Speaker, as I said earlier I am not defying you. I understand what you are saying but I am actually quite surprised when we speak from this side, they have an opportunity to respond, this is what the debate about these reports are and therefore we have the opportunity, I mean the Acting Prime Minister always speaks last and he says things that we have an opportunity when we have another opportunity to respond to, so I do not know what is the problem with these guys. What is the problem with these guys that we are responding to what the honourable Minister said? But let me come back to the Report as he wants.

In his own presentation, Mr. Speaker, the Chairman of the Public Accounts Committee and we all know what his role is as the Chairman of the Committee because he is a Government Member, he is an Assistant Minister and what he did in his presentation of the Report was to gloss and say these entities made profits and then comes honourable Aseri Radrodoro, who is a Member of the Committee and lays all the facts bare and how bad, how bad and how delayed the reports were. He talked about examples of mismanagement, tender not being issued properly by people who are chairing those boards and he stands up and says we cannot talk about this.



It shows Mr. Speaker, how irrelevant the Chairman of the Committee has become in terms of scrutinising the OAG Report. The OAG, Mr. Speaker, in any country, any government worth its salt, any government which has an iota of shame about good governance or bad governance will ensure that the OAG reports and office remains independent. What honourable Aseri Radrodro pointed out, Mr. Speaker, shows the sycophantic approach in the governance of this country. Many of these people who are chairing those boards are donors of FijiFirst and they are not responding to what they should be doing in terms of producing timely reports.

Mr. Speaker, what we heard in Parliament today from a Member of the PAC, Mr. Speaker, you know they should hang their heads in shame. They have been gloating about good governance. They have been gloating about transparency and accountability, yet this is the Report which points out how these entities have been functioning and that is why, Mr. Speaker, the independence of the OAG and any attempt, you know yesterday we had both honourable Koya and the Acting Prime Minister again attacking the OAG and ability to do its job thoroughly.

Mr. Speaker, the NBF scandal happened because the chairman of the board at that time ignored the advice of the Auditor-General, Ramesh Dutt. In 1992 and 1993, the then Auditor-General, Ramesh Dutt warned the chairman and the board of NBF that the loans that they were giving was not sustainable and that it was going to lead to the collapse of the bank. In fact, they keep blaming Rabuka but to his credit when he found out, he actually removed the board. He removed the board. He removed the board. You know he does not know, he does not know. He should read this Report.

Mr. Speaker, I can tell you, the Acting Prime Minister has read this. I know he knows everything about what happened in NBF and here is a man, you know the hypocrisy is incredible. Incredible! Incredible because he knows what happened and it was Mr. Speaker, the result of the board ignoring the warnings of the Auditor-General's report and in fact the NFP Leader in 1994, he called for an inquiry into the NBF, so when they ...

(Honourable Member interjects)

MR. SPEAKER.- Order, order!

(Honourable Member interjects)

HON. PROF. B.C. PRASAD.- When they talk about the collapse of NBF, Mr. Speaker, they forget, in fact all of them should go and get a copy of this and read the whole report about NBF. They will know what happened, Mr. Speaker, Sir.

(Honourable Member interjects)

MR. SPEAKER.- Order, order!

HON. PROF. B.C. PRASAD.- And that is why, that is why Mr. Speaker, you know for years and years the Public Accounts Committee, the Office of the Auditor-General, these are sacrosanct, you know committees for good governance and any government which tries to tinker with them, which does not take it seriously and which...

(Honourable Member interject)

HON. PROF. B.C. PRASAD.- and which appoints a chairman who was responsible for the collapse of the NBF ...

(Honourable Members interject)

MR. SPEAKER.- Order!

HON. PROF. B.C. PRASAD.- You have serious questions, Mr. Speaker and I want the Acting Prime Minister to for once honestly read this report and think about the people that they are using in government now to do the work for them. There is a theory, you know honourable Dr. Reddy would know this, it is called State Capture, Mr. Speaker. When you have a group of sycophants, you know who work for the government, who sit on boards, who influence government policy for their own interest ...

(Honourable Member interjects)

MR. SPEAKER.- Order, order!

HON. PROF. B.C. PRASAD.- Then you know Mr. Speaker, that the nation is heading towards a collapse of its governance system and I think that is what we are heading towards because we are not respecting the independent institutions and those independent institutions whose heads are saying all the nice things, good things about them, they are fine but the moment they say something which is unpalatable, which is not good, which does not look good for the Government, they go for them.

I would urge the Government to stop being vindictive because their time is over, soon they will be out of Government, they should leave a legacy. They should try and leave a legacy of good governance and a good practice because we are all here temporarily in this position in power and what we must do is leave some kind of legacy. Thank you Mr. Speaker.

HON. M.R. LEAWARE.- Thank you, Mr. Speaker, Sir. I will very briefly touch on the statutory authorities especially on the Fiji Teachers Registration Authority (FTRA) and the Fiji Higher Education Commission. I take this opportunity to contribute to the motion on the Public Accounts Standing Committee Report on the Review of the 2018 Audit Report on Statutory Authorities. I will contribute on two entities that I have mentioned, the FTRA and the Fiji Higher Education Commission.

Firstly, Mr. Speaker, Sir, when we look at the Fiji Teachers Registration Authority, it was noted that the annual returns were not submitted to FTRA as per the FTRA Act 2008 which should be done before June of every year. Therefore, the auditors were not able to ascertain the completeness of the registration fee of \$197,381 as disclosed in note 1.2 (h) of the financial statements in the Report. This issue could have been addressed if the Ministry of Education updated its registered teachers record and reconciled with FTRA in a timely manner. And this goes on to say, Sir, that the FTRA and the education officers in the district are not working together as far trying to find the teachers that are needed in the districts and hence the consequence is that most of the schools either do not have enough teachers or some are overstaffed.

Mr. Speaker, Sir, it was noted in the Report that due to the absence of the FTRA board and the CEO, the Authority was unable to produce its annual report since 2016- 2017 financial year. The Authority is yet to submit the 2016 - 2017 annual report to the Ministry contrary to Section 47 of the FTRA Act 2008 which states that the Authority is to submit an annual report to the Minister by 30<sup>th</sup> March the following year on its activities for the last financial year.

Mr. Speaker, Sir, the Authority has lacked strategic direction and this may be caused by the unfilled positions in the executive management and at board levels to be the frontline in FTRA

operations. That brings into question the issue of OMRS because we need to have the right people at the right place so that they can carry out the work and to avoid all these discrepancies. On the FHEC, the delays in the finalisation of its financial statements, the audit of the financial statements of the FHEC for the year ended, 31<sup>st</sup> July, 2017 was finalised after the above deadline due to the Commission submitting its draft financial statements four times.

Sir, the non-inclusion of audit adjustments for 2016 in the draft accounts of 2017 and the lack of relevant notes and discrepancies or disclosures in the draft financial statements of 2017 led to resubmission of 2017 financial statements and that was a double job. The high number of resubmitted financial statements will eventually delay the finalisation of the audit. This also implies that the Commission will be lacking in depth in financial reporting. Again, that comes to mind that the Government should take heed of these and that we should have the right person for the right job especially for the job that is in question here.

Mr. Speaker, Sir, given the root cause of the issue raised in the Audit Report, we from this side of the House always raise that OMRS is a mess and this largely contributes to all the audit issues raised every year. When we look at these issues raised by the OAG in all its audit reports, it is all related to the basic accounting reporting skills and knowledge. Internal control issues that can be easily addressed by experienced accountants and that is if we have right people to do the job, so when we lose experienced people, Mr. Speaker, Sir, we also lose knowledge and skills with them. Given the issues raised, there is a need for more in-house training to be conducted to all accounting personnel so that everyone understands the required reporting standards or IFRAS and have clean books in its annual financial reporting in moving forward.

Mr. Speaker, Sir, the Committee recommendations on the FHEC. The Committee noted the issue that was raised and recommends that FHEC conducts an ongoing in-house training on financial reporting. Not only that, there should be incentives given to the staff to ensure that they are well-prepared in terms of having to carry out the work that is required, especially at the FHEC. On that note, thank you very much, Mr. Speaker, Sir.

HON. J. USAMATE.- Mr. Speaker, Sir, first of all, I would like to say my appreciation to the Public Accounts Committee. They have done a good job in going through the Report and presenting to us. I think the work of auditors is always an important task and it is something that we in Government always appreciate, because it is important for us to understand to have an independent third party to look at the books of an entity and give us reports. For me, as the Minister responsible for infrastructure, it is always good to read these reports, to look at the audits that are done by the Office of the Auditor-General to see the kinds of recommendations that they have come up with and what they identify as things that need to be improved.

I think there is a lot of good things, good learning that we can have from the reports that are given. It gives us an opportunity to reflect because as I said earlier this morning, the current systems that we have now is one in which Government does the policy setting, the regulating and the monitoring, but we expect these entities to be able to deliver services on behalf of Government and for the people of Fiji. That is why the boards are set up, there is a governance structure in place and is always good to have an independent third party to tell us what is working and what is not working. That is basically what this report is, and I think that is something we appreciate. We appreciate the works that was done by the Committee and I think there are a lot of things to be learnt here.

Both the entities that we have in the Infrastructure Sector that are part of this, Water Authority of Fiji and the Fiji Roads Authority were initially part of the Ministry itself. When they were decoupled from the Ministry, there was quite a lot of turmoil that took place at that time to be able to move out from being a government department in order to become a statutory body on its own. I

recognise the efforts of my Ministers of Infrastructure who have gone before me that oversaw that particular process. In that process, there were a lot of issues that had to be worked out. When you give birth to a new entity out of an old entity, there are always things that you need to work out. The processes have to be made right, the culture has to be put in place and I think that was still being reflected over this time.

As you give birth to a new entity, it takes time to get rid of the things that are not working well and to continuously improve upon it in terms of direction, systems and processes, importantly in terms of having the right people in the right position in those organisations. That is something that continually happens. You cannot just wave a magic wand and say, “abracadabra” and all of a sudden everything is hunky dory. It takes time, we need to be able to improve it over time. That is why, I, as Minister appreciate the fact that we have these audits, we have the Public Accounts Committee and the reports that are in front of us. Thank you to the Committee and thank you for that too because I think it is always good feedback. We may not always agree with everything that comes in, but nevertheless, it is good to reflect so that we can continually improve on the work that we do.

In the Report Mr. Speaker, Sir, upfront initially they have a number of general recommendations. I am talking here in particular about the Review of the 2017-2018 Audit Report on Statutory Authorities (*Parliamentary Paper No. 148 of 2020*). In that paper upfront, after the Chairperson’s Foreword, they have a number of general recommendations on page 5, we will just go through some of these recommendations, broad ones that I think generally reflect on all of the entities that are included in this assessment.

The first one is that the line Ministry should implement stringent measures to ensure timely submission of draft accounts to be audited by the Auditor-General and for timely preparation and submission of Annual Reports to Parliament.

I would just like to say that when we set up an entity like the Water Authority of Fiji and Fiji Roads Authority, the Ministry *per se* does not come in and look at the operational activities of each of these entities. We agree on the Corporate Plan, we agree on what the organisation needs to do in exchange for the money that it receives from the Government, but we do not go and tell them when they should do their audits. We expect, if there is a deadline that they will deliver on that.

In that particular recommendation, I have a bit of hesitancy in seeing how that particular recommendation gels well with the responsibilities that are found in the Board of these two entities, where there is Water Authority of Fiji or Fiji Roads Authority. Those are my personal thoughts on that particular recommendation. It is a good recommendation. Yes, there is an important need to make sure that if the audits have to take place, they takes place on time. But remember also, the Fiji Roads Authority and Water Authority of Fiji have guidelines on how many days should elapse by the end of the year by which they are ready to give their statements to the Auditor-General to audit. I think one of them is three months, probably Water Authority of Fiji and the other one is 40 days for Fiji Road Authority.

I might have them switched around. Sometimes the accounts are ready, they are ready to present but then the time in which the Office of the Auditor-General does its own assessment depends on their own time schedule. So there are instances when WAF is ready or FRA is ready but the audit cannot take place until the Office of the Auditor-General is ready. So when you are talking about the fact that the Annual Reports are not on time, remember that, it is not only dependent on what is done in these entities, it is also dependent on the work that is done by Office of the Auditor-General. If they have a lot of work, this can be delayed. So that can also be one of the reasons for the delays that we have here.

The Committee notes that the draft accounts submitted were incomplete and strongly recommends that they should be tagged to CEO's Key Performance Indicators, CEO's to ensure that timely and complete draft accounts are submitted to the Auditor-General. Same thing that I have just shared. Within these entities they have targets. So it is the responsibility of the Board to make sure that those targets are met by the CEO and if he does not deliver, it is the Board's responsibility to make sure he is either removed or is coached to make sure that he can improve. I, as Minister expect the Board to be able to deliver that and as yet, they do have those timelines. It is a good recommendation but there are other issues that impinge on that particular recommendation.

On the third recommendation, the Committee notes that these entities are now dealing with large amounts of money through Government grants and strongly recommends there are suitably well-trained personnel to be recruited to manage the operational and financial affairs of the organisation. Absolutely agree. That is why we have OMRS. We want the best people to get the job done, put them there. I have always believed that in an entity, if you want it to be well-driven, the first thing that you do is put the right person in-charge.

You will see that some of the issues that we had in areas like WAF, when you change the people in-charge, when you change the head, chop off the head and put a new head, things begin to improve. That is one of the most important things. Right people on the bus. Get the wrong people out of the bus. You put the right people on the bus, the bus will move in the direction that you want it to go. That is what something, I, as Minister expect of the Board when they are looking at the CEOs and the top management in all of these entities.

(Chorus of interjections)

HON. J. USAMATE.- There is no hogwash bus, this is the right bus.

The fourth recommendation that the line Ministry should set up an Internal Audit Team to continuously review and report directly to the line Minister. I think this one, there will be a difference between the Fiji Roads Authority Act and the Water Authority Act in this recommendation because Ministers and ministries do not get involved in these functions. It is largely left to the entity itself.

As a Minister we have oversight to make sure that it is done, but we do not go and do it ourselves. If we are doing that, we are getting into operational matters. There is a distinct separation between direct operation and oversight. So that particular recommendation, I, as Minister have a lot of reservations and I do not think it is something that we will look at implementing in these two entities.

The entities with significant audit matters highlighted should be addressed before the next audit; I agree 100 per cent. Later on I will talk about how some of that has already been done in these two entities.

The sixth recommendation, the Committee notes that entities are late in implementing the policies and the Risk Management and Disaster Recovery Plans, therefore the Committee recommends the entities to develop and implement this at its earliest.

I can tell the forum that in both of these entities they have come up with their Risk Management Frameworks that are in place and in both entities in terms of the disaster recovery and business continuity. I think in WAF they already have a draft framework which they are trying out now before they take it up to the Board to formalise it. So, safely I can say that in both of these entities these recommendations are being addressed by the Boards.

The Committee recommends that a performance audit be conducted of the entities highlighted in this audit report; I do not have any issue with that. I think performance audits are okay and in fact in FRA they had performance audit for 2015, I cannot remember what the other year was but they never got those reports. That is the feedback that we have had from the Fiji Roads Authority.

Mr. Speaker, Sir, on the Report to the Fiji Roads Authority, once again, as the Minister, I really appreciate this Report. It has allowed me to go through it, read it and understand some of the issues and also talk to the members of the Board and the executive of the organisation. I look at some of the issues that have been highlighted here, if you look at page 20 of the Report, looking at one of the recommendations that Fiji Roads Authority should strengthen its human resource policy in regards to employment terms and conditions, including redundancy issues. I think at that time in 2017, you still had a lot of issues that were coming out of the time when the Fiji Roads Authority was separated from the Ministry. So there were still a lot of old issues in terms of redundancy and human resource. Happily, those issues have been sorted out and I am looking at the restructures that has taken place.

Since that time, the Fiji Roads Authority has introduced individual employment contracts and human resource policy which addressed the terms and conditions of employment and specific matters, such as redundancy and others moving forward. These policies are aligned with the Employment Relations Act and the laws of Fiji. So, as a result of these audits, the Board takes action, the management takes action, they begin to implement and they continuously improve how they manage the Fiji Roads Authority.

In the second part of that, same on page 30, there is a recommendation that Fiji Roads Authority should adhere to proper accounting procedures as per the Fiji Financial Management Act. The response I can see here, FRA to-date has established and adopted proper financial procedures that will make reporting transparent and reliable. Since the variance discrepancy have been inherited by the Fiji Roads Authority, discussions between various agencies, Ministry of Economy, Office of the Auditor-General and FRA are held to make sure to address all of these so we can avoid qualified audit reports into the future. I, as Minister, I think all Ministers expect our ministries and agencies to give us unqualified audit reports. Some of the issues have a lot of historical trends. Sometimes it takes time to deal with them, but the expectation of all Ministers is to make sure for all of these entities that we get unqualified reports.

Moving on, Mr. Speaker, Sir, into that particular Report on the Water Authority of Fiji, there has been a lot of talk on the issues relating to WAF. It has had a challenging time from the time it came to inception, but since then, just reading through some of these recommendations, there is a lot of talk about unauthorised contractors engaged for hiring of vehicles and machines. Yes, that was an issue at that particular time.

However, I have noticed from the points that have been given by the FRA management that since that time and the work that they have undertaken, the Office of the Auditor-General noted that this issue has been resolved issue in their final management letter for WAF for the 2017 audit. So in their discussions, WAF has been able to show that they have addressed the issues that led to this particular issue of unauthorised contractors being engaged in the hiring of vehicles and machines. That was a big issue, they worked on it and they have improved on it to eradicate that particular issue.

The other issue that we have from Water Authority of Fiji is in relation to the review of payments for the hire of generators revealing a lot of different anomalies. In response to that, from 2018, Water Authority of Fiji has developed a new procurement policy in 2018 and reviewed it in 2021. So once again there is this idea of continual improvement. Things happen, change and evolves so you can address it better. The procurement policy clearly outlines the procurement guidelines

embedded in the procurement Standing Operating Procedures for implementation and that has addressed that particular issue.

The other issue that we have on this issue is on page 34, in terms of the engagement of unapproved suppliers through the provision of tendered service. When I first came into the Ministry, there were lot of stories about this happening. Once again, that issue had to be addressed. This has also been addressed by the development of a procurement policy which was revised in 2021. So it has been strengthened to make sure that whoever that they utilise meets the requirements that have been set aside by Water Authority of Fiji. So, each of these issues have been addressed over time.

In 2018, the Board approval was obtained for a write-off of accounts mostly for certain dispute accounts and for accounts that are primarily beneficiaries of Government Social Welfare Assistance. So, that particular issue has been also addressed over time.

Lastly, on Page 35, in terms of anomalies in engagement of internal audit services; in 2019, WAF called a fresh tender on internal audit service under the procurement policies which was competitively bid by all the big four chartered accountant firms.

I think the Honourable Aseri Radrodro made a comment on this, that there was no tender process for the internal auditor. I think he was trying to suggest that there was some fishy business that was going on there.

I would like to read this comment that was sent to me. Mr. Speaker, KPMG was initially appointed as the internal auditor for WAF in 2013 via a tender process where all the three major firms had presented their proposal to the Board, and KPMG was awarded as the internal auditor for a period of three years. Upon expiry of this appointment, the WAF Board extended the contract for a further three years based on the following reasons:

1. The provision for extension of contract was allowed under the 2016 Procurement Policy. It was allowed for an extension.
2. KPMG was aware and well versed with WAF processes and functions.
3. The review and conduct of audit cycles under the initial audit finding and recommendations.
4. The cost of the internal audit remained the same.
5. Engagement of a new auditor would have resulted in a delay in the audit reports as they would take time to familiarise with WAF processes and functions.

Mr. Speaker, KPMG highlighted significant issues, particularly in procurement, plant hire and project management. These are precisely some of the things that came up in this Report. So, they saw the quality of the work that was done by KPMG in making these deep dives in those particular areas - procurement, plant hire and project management.

Based on their good performance and familiarity of the issues, their contract was extended under the same conditions. In the second period, they undertook deep dives into the procurement, tender and plant hire, and uncovered significant issues.

Whistleblowing from external complaints gave rise to further work that KPMG undertook, and upon expiry of that contract, a new tender was advertised in 2019.

So, a lot of issues have been there. There were a number of other statements that were made in the House here, I think the Honourable Aseri Radrodro asked, why is it that these entities are not

following Government in terms of its revised financial year? You know, we start now in August and we go to July.

Well, I can confirm to the House that both FRA and WAF have now adopted Government's financial year, so it is in sync. Whatever happens here in Government in terms of the budget, it is in sync.

The other point that I have noticed here and I think I have said it before in this Parliament, that FRA accounts are given to the Office of the Auditor-General 40 days after the term ends. But then it depends on their own work, and WAF also within three months.

There was an issue that was raised by honourable Aseri Radrodro about new meter installation delays. He said that the new meters are taking too long, but here are some of the main reasons why new meter installation are delayed:

1. Land issue disputes where customers do not have proper title of the property. If they do not own the land, we are not going to put the meters there. There are lots and lots of cases like that. This is mostly happening in informal settlements and in properties where there are no clear owners.
2. Outstanding arrears on communal meters. If you have one meter for a big group of people, before you can put in individual meters, that bill has to be cleared. The bill for that communal meter has to be cleared. So, you get delays there that need to be cleared before WAF installs new individual meter connections within these communities.
3. New meter installation costs are still pending from customers. We are waiting for them to pay so there is a delay in completing that particular exercise.

There was an issue that he had raised in relation to Fiji Roads Authority's (FRA) books not being in order and this led to the delay of the audit. When the FRA first started, they had their audits from years 2013, 2014, 2015 and 2016. The opening balances that FRA gave for the auditors to look at, they accepted those balances. They accepted the opening balances for the audit for 2013, 2014, 2015 and 2016.

Then in 2017- 2018, they rejected the opening balance that they had already approved. So, that then delayed the whole process. What I am trying to say, is FRA and WAF perfect? No. Is it improving? Yes, definitely improving by the revision of processes, change in culture, change in leadership, et cetera.

What is the thing that drives us? It is the target that we have in our National Development Plan, provision of water to all, provision of wastewater, sanitation, et cetera. The FRA and WAF are driven by those targets and I, as Minister, make sure that I can work with the Board to try to deliver those targets to the best for the people of Fiji.

So, once again, I want to thank the Committee and thank the Audit Reports. It has given us insights, and it will be a tool for us to continually enhance and improve these entities for the benefit of the people of Fiji. Thank you, Mr. Speaker.

HON. N. NAWAIKULA.- Mr. Speaker, Sir, a concern to know from honourable Professor Prasad that all the supporters of FijiFirst have dissented and left to join Mr. Rabuka. I think I know the answer - no money, they have used up all the money, too many promises and they have all gone.



HON. DR. S.R. GOVIND.- Sounds like a broken record.

HON. N. NAWAIKULA.- It is not a broken record, that is a fact.

(Honourable Member interjects)

HON. N. NAWAIKULA.- Very soon, you will come to realise that.

Mr. Speaker, Sir, there are two items for debate 2(a) and 2(b). My contribution will be limited to 2(a), which is the Review of the 2018 Audit Report on Government Commercial Companies, Commercial Statutory Authorities and Other Entities, and even more limited to FBC, especially on the practice by FBC since 2016 to treat grants from Government as revenue. I think that is totally wrong, it is unprofessional for it to do that. It is against advice, and I will even go to the extent of asking FICAC to investigate because it has led to executives and workers in FBC obtaining bonuses, even to the extent of \$21,000 as a result of that. Totally wrong!

I know that last year, FBC took to the newspapers to shift blame to KPMG and inform the public that it did so as a result of advice of KPMG. But I invite the Minister responsible for FBC to also look at the Annual Audit Report of FBC from 2016 to present, to matters of significance and it will show there that the auditor has noted time and time again or yearly, that it was wrong. It was wrong because it contradicted IAS 20, I am not sure what that term means, the accountants will know. And what FBC did in 2016, I believe, it managed to convince Government to make a decision to allow it to use these grants as revenue, instead of deferred income, to align to IFRS.

So, Mr. Speaker, Sir, you will see that there is a contradiction there. Whilst FBC is blaming KPMG from that time even to the present, the Auditor-General has been reminding them time and time again that they are wrong, they need to resolve this issue that even though the Auditor-General and KPMG had given unqualified reports, but they have noted this down as items of significant matters. If I can go now to Page 1 of the Chairman's Report, it says, and I quote:

“The Committee thoroughly scrutinised the audit report and formulated questions for the nine entities (and that is including FBC) that were audited to provide their written responses on other significant matters and financial anomalies that were highlighted by the Office of the Auditor General.”

Then it goes on to say, and I quote:

“The Committee noted that some of the entities have resolved the audit queries while some are working towards resolving these controlled issues.”

The second paragraph is relevant to FBC because its Board has not resolved this question, and noted as a significant issue by the Auditor-General and also by the private Auditor from 2016 until now, and it continues to use money that is being given by the Government as direct revenue instead of deferred income.

Mr. Speaker, Sir, if I can now go on to the Auditor's Report that is relevant to the point that I am raising. At page 16, the Auditor General says, and I quote:

“The Auditor- General Act requires amongst other things that the Auditor General must report on other significant matters.”

So it is telling us that even though they may give an unqualified report, he is also obliged to identify significant matters, and it goes further to define those significant matters.

It says here, and I quote:

“Other significant matters in this report include controlled weaknesses which could cause or is causing severe disruption to the process or inability of entities to achieve process objectives and comply with relevant legislation.”

So, I am saying here that FBC treating Government grant as income may be contradicting relevant legislation. Therefore, that is the reason for I am asking for an investigation by FICAC.

The Auditor-General goes further to say in relation to that aspect, if you go down to the bottom of that page, and I quote:

“The financial statements states that grants and/or special funding from Government up to 7 March 2016 were treated as capital contribution in accordance with Cabinet’s decision in 2012, and from 8 March 2016 were treated as revenue based on the Cabinet’s decision in 2016 to align the accounting treatment to IFRS.”

Let me just note now that the comment from the Auditor-General there was not as harsh as you would have expected, because in previous comments, the Auditor-General stated very succinctly to say that this is a contradiction of IAS 20. I suspect it is because of intimidation from the Government, threatening the Auditor-General. You can just see how they criticised the Office of the Auditor-General now and I feel that that is the reason why he had toned down his comment in relation to that.

Mr. Speaker, Sir, if you look at the Chairman’s Report, they went further than the Auditor-General to raise issue on IAS 20. If I can just read that from page 20. Here is the Committee’s report on FBC and titled, ‘Disclosure of Non-compliance with International Accounting Standard (IAS) 20. So, I am saying here that the Committee has now raised that issue very directly, not so much as the Auditor-General. So, I thank the Committee totally for revealing this and they go further. If you could allow me, Mr. Speaker, to quote:

“Audit noted that Note 3(k) and 23(c) to the financial statements states that. Based on Cabinet’s decision in 2012 grants and/or special funding from the Government of Fiji be treated as capital contribution. Any additional funding to be recognised as equity other than being treated as operating revenue of the company.

Effective from 8th March, 2016 and based on the Cabinet decision in 2016, grants and/or special funding from the Government of Fiji is treated as operating revenue to align itself to IFRS. Then it goes further (this is the Committee) to say that while the matter was raised as an emphasis of the matter for attention of management, there has been no resolution to clarify the capital contributions prior to 2016 in consultation with the Ministry of Public Enterprises to comply with full requirements.”

So, total neglect. Basically our Committee is saying here that despite reminders from 2016 and year after that, the board of FBCL has not sat down to resolve this issue.

Mr. Speaker, Sir, if you can allow me to put some background to that to what is happening now. Now, if you go back to before 2016. FBCL was incurring losses after losses after losses. And I can tell you now, Mr. Speaker, in 2010 it incurred a loss of \$517,000. In 2011, it incurred a loss of

\$1.1 million. In 2012, it incurred a loss of \$7.1 million. In 2013, \$5.6 million loss. In 2014, \$3.9 million loss. In 2015, \$3.6 million loss. Year after year after year, so the total then it comes to about \$26 million. I am not too sure but you can add that up.

At the same time, Government was giving money to FBCL year after year after year. So, if you compare the loss that it incurred in 2010, Government gave to it in 2010 the sum of \$2.6 million grant. In 2011, Government gave to it \$2.5 million in grant. In 2012, \$2.6 million grant. In 2013, \$2.9 million. In 2014, \$2.9 million. In 2015, \$2.9 million. But on top of that, FBCL had incurred a loan that is also guaranteed by Government. So, in the six years from 2010 to 2015, it made a total loss of \$21.6 million but it was receiving continuous cash grant from Government in the sum of \$16.4 million. That is to keep it afloat.

Mr. Speaker, if I can go back again now. I explained earlier that last year in June, FBCL went public, went to the papers to shift the blame to KPMG. And this is what it said, that FBCL auditors KPMG from about 2012 onwards advised FBCL that under the International Financial Reporting Standards, the money paid to FBC under public service broadcast contract for specific Public Service Programmes and transmission was essentially a fee and it should be treated as revenue. So, there FBCL was saying we did this because we were advised by KPMG. But now, I am asking the honourable Minister responsible for FBCL to check the yearly annual reports after that which I think was also audited by KPMG and it has listed its reservation as significant matters.

In addition to that, Mr. Speaker, the Auditor General yearly has been raising that as an issue. In 2016, the FBCL annual audit was conducted by the Auditor General, it was a qualified audit with the following explanation there, and I quote:

“The company accounted for all government grants received from 1<sup>st</sup> January, 2016 to March 2016 as capital contribution. This is a departure from IAS 20. Grants by the Government of Fiji received after 8<sup>th</sup> march, 2016, have been recognised in the statement of profit and loss as operating revenue.”

Then again in 2017, FBCL annual audit was also conducted by the Auditor General. It was an unqualified audit but containing the following matter in its heading ‘Emphasis of the Matter’ and I quote:

“I draw attention to note 3.1 of the Financial Statement which states that grants up to ... the OAG Report ... not complying with international accounting standards and note FBCL’s undertaking to comply with IAS.”

So in 2017 this was raised to FBCL and FBCL undertook to look into it. But then, in 2018, Mr. Speaker, the Auditor General noted that from 8<sup>th</sup> March, 2016, grants were treated by FBCL as revenue to align to accounting treatment to IFRS. In 2019, the Auditor General cited FBCL for a significant matter again concerning the 2016 Cabinet decision to align the revenue under the IFRS.

So, Mr. Speaker, my point really is that in relation here, this is a matter that FBCL was asked a long time ago by the Auditor General as well as I feel also its own private auditors to look into but has not been resolved and I wish to end by saying that I suspect personally that this is also a reason for the Government now going to a review or a commission against the Auditor General’s Report because they are not happy with this. Thank you.

HON. DR. M. REDDY.- Mr. Speaker, Sir, I will make brief intervention on four of the entities that are related to the Ministry of Agriculture namely Fiji Meat Industry Board, Fiji Rice Limited and Copra Millers Limited. When we go out promoting agriculture, expansion of agriculture, crop or

livestock, one of the most important primary question that any farmer would ask is, where is the market and that is one reason why farmers are stuck in the sugar industry because it is a guaranteed market.

Mr. Speaker, Sir, let me start with Fiji Meat Industry Board is providing market to livestock farmers in particular beef cattle farmers, sheep farmers, pork farmers (piggery). At the moment with regard to beef we are 43 per cent self-sufficient. It is a long way to go in terms of reaching 100 percent self-sufficiency.

With regard to pork we are 97 per cent but there are seasons like at the moment there is shortage of pork meat in the market. We are one percent self-sufficient with lamb meat and we have a massive way to go. We are only producing 126 metric tonnes annually. Pork, we are producing 1232 metric tonnes and we are producing 2507 metric tonnes of beef.

For poultry, we are pretty much 100 per cent self-sufficient. Even though there are some poultry products imported but we are also exporting poultry products to other countries, so netting up we are 100 percent self-sufficient.

Mr. Speaker, Sir, the Fiji Meat Industry Board is providing an avenue so that we can get this livestock which was placed in Fiji, to the two Abattoirs – one in Vuda and Nasinu so that we can get these products to the formal market.

Mr. Speaker, Sir, if we do not have abattoirs then in the formal market, the supermarkets, the hotels, restaurants et cetera will have to import meat which is certified. They cannot sell meat or they cannot use meat products which are not certified because of health risk. It is for this reason that we need to have our abattoirs so that when we are promoting, you know raising of livestock and promoting that, we need to be self-sufficient to the extent possible and two, with regards to those livestock where we have got a strategic advantage then we need to have an avenue.

The FMIB, the two abattoirs provides market to all those who are willing to sell livestock whether is cattle, pig, sheep or goat to be purchased and they will slaughter it and they will get it to the market themselves. So, market is guaranteed. With the guaranteeing of market we have seen substantial improvement in terms of production. We have noted that, for example, the 2017 slaughter figure for goats was 800. Now in 2021, last year from 800 it raised to 2,259. This is with Ministry of Agriculture investment into developing a centralised fattening farm which collects from feeder farms and then this fattening farm will supply the goat to the abattoir and from the abattoir it will enter the supermarkets.

Mr. Speaker, Sir, our strategy into promoting sheep farming is to reduce importation of sheep and lamb meat but also the other strategy of reducing the substantial importation of lamb and sheep meat is to promote goat raising because goat is seen as to some degree a kind of perfect substitute of lamb meat.

Mr. Speaker, Sir, similarly we have seen the number of pig and cattle going to abattoirs increasing over time. Abattoir also provides a number of by-products which is very important to be used as a core component of meals particularly in poultry industry, meat meal and fish meal, so the Ministry of Agriculture last year provided \$100,000 grant to establish and repair the rendering machine which now we are using it to provide and manufacture fish meal and meat meal. Last year they produced 200 tonnes of fish meal and 150 tonnes of meat meal which they were supplying for us in meals for poultry. Poultry meal requires this.

One of the core components which is very expensive and important, the poultry sector is importing soy meals to be used in the meals and if we are able to fulfil their demand then two things will happen. It will reduce importation of the protein that goes to the manufacturing of the poultry meal and secondly we will be able to reduce the cost of poultry product in the market.

So, Mr. Speaker, Sir, the Ministry of Agriculture knowing that it is supporting our quest in terms of expanding production of livestock, we are seeing FMIB as a strategic partner. Over the last five years we have seen substantial changes in terms of efficiency, production and financial viability of FMIB.

Mr. Speaker, Sir, linked to FMIB in the Yaqara Pastoral Farm. Yaqara Pastoral Farm also has seen major improvements in production in terms of investment in strategic areas which is critical to Yaqara Pastoral Farm. Yaqara Pastoral Farm now has a total herd of about 4,240. This was the 2018 figure and 2021 figure is close to 5,000 which is primarily consisting of cattle. Yaqara Pastoral Farm, its primary objective is to be the prime supplier of premium quality beef to our markets particularly the hospitality sector and also the formal markets (supermarkets).

Mr. Speaker, Sir, at the moment annually about a thousand cattle ends up, most of them are from Yaqara but there are also other beef cattle farms that we have established over time and we are establishing now. One of the primary pre-requisites of these commercial beef cattle farms now, they signed with the Ministry of Agriculture is that they must supply to the abattoir apart from what they will draw out for their own requirement or *magiti* but the rest must go to the abattoir. So, we are making it a condition for them to get grants from Ministry of Agriculture.

Mr. Speaker, Sir, Yaqara Pastoral Farm as I alluded to earlier on has been investing in strategic areas for example pasture development. They have got 40 acres of high yielding, high protein juncao grass which is the largest holding of juncao grass amongst any of the commercial farms we have in Fiji.

Mr. Speaker, Sir, they were known at one point in time to hold superior high quality breeds. Some two or three decades ago the people were talking about it, “oh it is from Yaqara”. We want to go back and develop these breeds that they have; Santa Gertrudis, Limousin and Hereford breeds.

The Ministry of Agriculture also has its own cattle breeding project. So, they have been affected by TB infections so that is an ongoing programme that they are cleaning it up and we are now separating them. We also want to have another place where we could have our exotic breeds, beef cattle breeds which is Senepol so that in case one place is infected then there is another place where we will have this gene pool.

Mr. Speaker, Sir, first time ever, we are also using Yaqara as a Horse Multiplication Centre to get good and improved genetic stock of horses which is still very critically used for transportation and also for additional power in farms. Overall Yaqara Pastoral Company has done substantially well even though there is a lot of improvements that needs to be done.

Mr. Speaker, Sir, we will be talking about Fiji Rice Limited. Three years ago we were 16 per cent self-sufficient in rice. Now, people have argued that we have dropped substantially from around 65 per cent some four decades to 16 per cent. So, two years ago is 16 per cent. Mr. Speaker, Sir, because the initially earlier model of rice production in Fiji was wrongly premised where the production and supply was driven by grants and subsidies. That is out now.

We are now raising rice production, from 16 per cent, now we are at 18 per cent over the last two-year period because now we are basically promoting rice production and supply through a

demand driven strategy where we are saying that we will provide market to you. The only way we are providing market is through the Fiji Rice Limited.

Fiji Rice Limited basically will buy all rice that is produced in Fiji. Mr. Speaker, Sir, this is a very important strategic partner of the Ministry of Agriculture and we have got the main rice mill in Dreketi. At the moment, we are constructing another rice mill which should be ready in a months' time at the Ministry of Agriculture Station in Nailaga, Ba which will be handed over to Fiji Rice Limited so that the Western Division rice collected does not have to be taken across to Vanua Levu.

Mr. Speaker, Sir, with this, we are quite optimistic given that there is a surge in rice production particularly in the Rakiraki area and now in Ba, Lautoka and Nadi. We are promoting short-term rainfed variety of rice and we can say that maybe in a decade's time we could get to about 45 per cent to 50 per cent self-sufficiency. That is pretty reasonable, Mr. Speaker, Sir, in terms of food security.

From the food security's point of view, if you are able to at least reach 45 per cent to 50 per cent self-sufficiency, that is pretty good. Mr. Speaker, Sir, Fiji Rice Limited has done substantially well and is a strategic partner of the Ministry of Agriculture.

Mr. Speaker, Sir, the last one, Copra Millers Limited. As you all know, Mr. Speaker, Sir, coconut and copra has been a very important commodity and industry in Fiji for a long period of time and it will be there. Initially, the Copra Millers Limited was manufacturing some coconut oil and copra meal. They now as any other entity responding to market demand have ventured into other products to remain viable in the market.

Virgin coconut oil, now they are establishing a unit to get into coconut water market and coconut chips. Mr. Speaker, Sir, copra meal is very critical for us in terms of promoting poultry industry. So Copra Millers Limited is very critical for Fiji and for the agriculture sector. We now are promoting coconut in the Western Division as well. Over the last three years we have got 373 households and farmers who have planted smaller number of coconuts seedlings. About 17,644 were planted in the Western Division.

In addition to this, from last year, we have been actively promoting establishment of coconut farms (orchards) for a number of purposes - oil, coconut timber as well as to support coconut meals, *bu* market. In this endeavour we have 38 farmers who have planted a total of 124 acres of established orchards. So 38 orchards we have for coconuts in the Western Division. Coconut was only known to be in Taveuni and Cakaudrove in the Northern Division.

Coconut furniture is also coming up and quite widely utilised not only in Fiji but in the external market as well. In contrast to what the other Member said that we have and are replacing ageing trees. Mr. Speaker, Sir, I want to commend all these entities who are doing well but again there is a lot of room for improvement.

HON. RO F. TUISAWAU- Mr. Speaker, Sir, I rise to contribute to the motion on the Auditor-General's Reports. In particular, I will just try to focus on the areas which have not been touched upon but which could be of interest.

In reading through the Report, I note the various recommendations on the anomalies which have been raised and one of the key issues or problems has been the lack of human resources within entities. The Accounts Officers, et cetera in that which enables the organisation to have an effective and efficient accounting section. So we hope that that will be addressed through proper human resources planning and other means where we could plug that gap in human resources.

On the Report itself, I note for Fiji Development Bank (FDB), an issue which we had raised about credit impairment, in particular, I note there on page 16, number two, the non-performing loans that has been raised. Two major accounts – Toa Fiji Limited, Brighton Holdings and credit impairment had been increased to \$3.3 million and specific provision of around \$1.8 million was created for these loan accounts and also taken under Reserve Bank of Fiji supervision.

These are the issues which we had raised about FDB, the loan impairment and what strategies have been made in order to address this, what kind of assessment was done, what issues arose which resulted in non-performance, what was recovered by the Bank in terms of its contribution.

Still on that Report, FDB Nominees Limited, again, this is an entity which we had raised concern about in terms of maybe its lack of activity, but if you look at that report, number five under that they have mentioned statements shows receivable amounting to \$373,750 which relates to management fees due from Fiji Investment Corporation Limited (FICL).

The Committee was advised that FICL is 100 per cent owned by a Government corporation which was previously managed by its own Board and in July 2011, the Ministry of Industry, Trade and Tourism (MITT) transferred the operations of FICL and its projects to FDB Nominees Limited under a management agreement. This was for three years and expired in August 2013.

A good question would be, what is the status of FICL? I recall that the General Manager or CEO position was advertised recently and it is supposed to be a State-owned enterprise but I did not notice it listed in some of the Budget documents. I understand that the honourable Minister for Economy had stated that FICL will be revived, so an update on that would be helpful and interesting.

On Fiji Broadcasting Corporation Limited (FBCL) that has been discussed extensively by my colleague, honourable Nawaikula however, I raise the issue which he had raised in his contribution where Government or taxpayers have been putting into FBCL, particularly the Public Service Broadcasting Grant and this has now been ....

HON. A. SAYED-KHAIYUM.- Fees, fees.

HON. RO F. TUISAWAU.- Yes that is what I was about to say. This has now been re-termed as fees. So the explanation there is, it is paying for public service provided by FBCL to the nation. What I would like to propose is that, because it is a public service fee and undertaken by FBCL, it should be tendered out so that other providers can also tender for these services including for TV. That is something which needs to be explored, so that what is paid for by Government is cost-effective and it is at the best deal for taxpayers funds.

The other comments I had was on Statutory Authorities. I note on the Public Rental Board (PRB), there are some comments there regarding the anomalies in processing and allocation of PRB flats, provisions of forms for applicants et cetera, debt collection and review current collection and strategy and necessary arrangements with tenants.

Regarding the PRB, I note in the National Development Plan that they had planned for PRB construction, renovation of units and from the period 2017 to 2022, we have a number of targets there - 2017-2018 – Kalabu, Savusavu. I understand that has been completed and in 2018-2019, Simla – 36. I note an update by the honourable Minister in February 2021 that that was in progress. The others there:

- 2019-2020      Namaka      57
- 2020-2021      Raiwaqa      150

- 2021-2022 Suva 500

I am not sure about the progress of that in terms of the targets which had been set for Public Rental Board. There was also another issue regarding the Review of Government's Subsidies and Implement Strategies to graduate residents of low income HART and PRB Housing towards Housing Authority programmes. Again the question is, what strategies are in place, what are those strategies, have they been implemented and what are the results?

There are other issues here, targets for Housing Authority which is also included in the Report and whether these targets in this National Development Plan have been achieved is another question which we would like to pursue.

On Water Authority of Fiji (WAF), I would like to thank the honourable Minister for the update which have been given to us. There has been a lot of public discussions about the so-called 'digger scam' for \$33 million. Whether this is actual or not, I am not sure but this emanated from the KPMG Audit Report which he had identified as one of the Auditors and where it was stated that for 15 months period ending 31st March, 2017, the total cost of plant hire was \$33,717,421.

There were other issues raised there regarding the purchase of heavy machinery which was not effective, approved rates of hire of plant equipment but higher rates were paid to contractors without Board approval which he had mentioned.

Of course, there were other instances there, and what he had explained was that, proper procurement policies have now been developed but the question is, what happened to these issues identified by the previous audit reports, including the KPMG Audit Report as reported in January 2019? It has been reported that it was given to FICAC. What happened to the cases? Were there any investigations, et cetera? That is something which not only we, in the Opposition, would be grateful for an answer, but also the members of the public who are really interested in that case.

Mr. Speaker, Sir, those are my contributions on the Auditor General's Report. I would like to thank the Committee on some of the clarifications. I thank the honourable Ministers from the Government side for providing those clarifications. *Vinaka.*

HON F.S. KOYA.- Mr. Speaker, Sir, I take this opportunity to thank you for allowing me to contribute to the Review of the 2018 Audit Report on Government Commercial Companies (GCCs), Commercial Statutory Authorities (CSAs) and Other Entities, which was tabled on 17th August, 2021.

Mr. Speaker, Sir, I would like to commend the Board and the Executive Management of those GCCs and CSAs in completing their audits and submitting their annual reports.

Mr. Speaker, Sir, a number of State Owned Enterprises (SOEs) are part of the National Fijian Made Branding. This include; PAFCO, Fiji Coconut Millers Pte Limited, Fiji Rice Limited and Yaqara Pastoral Company Limited. These companies have shown their commitment to grow revenue and give recognition to locally-manufactured goods and products.

The growth of these local businesses is essential, Mr. Speaker, Sir, for job creation, income generation, rural development, for poverty alleviation and empowerment of all Fijians.

Mr. Speaker, Sir, I will be brief, I only wish to speak on one SOE, namely Fiji Development Bank Nominees Limited. The Fijian Government through the Ministry had entered into a management agreement with FDB Nominees Limited, to provide managerial operations for Fiji



Investment Corporation Limited (FICL). The Report states there are some of \$373,750 which remains outstanding from FICL to FDB Nominees Limited.

This is now incomplete information and I must set the record straight, Mr. Speaker, Sir, that the outstanding amount has been settled and was settled in April 2019. Unfortunately, this was not reported but nonetheless, I am happy to say that this is no longer an issue.

Mr. Speaker, Sir, it took some time. Since the Ministry has FICL, the Secretariat was undertaking due diligence before the payments were actually made.

Mr. Speaker, Sir, allow me to give you a quick update on FICL for the benefit of everyone. I know it has just been raised by honourable Tuisawau.

With the new Board in place, FICL has collected and recovered debts amounting to about \$4.2 million, and they are basically addressing governance issues that they have, such as preparation of outstanding Financial Statements and advertising for a General Manager position, which is to be filled soon.

With the vision of enhancing FICL's operation, it is evident that the Board is actually focused on its corporate governance structure to provide constructive solutions and unlock some investment opportunities.

At the best interest of FICL, the Board Directors are actually dynamic professionals from the private sector associations, such as the Fiji Chamber of Commerce, Fiji Commerce and Employers Federation, Women in Business and Fiji Institute of Accountants, to provide more sound decisions in the overall operations and strategic direction on all investment projects.

Mr. Speaker, Sir, that is pretty much my submission for this particular motion. I thank you, Sir.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, just a couple of points I would like to raise very quickly but before I do talk about the entities themselves, unfortunately, honourable Nawaikula did not disclose to Parliament that he actually has a case against FBC.

Recently, he was told by the Court to pay a cost of \$3,000, which he is yet to pay. Perhaps, that is why he went on a diatribe against FBC. Public statements have been made, he did not declare that. He said he feels that the auditors said that it should not be treated as revenue. You do not feel those things, you know those things.

Mr. Speaker, Sir, I have got the statement here of FBC, prior to 2007. They were also given grants, and they also treated it as revenue and they also continuously made losses. Honourable Tuisawau, you are obsessed with FBC, you go and look at the records. I have got their accounts here, a loss of \$1 million, et cetera.

At one point in time, CFL was given the Public Service Broadcast Licence, they could only retain it for one year, it went back to FBC. When you come to Parliament, you need to know the historical facts and the legacy issues, before you, sort of, go on this diatribe.

Mr. Speaker, Sir, I think honourable Usamate very aptly summarised issues with Water Authority of Fiji (WAF), but I would like to point out to honourable Aseri Radrodoro that some of those matters that he had raised, unfortunately, that are not here, in fact, took place with the former

CEO who became the SODELPA candidate. There were issues there, of course, we need to continuously approve it and I will get back as to why we do audits.

Audits are carried out so that we can improve the system. Audits are carried out so that we can identify where the gaps are, where the loopholes are and let us fix it up.

Mr. Speaker, Sir, I have here notes that were not prepared by me, but given to me by the Permanent Secretary for Economy and his team leading Treasury. They have highlighted to me the reasons why they have huge issues with the Auditor-General, and I would like to read that out, Mr. Speaker, Sir:

“There has been major delays in the finalisation of audit reports with various Government Agencies and Statutory Bodies. The Office of the Auditor-General has been blaming Agencies for the delays due to incomplete information. But most Agencies we talked to have submitted reports on time, and yet there has been major delays from the Office of the Auditor-General. There seems to be no intention to expedite things.

To clear the backlog, why can't the OAG get these outsourced where Agencies can pay the external auditor, while the audit opinion is issued by OAG? These are reputable independent firms and the argument by OAG on lack of independence is nonsense.”

In fact, the OAG seems to be politically aligned, drinking grog with a number of Opposition Members. Why couldn't they do audit for two or three years together to clear the backlog? Once the backlog is cleared, there could be timely audits and timely debate in Parliament.

We have been surprised that while there have been so many reports pending, the OAG is spending a lot of its efforts in doing audits in areas, such as:

- Access to Persons with Disability;
- Progress on Sustainable Development Goals, of which they have no expertise, a year after the SDGs were put out;
- Food ration distribution, whilst it is being done;
- MSME concessional loans, whilst it is being given out and
- The unemployment assistance we gave.

Carrying out the performance audit on low priority areas, Mr. Speaker, Sir, means that the OAG's resources could have been better utilised in resourcing clearing audit backlogs. Delays in reports have affected our relationship with development partners, this is unacceptable.

They have, in the past, been commenting on fiscal policy issues, commenting on debt, size of deficit, expenditure composition, source of borrowing, et cetera. The OAG does not have the expertise on fiscal policy matters, nor is it allowed by law to do so. Quite specifically, it says here, Mr. Speaker, Sir, “Nothing in this Section entitles the Auditor-General to question the merit of policy objectives of the Government. In this Section, policy objectives include:

- A Government policy direction of a Minister;
- A policy statement and a budget paper;
- A Statement Objectives in a Corporate Plan approved by a Minister; and
- Any other document evidencing a policy decision of the Government or a Minister.”

They went on to say, Mr. Speaker, Sir, that the OAG gets into talking about the policy, whether it is right or wrong. That is not their scope. Parliament approves the Budget and Government policies, not OAG. “No proper audit processes are followed. No proper entry and exit meetings.”

Even I know this work in the private sector. Whenever you get an audit done, the Auditor-General or person carrying out the audit will come and have what we call an entry interview with the people they are going to audit. Then you have an exit interview. That is always done, Mr. Speaker, Sir. This Auditor-General, the one whose term has just finished, has refused to come to this meeting, hardly present in any of the meetings. Management letters are changed and issued after exit meetings. No clear and proper criteria. They come with audits in the middle of programmes, like MSME Loans Scheme, COVID assistance.

The Office of the Auditor-General is also auditing in certain areas without any real expertise. Nowhere in the world is an Office of the Auditor-General auditing the progress on SDGs. They have no expertise. Yes, exactly, look at the quality of it.

Almost every agency will tell that the Auditor-General as the Administrator, Head of the Office of the Auditor-General hardly attended meetings. The OAG is not interested to collaborate and resolve issues. They like to sensationalise issues, most of the time, for the wrong reasons. Have they ever clarified all the misrepresentations in the media?

As an independent body, that is their responsibility to do so. They have always allowed things to be politicised. His wiping boy, Anish Chand and now Vijay Narain, all of these people are wiping people into a frenzy. The OAG never comes and clarifies that. The OAG has been more concerned with the quantity of audit issues raised in the management letter than with the quality. This is from their technical people.

Mr. Speaker, Sir, I would like to highlight some of the issues that were raised by some of the Members on the other side. Honourable Professor Prasad talked about the ADB Report and poverty. He did not mention about the Poverty Report prior to that. What was the poverty rate in 2004 and 2006? He did not talk about the social wages that is actually now being paid, things like free education. Mr. Speaker, Sir, the fact of the matter is, none of the honourable Members on the other side spoke about the actual financial performance on many of these entities.

AFL has been giving dividends of about \$40 million. No one talked about that. No one talked about the fact that Tropik Wood has now been giving on a year in year out bonuses to the landowners. That has never been done before. No one talked about the clearing of their debts.

Fiji Hardwood Corporation Limited, Mr. Speaker, Sir, never made a profit until 2007-2008. Honourable Bulanauca knows this. They had a debt stock of \$24 million and that debt is almost finished.

Tropik Wood has paid up all of its previous debts outstanding since 1970s, 1980s and 1990s, Mr. Speaker, Sir. The FBCL has paid its debt three years before year end last year, a complete debt repayment, Sir.

They talked about Walesi. The Walesi Chairperson spoke to us. They have given their account to the OAG for the 2018, 2019 and 2020 Accounts. The OAG said, “I do not have the time to do it at the moment.” So, Honourable Qereqeretabua goes in the media and says, “Oh, they have not given their audit report.” They have presented their accounts to them. The OAG is the one who has not presented it.

Mr. Speaker, Sir, I can go on about that. The other point is, no one talked about Fiji Ports Corporation Limited (FPCL). How the Port turnaround times have been approved by 30 percent. Before the reforms to FPCL, shipping companies used to charge a levy on bringing containers to Fiji because the Port was so inefficient. They have to hang out in the Port because they had to burn their fuel so they usually charge a levy, Mr. Speaker, Sir. These are the reforms that have taken place, these are the improvements in the state-owned entities but none of them mentioned that because it does not suit their narrative, you see.

Honourable Tuisawau when I said to him at the lunch break, I said let us hurry along, let us get on to other subject matters, he goes well, it is election time, they can talk about it. See, this is the whole posturing that is taking place, the whole posture is to try and create some kind of disquiet amongst the public yet they have not been armed with facts ...

(Honourable Members interject)

MR. SPEAKER.- Order!

HON. A. SAYED-KHAIYUM.- Nobody, nobody! Nobody has denied that of course there is some organisations there have been untoward behaviour. There have been things that need to be improved. We have never said that. In fact this Government has always been, whenever they have identified any problem, someone has done something wrong, no hesitation in removing people, where it has the powers to do so. No hesitation in doing that.

We did the reforms in the legal fraternity. Lawyers who were there for donkey's years have been barred for life because of nicking other people's money, poor people's money. We have no hesitation whatsoever Mr. Speaker, Sir. So, again, all of these issues are being raised without context.

Mr. Speaker, Sir, the other point that I would like to mention, you know they went on as if you know now honourable Biman Prasad went on about this cabal and all these people, the sycophants et cetera. We know who is the real cabal or sycophant. He did not mention the fact that Rabuka walked into the head office of NBF ...

HON. PROF. B.C. PRASAD.- *Areh!*

HON. A. SAYED-KHAIYUM.- No, this is a fact. NBF, got Makarava from the Samabula branch, gunpoint and removed him and made him a National Bank of Fiji manager. He did not mention that. He did not mention that.

(Honourable Member interjects)

HON. A. SAYED-KHAIYUM.- Do not hold it up. That is the fact. You see unfortunately your political fortunes, honourable Gavoka make a note of this, that man is tied to the man you want to have a debate with. His political fortunes are tied with him. ....

(Honourable Member interjects)

MR. SPEAKER.- Order, order!

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, we let the men sort themselves out then come and debate with us.

(Laughter)

MR. SPEAKER.- Order! Order!

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, the point is this.

(Honourable Member interjects)

HON. A. SAYED-KHAIYUM.- We will see who is the man. Mr. Speaker, Sir, a branch manager was made the National Bank of Fiji manager. We had ministers in that report you will know. We had ministers writing hand written notes to people saying give them a loan and we know who are the people who got the loans. People of that cabal Mr. Speaker, Sir, you see he is obsessed with the chairman but what happened with the operations.

What happened with the operations of the National Bank of Fiji? We lost our national bank. We have now gained a bank that is a 100 per cent Fijian-owned, Home Finance Company (HFC). That is the reality. The Report does talk about how drum kit sets were given as security for \$200,000 - \$300,000. Honourable Lalabalavu, I do not know whether you were a beneficiary or somebody else's beneficiary. There are many beneficiaries such as that. There were many people who benefited from it, Mr. Speaker, Sir.

HON. RATU N.T. LALABALAVU.- Cheap shot!

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, it is a very good shot. Mr. Speaker, Sir, the fact of the matter is this. We had board members who were appointed then because they were actual sycophants, handful of people, very few female representation on boards, Mr. Speaker, Sir. Very few female representation, honourable Radrodro make a note of this. One of them of course had one of his companies sell a wall clock to Post Fiji and he was the Chairman.

HON. J. USAMATE.- Oh, I wonder who they are.

HON. A. SAYED-KHAIYUM.- Beneficiary in Fiji Times, run away to Australia on the second charge, never to come back because he has written notes. I have seen it with my eyes Mr. Speaker, Sir, to our honourable Prime Minister saying get those charges withdrawn ...

HON. PROF. B.C. PRASAD.- Point of Order, Point of Order, Mr. Speaker.

MR. SPEAKER.- Point of Order

HON. PROF. B.C. PRASAD.- I think the Acting Prime Minister is doing the same thing that he was accusing me. He is actually attacking somebody who is not in Parliament. I was saying the same thing. I actually had the reports. He may well be right in pointing that out. I am not saying that you know the information that he is giving but I was exactly doing the same thing, Mr. Speaker, Sir, because it is in the interest of transparency and good governance. The chairman of the commission of inquiry was responsible for the collapse of the NBF and he ignored the advice of the Auditor-General. That is exactly what I was saying.

HON. A. SAYED-KHAIYUM.- Sir, thank you very much. I was demonstrating the fact that these things actually took place then. They are trying to make it as if it is not. It is a fact. The person was charged, convicted and sent to prison. It is a fact and he has now absconded from the law and it is a fact that we have seen the letter.

Mr. Speaker, Sir, the other point that I would also like to make and the only reason, Sir, that I raised with honourable Prasad about the Commission of Inquiry because the law quite clearly says

Sir, under section 16 of the Commission of Inquiry Act, it says any person who uses a threatening or insulting language to the commission or to a commissioner or to the secretary at any sitting of the commission or to a commissioner or to the secretary at any time or place in relation to or an account of his or her proceedings in the capacity of the commissioner or secretary is guilty of an offence and upon conviction shall be liable to a fine not exceeding \$200.00, this needs to be updated, or to imprisonment for a term not exceeding six months. I am actually helping you out honourable Prasad.

(Inaudible interjection)

HON. A. SAYED-KHAIYUM.- No, no, I am saying just in case you get all excited and say it outside Parliament. Mr. Speaker, Sir, the fact of the matter is this. They are again saying that we have this cabal of people et cetera, and that we are always trying to victimise people who speak against us. Not true!

The Ministry of Women has farmed out work to the Fiji Women's Crisis Centre. The head of the Fiji Women's Crisis Centre has been making all sorts of allegations against the honourable Prime Minister, myself, against Government, all types of gratuitous comments, yet we did not stop the work that she is getting, they are getting about \$200,000 worth of work in budget. It is approved.

If we were vindictive, we would have stopped it but we are not because they perform a good role in terms of managing the phone line. That is the mandate. It is nonsensical to say that. We know honourable Prasad's affiliations with various engineers. They are probably funding his political party but they still get contracts with Government. They go through a proper tender process, they get approved but we do not actually stop them from getting it because we are very much transparent about it. We are not politically motivated. They always bring this issue about political motivation. If that was the case, we would have stopped that. You know who I am talking about, Mr. Speaker, Sir.

The fact of the matter, again there were numerous instances that I can talk about. Strategic Air Services Limited (SASL) set up before they split up Airports Fiji Limited (AFL). That time it was Fiji Airports, split it up, SASL, guess what happened. We lost vast tracts of the air space that we used to manage before. We lost it to New Zealand and Australia because SASL was set up. What happened after that? It is gone.

Mr. Speaker, Sir, ATH shares were sold at inflated price just to prop up Government revenue for that particular year. Narube now claims that he did it. The fact of the matter is, it was sold at over exorbitant price just to make the Government look good. It was a one-off surplus.

Mr. Speaker, Sir, again I would like to point out, the last comment I would like to make. The salaries and work conditions of civil servants and other entities that Government is related to, the salaries have increased significantly. Someone made a statement about nurses, land surveyors, doctors have all had huge pay rises compared to what they used to get.

(Chorus of interjections)

The meal allowances, they used to get \$9.00, we increased it to \$20.00. It has come down to \$10.00 because of COVID-19 and they appreciate that because we did not give any pay cuts. We did not do any pay cuts, Mr. Speaker, Sir. So, the point of the matter is honourable Nawaikula did not declare his interest. This is the level of debate we are seeing, Mr. Speaker, Sir, the contributions. If we want to make some substantive contributions, let us be honest about it, intellectually be honest about it and let us know what happened in the past.

There are many issues, for example. Yes we agree. We are on record for saying that the move from Public Works Department, the Water and Sewerage Department in the Public Works Department could have been done better.

The Fiji Roads Authority (FRA) from Department of National Roads, metamorphosed into FRA was done a lot better than WAF. There are legacy issues and they are being addressed as the honourable Minister had highlighted. So, Mr. Speaker, Sir, we accept audit reports if it is done objectively.

We accept criticism if people do not file the accounts on time, we accept that. But let us come to this Parliament with clean hands. If you know that the accounts have been submitted but OAG is delaying it, do not say that it is the fault of the entities. And we need to take audit reports on the value that it gives us and that is how do we identify the gaps, how do we fix it so next year it does not happen. That should be really the role of the Auditor-General.

The role of the Auditor-General is go to these ministries and say look guys we identified duh, duh, duh because of these issues. Let us work together with you to see that it does not happen again because it is taxpayers' funds, not for it to be used for political purposes. Mr. Speaker, Sir, I would like to thank the Committee for the report. Thank you.

HON. A. A. MAHARAJ.- Thank you, Sir. I have no further comments.

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

Question put.

Motion agreed to.

MR. SPEAKER.- Honourable Members, for the purposes of complying with the Standing Orders with respect to sitting times, I now call upon the Leader of the Government in Parliament to move a Suspension Motion.

### **SUSPENSION OF STANDING ORDERS**

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- 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 listed on today's Order Paper.

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

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Mr. Speaker, Sir, on schedule one, we have three items remaining and of course questions on schedule two, the eight oral questions and the two written questions thus the request to sit beyond 4.30 p.m. today in order to have it completed. Thank you, Mr. Speaker, Sir.

MR. SPEAKER.- Honourable Members, the floor is now open for debate on this motion. Is there anyone wishing to take the floor at this time? Since no one wishing to take the floor, Parliament will now vote.

Question put.

Motion agreed to.

MR. SPEAKER.- It is because you have agreed to unanimously, you deserve a break for afternoon tea. We now adjourn for afternoon tea.

The Parliament adjourned at 4.38 p.m.



The Parliament resumed at 5.09 p.m.

### **REVIEW REPORT- FIJI NATIONAL UNIVERSITY 2019 ANNUAL REPORT**

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

That Parliament debates the Review of the Fiji National University 2019 Annual Report which was tabled on 20th September, 2021.

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

HON. V. PILLAY.- Mr. Speaker, Sir, the Fiji National University (FNU) was established by the Fiji National University Act 2009 (as amended by the Fiji National University (Amendment) Act 2010). The principal activities of the University are the provision of post-secondary programmes of study in higher education, technical, vocational education and training that are responsive to the needs of the industry, the marketplace and the non-formal sector of employment to students from Fiji and other countries in the South Pacific region.

Mr. Speaker, Sir, I would like to expand on some noteworthy findings of the Committee, emanating from its scrutiny of FNU's operations for 2019. The Committee noted that vocational training programmes continued to be offered by the University through the National Training and Productivity Centre's Community-Based and Non-Formal Education. The vocational courses offered are inclusive for the people of all ages, including people living with disabilities. Through the continuous existence of the training centre, the University is touted to be the leading provider of TVET in Fiji.

The University's current Strategic Plan sets out goals and aspirations to be achieved by 2026. Three of the four pillars of the Strategic Plan map explicitly focus on achieving the National Development Plan goals, particularly in the areas of education for employability, research with real world impact and student experience. The fourth pillar is about financial sustainability which is vital in the wake of COVID-19, and its impact on the economy. It reflects the necessity for the University to diversify into income streams and provide excellent value for money in the investment of public funds.

Mr. Speaker, Sir, one of the Committee's role is to ensure that relevant agencies mainstream the Sustainable Development Goals (SDGs) in their work. In this regard, we observe that FNU continues to align its strategies towards achieving SDG 4 - Quality Education; SDG 8 - Decent Work and Economic Growth; SDG 9 - Industry Innovation and Infrastructure; SDG 11 - Sustainable Cities and Communities; and SDG 13 - Climate Action. We also found that 25 students living with disabilities were registered at the FNU Disability Centre.

An orientation was conducted by the Office of the Registrar to enlighten them on the services and support provided by the University which includes, data gifting to help them with online studies, CV writing and mock interview training, mentoring and support to students to assist them in succeeding in their studies, and participating in capacity building workshops organised by the Fiji Disabled Peoples Federation.

The major project achievements of the University for the 2019 financial year have been the commissioning of physical servers and replication to the disaster recovery site, the finance system going live for tests, while training and data conversion and configuration works for the student and human resource system. The student system was expected to come live in the last quarter of 2020.

Furthermore, the most significant achievement for the National Training and Productivity Centre in 2019 was the creation of the Fiji Productivity Master Plan 2021 to 2036. This Master Plan sets out milestones and directions to raise national productivity that will drive the strategies to realise the objective of maximising the productivity in the 20-year National Development Plan. Overall, the University made much progress in 2019 and it is our hope that this momentum continues.

MR. SPEAKER.- Honourable Members, the floor is now open for debate on the motion.

HON. V.R. GAVOKA.- Mr. Speaker, I just want to look back into the history of Fiji National University. We all know that it started off as the Derrick Technical Institute and then it became Fiji Institute of Technology (FIT) and in 2009 by a Decree it became the national university of Fiji. It was amended again in a Decree in 2010.

As indicated in the past, Mr. Speaker, all those Decrees that were passed by the regime at that time should have been brought into Parliament to be debated before they became Acts, but that was not to be. All the Decrees automatically became Acts and laws of this country. If it had been brought in for debate, Mr. Speaker, SODELPA would have prevailed upon the powers that be that FNU should not compete against USP.

The two both serve a very small country like Fiji and for them to be competing does not serve the country well. We would have liked FNU to focus primarily on technology and the regional university on the other areas. We provide funding to both USP and FNU and it is a duplication and I believe funds not being fully utilised for its purpose that we are funding two institutions at that level that are competing with each other. So, I would say today that in the future we would review this. We have always called for an Education Commission to be set up to decide on what you need in terms of education in Fiji and it would be a subject that we could discuss, Mr. Speaker, as to separate the two and not for them to be competing.

Mr. Speaker, education is very important for Fiji and I know it is a bit of a cliché but when you read this ADB Policy Paper and you will see how vulnerable the country is, the answer for us, Mr. Speaker, is in education. We must educate our people. We are limited in just about every area in the economy and the likes but we can make a difference if our people are educated. That is why SODELPA has established a policy that education will be free up to tertiary level because it is the only way out for the country and what we will be doing today, the difference will be realised in a big way in 10 to 20 years' time - what will we leave for our future generations. What we want to leave them, Mr. Speaker, is education and that is why SODELPA is committed to providing education to free tertiary level.

When it came up for debate in the last sitting, Mr. Speaker, people were asking me how much will it cost. My people had done the sums and it came up to a billion dollars for the whole of education. Later the honourable Minister for Education came out with their figures and she said as it is, the budget for education is \$700 million and it would cost another \$200 million to bring in free tertiary. So, her figure is \$900 million, SODELPA's figure is \$1 billion. We are there and we know what it is all about and we know that we can find the money to provide free tertiary.

Mr. Speaker, Sir, making some comparisons with other countries, Sri Lanka provides free tertiary. Sri Lanka has a population of 20 million people and has 15 universities. Also Barbados, one university which is the University of the West Indies similar in structure to the USP in Fiji, but in Barbados, they go as far as PhDs for free - all the way to Doctorates. When I talk about education being the answer to Fiji which FNU will serve, I also look at a country that I admire a lot and that is Taiwan. Taiwan is twice the size of Fiji in terms of land mass but 23 times more than Fiji in terms

of population. Taiwan today with its limited resources is one of the key producers of semiconductors in the world. It supplies 60 per cent of the computer chips worldwide.

(Honourable Member interjects)

MR. SPEAKER. – Order!

HON. V.R. GAVOKA.- That is what education does to a country. In Taiwan the population is 23 million, there are 160 universities and education is cheap in Taiwan. So, that is where Fiji should be heading, more education so that we can develop our country and survive in the days ahead.

There is scarcity in terms about everything we have in this country because of our size, we have the tyranny of distance as highlighted by the ADB Report but Mr. Speaker, Sir, education is going to be the key to all these and that is why SODELPA is going to introduce free education to tertiary level. Mr. Speaker, Sir, that is why we want to see FNU to be performing well but it needs to be realigned in terms of its offerings compared to USP but it is an institution that we will need to protect for our future generation and that is where SODELPA is headed, free education to tertiary level.

I am amazed at how they are always quick to point a finger at us that we do not understand what is happening, here we are cheap shots. I am trying to bring in Taiwan as an example and they say, “Are you going to move to Taiwan?”

I am also worried about the brainpower on the other side of the House, Mr. Speaker, Sir. That is my contribution to this. Sir, FNU should be supported especially as SODELPA wants education to be key for the way forward for this country.

HON. DR. I. WAQAINABETE.- Mr. Speaker, I thank the Committee for its deliberations and the Report that is before us. Mr. Speaker, Sir, as a former Associate Professor of the Fiji National University, I stand with pride in saying that there have been many graduates from the Fiji National University. I would like to correct the honourable Leader of SODELPA in saying that it was formed out of FIT, actually it was not.

If you would just search, you will see that it was formulated in 15<sup>th</sup> February, 2010 as an amalgamation of the Fiji School of Medicine which was established in 1885, Fiji School of Nursing in 1893, Fiji College of Advanced Education in 1947, Fiji College of Agriculture in 1954, Fiji Institute of Technology in 1963 and Lautoka Teachers College in 1978. It was not just to one, all the six came together, amalgamated and became the Fiji National University and this Government did it. The discussion again just going back to debating on the thesis put forward by the honourable Leader of SODELPA that why do we need another University? This is a nation where we have about 10,000 of our children leaving Year 13 every year.

HON. V.R. GAVOKA.- You were not listening!

MR. SPEAKER.- Order, order!

(Chorus of interjections)

HON.V.R.GAVOKA.- Sir, why we needed another University? I said, why do they compete! They should be running on separate lines, Mr. Speaker. I think he should withdraw that, Mr. Speaker. Wave the red card or something, please, Mr. Speaker.

MR. SPEAKER.- Honourable Member, you have the floor.

HON. DR. I. WAQAINABETE.- Mr. Speaker, from what I heard, he was challenging the reason why we should have two separate universities. For a nation such as ours, that nearly has 8,000 Year 13 students coming out every year, why should we not have another university.

On top of that, there are countries all around the Pacific, they come towards Fiji, looking for us and seeing that we have the aptitude and competency to delivery on the many educational needs that they have. More importantly, as our honourable Chairman had said, in engaging in the National Development Plan, in making sure that we have graduates who have a real world impact.

Mr. Speaker, Sir, not only has FNU come from there, but it has also managed to actually go into Postgraduate training. And I say this because we have a lot of our specialists now in the medical sector, including my friend on the other side, honourable Ratu Atonio Lalabalavu, he was also trained in the Postgraduate programme, and that is what FNU has been able to do - offer the Postgraduate programmes, allow us to have local training in the Postgraduate areas and we must continue to support that.

I am very glad that infrastructural developments continue, especially the new campus in Labasa. We see that as a very important area for working with the College of Medicine, Nursing and Health Sciences in making sure that we have attachments available up in the North. We also see that as an opportunity for our Northern next health professionals to be trained rather than all having to come to Suva and giving them the opportunity in our facilities that are available in the North.

Mr. Speaker, Sir, again, I thank the Committee for its deliberations and I commend the Report that is before the House. Thank you.

HON. PROFESSOR. B.C. PRASAD.- I stand to make some brief comments. I actually agree with the honourable Minister for Health that the amalgamation of the Fiji School of Medicine with the Fiji National University was a good move. I, for one, believe that sometimes it is good to have competition and I think we have three universities. I know when the University of Fiji was being set up and some of us were supporting the idea while I was still at USP, we were not seeing the creation of another University as a threat in terms of competition.

What we saw, Mr. Speaker, was the need to have more educational opportunities and create accessibility towards many students as possible. So, I think the role of FNU in terms of providing that kind of competition and following on its tradition of producing technical people was very, very important and remains a very important contribution.

The point I would like to make and I think the honourable Minister for Education when she will speak, she may want to answer some of this, these is the situation with the technical colleges. I know when it was set up under the former Minister for Education, honourable Dr. Reddy. We did sound some warnings as to its sustainability and I think what happened was, ultimately the Government decided that Technical Colleges would be absorbed by the Fiji National University (FNU).

Again, I thought it was kind of a sensible move, in the sense that like before, FNU would be able to create that stream of qualifications right up to the Degree that they have now but also Certificates and Diplomas which will help us provide that kind of technical skills.

For many years, Mr. Speaker, Sir, we had this Apprenticeship Scheme and I know there are so many people in my own family and from my settlement who were not that kind of people who

would have made it to the university, but they actually made it to Fiji Institute of Technology (FIT) and Fiji National Training Council (FNTC) at that time. Many who had not been successful at the Fiji Junior level went on to becoming a mechanic, a plumber, et cetera.

Many of them, Mr. Speaker, needless to say, acquired that qualification, then went into Stage 1 and Stage 2 of the then FNTC and acquired various skills, such as mechanics, plumbers or electricians. Many of them, of course, have left the country because Australia and New Zealand actually found out that these people were very, very skilled.

I think, given the situation that we are in right now, and we all know that in a situation where we are economically depressed and has been pointed out, it would be difficult for us to get back to pre-pandemic levels of employment and economic growth, not necessarily in a short period of time. I know I have met many young people who have lost their jobs, especially those who were part of the Technical Colleges.

When many of those Technical Colleges were closed, the teachers did not have a job, but also a lot of people who would want to go back to the university would want to delay their employment prospects.

It is a good thing, it is not necessarily a bad thing that they continue to upgrade their skill from certificate to a diploma to a degree, or even those with degrees, I know they would want to continue their postgraduate studies. It is an important pathway for them to pursue until they are able to land a job which would be very good for them.

From that perspective, Mr. Speaker, Sir, all universities are important - FNU is very important and I think as honourable Dr. Waqainabete pointed out, we have always rejoiced the quality of our medical degrees and diplomas that we used to offer and it remains an important pillar of our medical education in this country.

I am a bit disappointed, Mr. Speaker, Sir, with respect to what is happening and I think the Committee is quite rightly pointing that out on the capital projects. I have raised this issue in Parliament before on the way in which the capital projects have been managed. I remember asking a question in Parliament and the honourable Acting Prime Minister then told me that the amount that they spent at the Labasa Campus, which is now overgrown with grass and basically a jungle - lies abandoned, I do not know when the FNU is going to get its capital grant to relook at how they can rescue that project. It was an important project.

Mr. Speaker, Sir, I think it would be absolutely important for us to keep that in mind that right now and going forward for the next couple of years, technical education and education in general, especially for students who may want to upgrade their qualification because it is going to be very, very important and that is an area we should do our best not to cut funding. If that is any place that we need not cut funding would be, as I have said before in this Parliament, in an economically depressed situation is health, education and social welfare. I think it is absolutely important that we keep a focus on them.

The other point I want to reiterate again, Mr. Speaker, Sir, and I hope that there can be a review and we have talked about an Education Commission for a long time and since 2014, I have been talking about that. The reason why we are talking about an Education Commission is because there are so many things that have been done over the years.

The last Education Commission we had was in 2000, so it is more than 20 years now. There have been a lot of reforms within the education system, some have worked and some have not

worked, but we have not had a very holistic review of the whole education system right from the primary up to tertiary education.

While it is important to provide the accessibility, it is also important to have quality because if we lose sight of the quality at all levels right from the primary school, secondary school to the university, we are not going to produce the kind of people that would be needed in the labour market.

The final point I want to make in relation to that, Mr. Speaker, Sir, while we pursue the effort to train as many people as possible, we will have this constant outflow of skilled people from this country. In fact, people are telling me that there is long lines of people trying to do the IELTS Test, the English Test, the policies that Australia and New Zealand are putting now in terms of attracting workers, we are likely to see an exodus of skilled young people leaving this country in the next few years. We may not be able to stop them because they would obviously be looking at opportunities, many of them are looking at not just job opportunities but other things.

A lot of young people are telling me, “I want to leave”. Some of my nephews and nieces in my own family who have good jobs, qualified who were not thinking of leaving are saying to me that they might leave because they see opportunity but they also feel that there are lack of opportunities here too. So, we need to tie in the whole education process in order to give opportunities that our young people will have in this country and I would say that let us not be political about education. I mean, I would be the last one to talk about it in terms of making it a political gain.

It is an important sector. It is probably the most important element of our journey towards becoming a successful country. We can go back and say, “Look, past Governments did not do this, this Government did that” but we are all moving, Mr. Speaker, Sir. We cannot say what was being done in 1973. I mean, the honourable Acting Prime Minister was talking about salaries. I know Teachers in 1973 were paid \$3,000, there was a major Job Evaluation Exercise. So, it is a time-bound thing, some things just happen over a period of time. I mean, this is a Government which has been in power for 15 years so they actually should talk about what they have done in 15 years.

HON. A. SAYED-KHAIYUM.- OMRS.

HON. PROF. B.C. PRASAD.- It is important that we not just lose sight of it. So, I would sort of encourage the Government, even though this is an election year, if they do not want to call it a Commission because we are suggesting it, that is fine, but have some kind of expert review because at this time it is even more important because we have had such learning and teaching losses in the last two years because of COVID-19 and the effect of that, Mr. Speaker, Sir, will be seen in a long-term basis.

Perhaps, this is a good time for the Government to appoint an expert group. It may be able to get out the report before the election or even if they give the report after the election. Whoever is in the government would benefit from that report. But I would urge this Government to actually do that because this is the right time. And without thinking that this is going to show up their weakness, it is not about weakness. It is about improving the system, it is about improving the policies and it is about looking at the reforms that we have done.

In that sense, Mr. Speaker, Sir, the place of Higher Education and the role of FNU. I know when FNU was formed, when Ganesh Chand was the vice chancellor, he called me one day and said I want to have Dr. Reddy to become the Dean and I said I will give Dr. Reddy three years leave to go and build up the faculty in FNU and we did that. We gave Dr. Reddy three years leave to actually go there to set up the FNU. I have as much love for FNU and the University of Fiji as to USP and all three universities are very important. Even if there are some elements of competition, that is fine

because competition does lead to improvements in terms of the services, in terms of the quality. Many small countries have many universities, they compete, they do things, there is always this idea of getting the best students in universities, and there is competition for PhD students, so the competition in some sense would be quite healthy.

For us as a Parliament and for those in Government, it is important to promote that competition in a very healthy and free environment because universities do create innovation, they do create ideas and these innovations and ideas only come about in a free environment where there is academic freedom, where universities are well resourced, where government does not interfere in the running of the university, that is when you create a lot of energy, a lot of innovation and a lot of ideas, Mr. Speaker, Sir.

So, I support the Report and we support the operations of the FNU. We urge them to look at the completion of these projects and ensure that we do not lose sight of the technical part of the education that FNU is supposed to provide. Thank you, Mr. Speaker, Sir.

HON. P.D. KUMAR.- Mr. Speaker, Sir, I thank the Committee for the work they have done in making some recommendations on the 2019 FNU Annual Report. The key highlights and the achievements of the FNU in the year 2019 were many. In 2018 the student head count was 17,525 whereas in 2019 the number increased to 18,656. We have also seen that female student enrolment in higher education programmes at FNU continued to grow bigger in number which we appreciate particularly in the year 2018 and 2019.

One of the major highlights for FNU was hosting the Australian Prime Minister, honourable Scott Morrison to the College of Engineering, Science and Technology at their campus in Samabula, Suva. The honourable Morrison toured the Australian Pacific Training Coalition (APTC), refrigeration and air conditioning training facility which is located on campus through an ongoing partnership between FNU and APTC.

Mr. Speaker, Sir, in partnership with the Embassy of the Republic of Indonesia, FNU hosted the inaugural World Town Planning Day with student displays on the theme, Sustainable Development Climate Change Adaptation and Economic Development through the Blue Economy.

The FNU hosted the Survivor Series Season 4 Coordinator on campus to interview film and television students for attachment with the production unit. Eight students joined the team in Kadavu and in Pacific Harbour for the Love Island movie. FNU also hosted a visit from the renowned American novelist Adam Johnson, the winner of the U.S National Book Award and also a faculty member of Stanford University.

Mr. Speaker, Sir, the highlight of all these was also the nine second-year FNU students who went to Israel to undertake practical training in commercial agriculture. Their initiative which is a first for Fiji is aimed at providing a boost to the Fijian agricultural sector and is a result of an MOU between the Ministry of Agriculture and Israel's Agency for Development and Co-operation.

Mr. Speaker, Sir, virtual Fiji Institute of Pacific Health Research was established to further enhance the research activities at the College of Medicine. The College's Department of Medical Imaging and Anatomy was declared a centre of education by the World Federation of Ultrasound in Medicine and Biology (WFUMB) making Fiji the regional hub for the training of multi-discipline users of ultrasound.

Mr. Speaker, Sir, the World Health Organisation also designated the College's research centre that is Pacific Research Centre for Prevention of Obesity and NCDs as a WHO collaborating centre.

This collaboration provides benefit to both parties as WHO gains access to top institutions worldwide that helps in the building of institutional capacity to support such work. The University also introduced new programmes in 2019 in the field of media and communication, environmental health, non-communicable diseases, health research, education and develop courses in animal science and also in Masters in Agriculture.

Mr. Speaker, Sir, the FNU National Training and Productivity Centre handed over the Fiji Productivity Master Plan 2021-2030, 36 document to the Minister for Employment, Productivity and Industrial Relation. The Plan comprises of productivity milestones and directions to raise national productivity. NTPC published the Fijian Productivity Report 2018 which provides important insights into capital and labour productivity in Fiji at national and sectoral levels which offer valuable information for policy makers, researchers and non-government organisations.

Mr. Speaker, Sir, all this is possible through a very high-powered FNU Council. FNU Council was put in place and if we go through the members, the Council itself is led by a lady, Ms. Tessa Price. She comes with wealth of experience and let us not forget that the Council itself is made up of not just the local experts but also people from international arena as well.

We have got individuals who have done a lot of research. For example, Mr. Dharmen Sharma. He has been given if I am not mistaken the Australian Award for the work that he has done in research. We also have Mr. Vishnu Mohan. He has got a lot of experienced in private sector, banking sector and he brings to the table a lot of expertise in managing human resources. We also have our local expertise. For example, Mr. Devanesh Sharma. He is a lawyer by profession and he is in the Council. We have Mr. Raymond Prasad as an architect. He can also contribute to the development of FNU campus. So, the way the Council was selected, it was selected to give that impetus so that the Council can perform well.

We do have legacy issues with FNU, Mr. Speaker, Sir. Previously the way the staff were appointed, merit was not considered. It was whom you know kind of an approach but now with this high-powered FNU Council where they have got expertise from overseas as well, they are trying to streamline processes, they are trying to put systems at FNU so that we can improve FNU and take it to another level but as I have shared with you the achievements as well as the highlights of FNU in one year, it says a lot about the direction FNU has taken.

Mr. Speaker, Sir, the Committee highlighted three incomplete capital projects undertaken during this period. I am pleased to say that the sports complex at Nasinu Campus is now complete and fully operational. The flooring which is specialised for gyms was to have been done by international vendor but due to the lockdown they could not come over. Instead they trained our local contractor virtually who then completed the flooring and in the process built our local capacity in the specialised work. The official opening of this complex is planned for March, 2022.

Mr. Speaker, Sir, for the Maritime Academy, three-storey building contract was awarded in August, 2018 for full construction of the building. The construction work was to be completed by March, 2020, the building was about 80 per cent complete by November 2020. From April 2020, FNU was charging liquidated damage. The contractor failed to deliver this project on time despite giving a new deadlines, ultimately the contract had to be terminated.

Mr. Speaker, FNU then encashed the original bond which was \$1.18 million and is in the process of completing the remaining work which is around \$2.6 million and this work is expected to be completed by July this year. The contractor has taken FNU to court and there is a mention in the court in March of this year. So, if all goes well then this project can be completed according to the deadline that I had given.



For Naiyaca Campus, Mr. Speaker, Sir, yesterday honourable Prasad also placed Nayaca Campus as part of his bucket where he talked about \$500 million wastage that he calculated from thin air over so many years. Even he talked about this new campus being placed in that list of \$500 million that he talked about. The problem here is that some of these honourable Members they go around over the grog bowl, just collect information and then they come here and talk about such important information but it is misled, it is distorted and again, I say it is more of a feel-good factor for him because as if he is the first one who was able to bring it to Parliament so that the rest of Fiji comes to know about it that yes this project did not go well. But let me tell you honourable Prasad...

(Honourable Member interjects)

HON. P.D. KUMAR.- No, you have to listen to what I have to say. Mr. Speaker, Sir, this project cannot be written off, everything is going as per schedule but I will explain that in detail for you to understand. The construction work started on the campus in April, 2018, the contract was for the sum of \$27.4 million for the building alone. The project included the construction of lecture theatres, tutorial rooms, computer labs, science lab, conference room, library and admin spaces.

For this project, FNU hired a project manager, a quantity surveyor, engineer and these were all professionals who were handling the project under the guidance of CIU. The contractor was paid a total sum of \$11.4 million for the 47 per cent work that was completed but because of the delays FNU terminated the contract in March 2020 as there was no progress seen on the site from August, 2019 despite several completion plans submitted by the contractor.

The contractor filed a case against FNU on 6<sup>th</sup> October, 2021, the court ruled in favour of FNU which means that the contract was rightfully terminated and that FNU can encash the bond of \$2 million, Mr. Speaker, Sir. However, the Bank of Baroda has some legal matters with the in regards to the bond money. Sir, FNU has filed a Writ of Summons in the High Court against Bank of Baroda.

Mr. Speaker, Sir, if we put all these together, one can calculate that we still have money to finish the job. The matter is very well handled by the FNU Council and the only reason there was a delay in this project was purely because of the contractor and when the matter goes to Court, obviously we expect further delays. That is what has happened to this project. I am going to leave this with the FNU Council and I am sure they will be able to handle this and come up with a plan.

Regarding what honourable Gavoka said, he has been talking about FNU competing with USP. Mr. Speaker, Sir, FNU is a local university, we should be proud of a local university and there is nothing wrong with competition. Sir, FNU has been there for a while in the form of Derrick Technical then later on as FIT and now as FNU.

In certain areas, FNU is the leader if we talk about courses such as medicine, allied health, nursing, agriculture, USP does not offer that, it is only FNU that offers such courses and we need FNU to lead in all aspects of our country's needs, for example, we need a lot more people who can be employed by our businesses and TVET, again becomes very important because TVET can give the businesses the workforce that they need. So, FNU is still the leader in TVET and there is nothing to worry about, FNU being a dual university. They are offering academic and vocational course which makes FNU very different from any university and competition is always good.

Mr. Speaker, Sir, I want to highlight about the Apprenticeship Scheme and Honourable Professor Prasad has mentioned that. The Apprenticeship Scheme has been revived by the Government in the last budget where we are offering \$100 per month to students who take up apprenticeship. We are encouraging them to take up apprenticeship. So it is not that, that we are not

aware of it, we want our students to take up apprenticeship, complete the course, graduate from FNU and take up jobs as soon as they can.

HON. S.V. RADRODRO.- Mr. Speaker, Sir, I rise to make a contribution to the motion on the floor on the Review Report of the Fiji National University Annual Report for 2019 and my response will focus on the recommendations that is given in the Report. There are two recommendations and recommendation one reads and I quote, “The University continue to discuss with the Ministry of Economy for the release of funds as soon as applicable.” The Capital Projects undertaken, the one that I will focus on is the new campus in Labasa.

The second recommendation reads and I quote, “The Committee recognises the importance of these three incomplete capital projects for the benefit of the University and its students and recommends that FNU continue to liaise with the relevant Government agencies and other partners for the completion of the works.” Capital Projects are the maritime as alluded to by the honourable Minister for Education, the three-storey building, the Sports Complex at Nasinu and the new campus in Labasa. Mr. Speaker, Sir, I will only focus on the Labasa Campus and few other issues.

Having said that, in the findings, Mr. Speaker, Sir, one of the key factors pertinent issue that was highlighted was that the final quarter payments of the Operating Grant of \$20.7 million and Capital Grant of \$7.8 million for Fiscal Year 2018-2019 were not paid on time.

The second pertinent issue was that while the University’s baseline Operating Grant for Fiscal Year 2019-2020 was unchanged at \$53.1 million, the Capital Grant was reduced to \$15 million in the June 2019 Budget. This shortfall resulted in the University’s contractual commitments for Fiscal Year 2019-2020 for the construction of the projects, Mr. Speaker, Sir. I was hoping to hear that from the honourable Minister for Education that the Ministry of Economy will pay all the arrears that is pending and also the grant that needs to be released to FNU so to ensure the completion of this project. We continuously hear that we leave no one behind but the incompleteness of this project will really see that a lot of our students in the North will suffer.

Mr. Speaker, Sir, I know the honourable Minister for Economy had highlighted that, I continuously highlight the issue on the budget. In this case, it is important that the pending grant be given if indeed our priority is on education. We know that the grant to USP was also withheld and that tantamount that we are not remaining true to the priorities of Government in having to hold education as a priority in the National Development Plan and also as we continuously hear in this House.

Mr. Speaker, Sir, may I just highlight some of the issues or challenges faced by FNU in regards to the Labasa Campus. I will just add on to what honourable Professor Prasad had already highlighted but I heard from the honourable Minister for Education that the blame is now on the contractor. But, Mr. Speaker, let us look at the land that has been identified for this project.

The land that the Government has identified for this project is near the river and is in a flood prone area. As a result, the contractor in its initial work had to build up almost two and half metres, which is about looking at, from that floor right up to that wall. Maybe, Mr. Speaker, Sir, if we look this side it will be from where you sitting, Sir, and way above that. That has to be built up because of the wet land, the land had been identified.

So, for the honourable Minister to blame the contractor is...

HON. P.D. KUMAR.- The work was done separately.

HON. S.V. RADRODRO.-... is beyond me, Mr. Speaker, Sir.

MR. SPEAKER.- Order!

HON. S.V. RADRODRO.- It will be interesting to find out how the Government identified that land when that land is in a flood prone area and knowingly that the engineers have to work hard, they have to spend money to be able to build up that two and half metres so that the ground is solid enough to be able to accommodate the buildings that is going to be built.

So, having heard the honourable Minister bring out the issues, even they have ended up in court. I am not surprised because the very important part of this project which is the land that is being identified by the Government, that is the problem. It is important to find out how was that land bought, who was it bought from, why could it not be taken to another site?

(Chorus of interjections)

HON. S.V. RADRODRO.- Mr. Speaker, Sir, even if it is on a State land, they could have looked at another piece of land.

HON. GOVERNMENT MEMBER.- Where?

HON. S.V. RADRODRO.- That is the Government's responsibility to do that and not to go on a piece of land which they know very well is going to be problematic in the construction process.

Also, Mr. Speaker, Sir, on the issue that has also been raised on the technical college. I will just add on to the closure of these technical colleges and the 370 staff more or else who had their jobs on the line. The honourable Minister did not say anything about that.

One of the issues that FNU brought about in their presentation was because of the delay in the grant, they were really faced with financial problems and they had to engage in stringent financial controls which saw the human resource recruitment being reduced to be able for them to work with the money that they had. The recruitment of teaching staff, for example, Mr. Speaker, Sir, will impact on the education of the students. It will affect their service delivery. So, that is why it is important for the honourable Minister for Economy to make sure that those grants are issued on time, and even for the arrears to be paid up to FNU.

Because we were talking about the land, I would like to highlight again the land that belongs to FNU in Navua and was initially earmarked for the new Koronivia Agricultural College, that had been given on lease to Grace Road. That, Mr. Speaker, Sir, we have brought into this House because we oppose that and now we are just wondering how that lease money, whether it is channelled back to FNU, because now we have seen that Grace Road business has really grown across almost all sectors. That has been facilitated by the Government by giving that piece of land in Navua, that was supposed to be for FNU, to Grace Road.

HON. GOVERNMENT MEMBER.- It is very poor, very sad!

MR. SPEAKER.- Order, order!

HON. S.V. RADRODRO.- It is not very poor, it is not sad, honourable Dr. Reddy. You should take the bullet and bite it. That reflects bad, poor decision-making by the Government in having to give priorities to others and not to our own people in regards to the education of our people,

honourable Dr. Reddy. That was supposed to be for the new College of Agriculture. Now we still have to make do with Koronivia because you did not fight it in Cabinet to make sure that....

MR. SPEAKER.- Do not converse between you two, through the Speaker.

HON. S.V. RADRODRO.- I apologise, Mr. Speaker, Sir.

I would just like to remind honourable Dr. Reddy that the College of Agriculture in Koronivia needs to be upgraded and that was a perfect opportunity which they gave away. That tantamount to....

(Honourable Member interjects)

MR. SPEAKER.- Order!

HON. S.V. RADRODRO.- That is the trouble, Mr. Speaker, Sir, instead of listening and taking in good ideas from this side of the House and turn it into workable policies, rather than failed policy on that Technical College, they refused to do that, and it would pay for the Government to at least listen, for example, and I will end on that note.

We have been hearing on the debate about the Commission of Inquiry on the Auditor-General, Mr. Speaker, we on this side of the House have continuously tabled and raised and requested that there be a Commission of Inquiry on Violence Against Women and Children because we have even seen deaths and yet, the Government never supported that motion from this side of the House. Yet, the Auditor-General is doing a good job by providing Audit Performance Report of Government Entities and exposing the areas of improvement, particularly by the Government in regards to their policies, allocation of funding and programmes.

They do not listen, Mr. Speaker, and yet, they have taken this supposedly independent body to a Commission of Inquiry and yet, they do not hear us from this side of the House to look at a Commission of Inquiry on Violence Against Women and Children which has caused deaths and it continues to increase. Crime against violence and crime against women and children continues to increase and the nature of crime continues to be horrendous, Mr. Speaker.

I bring in those issues, Mr. Speaker, just to highlight to the House on the misplaced or the politically motivated motions that have been brought into this House by the Government side, and having not to listen to us to attend to a genuine request in having to establish a Commission of Inquiry on Violence Against Women and Children and yet, they saw it fit to establish a Commission of Inquiry against the Auditor-General. That is a good reflection on how politically motivated this Government is.

HON. J. USAMATE.- Thank you, Mr. Speaker, Sir, for giving me the opportunity to speak on the motion, on the Report of the Fiji National University for its Annual Report and I congratulate the Committee and I also think the honourable Minister for Education has elucidated quite well on the achievements of FNU.

Just one point before I get into this, I think the honourable Salote Radrodro, before she actually accuses Government of selling a particular plot of land to a company, she needs to go back and check her facts on how the land was acquired and who sold it to who. We need to get our facts right so, please, before you start pontificating and pointing, check the facts, and that is what I have been saying continually this past week.

Mr. Speaker, Sir, I think the honourable Gavoka probably suggested that we should not have established a national university.

(Hon. V.R. Gavoka interjects)

HON. J. USAMATE.- Well, you suggested, you hinted that we should have just left USP there, and that we should not compete with it. The kind of things that are done in USP and FNU should not be in competition.

However, it is important to remember one thing. When you set up a national university, you design that national university to meet your national need. You should make sure that the kind of programme that you need for your national need is the kind of programmes that are delivered in that university.

When you are doing a regional university, you are trying to develop programmes that suit the region as a whole. That is why it is important to have a national university. Even if you are going to have programmes in engineering together or programmes in law, the ones that we have in our National University are designed specifically for our national training need. That is very important.

You must also remember that our sister and brother countries in the Pacific that used to be part of the USP, they have also gone down this road. Solomon Islands has developed its own, Samoa, Tonga has its university and Vanuatu. They are all doing that on that same principle.

It is good to have a national regional body, at the same time, you must have your own bodies to address your specific needs as a country, and that is why it is appropriate to have the Fiji National University in Fiji.

There are number of things that I think are unique about FNU. Firstly, it is dual university. In normal universities, you have academically-oriented universities. This one is dual. You are merging together the need for technical and vocational which is people who do things and academic which is people can understand and talk about and elucidate things.

Dual universities are things that are very difficult to do. A lot of countries in the world have tried to do it and have not done too well. So, it is something that is progressing and it keeps on improving.

We have had various systems in Fiji to try to develop these technical vocational skills and for me, that role of technical vocational skills that are done at FNU is very important because it is developing people who can do the kinds of things that we need in our industry.

I think one of the things that you are seeing at FNU is the possibility of coming from technical vocational stream and as you move up your knowledge can jump across to the academic field. A lot of times when you come up through this technical vocational stream, sometimes it is hard to become portable into the academic stream. But when you have that in the same university, they develop the pathways so that what you develop in your technical skill can become portable to your academic stream. I think that is very important for us because it gives us and for all the people who are in a technical vocational background, hope. You will notice they will also have a lot of experience in doing that, probably honourable Professor Prasad talked about the trade testing that we have.

Trade testing is a scheme that has been in Fiji for a long time, introduced by the ILO many years ago. Basically at trade testing, you will find a lot of people who can fix cars, build houses but they do not have an academic qualification to their name, but they know how to do it. So, what the

trade testing does, it takes that person with a lot of technical know-how, makes him sit a practical test and a knowledge-test and on the basis of that test, gives him a qualification to certify his level of competence. So, that sort of idea too is now being built into FNU. I think it is very important to the programmes that they have, the National Trade Test and the National Apprenticeship Scheme. Both of these schemes look at competence.

One of the problems that we have in the TVET sector is that, we get a lot of teachers who can talk about it but cannot do it. You put them in the classroom to teach theory, they are very good but if you put them in the workshop, they cannot deliver. I have had people in the past who have attended some institutions and when the lecturers talk they can talk very well but when they come to the labs they cannot do it. I know my own brother who is an apprentice, sometimes he will wait for the teacher to go out, then those people with practical knowledge would stand up and they would demonstrate the real way to do it.

Those are some of the things that are being grappled at FNU and I think they are beginning to move, they are getting to that level of combining their ability to move between the vocational and technical streams, and also the academic. So, the apprenticeship training programme, I am glad to hear that it has been strengthened and it is absolutely fundamental for Fiji. It has never stopped, it has kept on going. For a long time, Government was investing in apprenticeship training, especially for people in our Public Works Department, Government Shipping, et cetera.

I am glad to see that this continues to go on and it works very well with the kind of systems that we have established at the Higher Education Commission. In Fiji, we have a National Qualifications Framework in which we have developed qualifications based on the needs in our industries. A lot of these things are competency-based and having these programmes at FNU being recognised along these lines, strengthens our ability to develop our qualifications in Fiji and make sure that they are recognised, that they become portable - portable from the technical sector into the academic sector.

I think that is very important for us and also at the same time it is based on competency based assessments where you can just look at a person's competencies and tick-off some of the competencies that he has, so that they can go and just do the training that plugs the gaps so that they get a qualification. These are the kinds of things, I think, that they have been working on at FNU and also at the Higher Education Commission. That is one of the things that I think that FNU is very unique and is very important.

The other arm of FNU that I believe is very important and very unique is the bit that they have on productivity promotion. A lot of the countries that are very successful in the world today have focussed on productivity for a long time. You talk about the United States of America, you talk about Japan, Korea, Singapore, these are countries that have focused on productivity and increasingly now, on innovation.

Within FNU, they have one particular Division called the National Training and Productivity Centre that focusses a lot on training and upskilling people in industry and also on promoting productivity.

One of the important mechanisms that they have is the Fiji Business Excellence Awards. The aim of the Fiji Business Excellence Awards is to develop world-class organisations in Fiji. It is a holistic award. A lot of awards that we have now, we just look at organisations and see, whoever is the best in a particular field. But this particular award looks at the processes that you need to look at in order to get the output. For instance, if they are trying to look at the manufacturing, they will not just talk about which manufacturing organisation sold the most products. They will look at all the

processes that they had in order to become a world class organisation. Their target is on world class organisations, so I think this is a very important tool that we have in Fiji.

It is a very unique part of the FNU and this is a part of the University that you will not find in any other university in Fiji, nor in any other university in the South Pacific and probably, very rarely in Australia and New Zealand. It is focussed on the productivity. The work that they do on the Fiji Business Excellence Awards which has a lot criteria about teaching people how to lead, how to collect data, covert that data into information, to come with knowledge and make decisions on the basis of the knowledge, planning, how to focus on customers, processes and people; and how to get results out of all these

One of the greatest benefits over the past few years through the work of NTPC. What they do is, they draw people from the public and the private sector, they teach them in the Framework of this Business Excellence Awards and they use them as evaluators.

This programme of becoming an evaluator under the Fiji Business Excellence Awards is probably one of the best management development programmes for high potential managing people in the organisation. By going through the process, they get a holistic understanding of what one needs in order to be able to run an organisation well at the top level. So, this is very, very unique to this particular university. The work they do on the Business Excellence Awards, productivity measurement, the benchmarking and evaluators. So, all of these things, I believe, makes FNU not just only for the academic programmes that it does, but also the productivity measurement that the Minister talked about.

Every country in the world wants to become more productive to have greater productivity, but very few are able to measure productivity. Very few actually know what productivity means, and if you want to manage something, you want to improve it, you have to be able to measure it and that is one of the programmes that is being done there at the FNU. So I just wanted to say those points.

Mr. Speaker, Sir, having this University is a unique university, it has a lot of functions that are absolutely fundamental to raising the quality of all the organisations that we have in Fiji, to develop the world class organisation and to promote productivity for the betterment of Fiji. And this can only be done in a national university that is focused on our national needs. Thank you, Mr. Speaker, Sir.

HON. M.R. LEAWARE.- Mr. Speaker, Sir, I rise to contribute to the debate before the House which is upon the Report of the Standing Committee on Social Services regarding the Fiji National University (FNU) for the fiscal year 2019. From the outset, I would like to thank the Chairperson and the members of the Committee for the Report.

By way of background, Mr. Speaker, Sir, FNU was established by the Fiji National University Decree in 2009, amended by the Fiji National University (Amendment) Decree in 2010.

Its principle activities, as alluded to by Honourable Members who have spoken before me. Our secondary programme to study in higher education, technical, vocational education and training that are responsive to the needs of the industry; the marketplace, non-formal sector of employment to students from Fiji and other countries in the South Pacific region.

Sir, there are two permanent issues arising out of the recommendations made in the Reports which are the:

1. The non-release and reduction of Operational Capital Grants; and
2. The completion of Capital projects undertaken by the University.

Allow me, Mr. Speaker, Sir to expound on these issues in some detail. It is important to put the record of the Fiji First Government under the microscope in so far as the release of funding is concerned to institutions of higher education. That record, Mr. Speaker, Sir, includes an impressive list and let me just cite a few:

1. The opening of Technical Colleges in Fiji with much fanfare which is now history.
2. Withholding of grant to the University of the South Pacific (USP) for personal and political reasons.

What is the motive behind this? By doing this, the Government is depriving our Fijian students and taxpayers their inalienable rights as stipulated in the 2013 Constitution. Now, here we are accepting another report but then we find the usual feature or pattern where funds have not only been withheld but reduced. It is raising a very smart question and looking for a dumb answer as usual. What is or are the causes of these heavy-handed approach upon the institutions of higher education by this Government?

Seriously, Mr. Speaker, Sir, these institutions, our students enter in order to qualify for employment opportunities. One thing is for sure, it confirms that indeed the Government has run out of money. The problem is that our major foreign exchange earners such as tourism are in deep trouble and the traditional sugar industry has been on life support ever since the 2006 coup. These are all our money earners which when affected caused the non-release of operating and capital expenditure to the institutions. Mr. Speaker, Sir, the Government needs this to complete its activities.

HON. CDR. S.T. KOROILAVESAU.- What report are you talking about?

HON. M.R. LEAWARE.- There is some financial ... I am talking about the FNU Report because of grants.

HON. CDR. S.T. KOROILAVESAU.- Life support!

HON. M.R. LEAWARE.- Yes. There is some financial mismanagement by these institutions and if that is so then that needs to be made public. The huge allocations in the budget are just a show to hoodwink the people and these institutions. Apart from the money Mr. Speaker, Sir, the Government has run out of ideas to deal with finances when it comes to honouring its word. The Government wants to dictate its own terms and conditions in these universities and thus holding them to ransom by this cheap and unashamed tactic.

Exploring this matter a little bit further, Mr. Speaker, Sir, the contents of the Report is subject to debate. It now gives a qualified clearance to two of these points quite clearly -

- Government has run out of funds as I have mentioned; and
- Holds the institutions of higher education to ransom.

That is, Mr. Speaker, Sir, to insinuate a very serious charge against this Government which by meting out this heavy-handed approach to these institutions, the State is seeking to control our institutions and academics, their right to be fair in the research and analysis development.

Mr. Speaker, Sir, as such public policy, this heavy handed approach compromise the teaching and learning process at these institutions which in turn victimises those who are learning there. Now,



if that is the truth then it is very horrific truth, it is a very horrific truth and it has to be put to a stop. We cannot and shall not allow draconian measures, dictatorial actions and egocentric leadership of the Government to be a hindrance to the facilitation of our higher education.

HON. A. SAYED-KHAIYUM.- Who writes this stuff?

HON. M.R. LEAWARE.- We did not hope for that to eventuate under FijiFirst and I leave this to the electorate to make their choice. In accepting the certain recommendations made in this Report, it seeks to highlight the capital projects undertaken during the period under review. The Maritime Academy which is a three-storey building. The other is a Sports Complex at the Nasinu Campus and the new campus in Labasa, and I thank the honourable Minister for informing the House that these projects are now completed.

However Mr. Speaker, Sir, it is apparent from the recommendations that there were pending works for completion of these projects which demands an answer from the honourable Minister of Education whether these pending completion works have been completed or not and if not then when. Was it due to the capacity of funds as highlighted in the first recommendation?

Mr. Speaker, Sir, in addition to that if we can vividly recall being mentioned in the previous reports of FNU which have come up for debate where it was pointed out the need for a new dormitory at the Nasinu Campus.

In conclusion Mr. Speaker, Sir, it is time that the FijiFirst Government grows up and displays maturity in dealing with institutions of higher education. It must stop compromising the education of our children and denying the people a fair view of research and analysis on public policy making. As such, Mr. Speaker, Sir, I have gross reservations on this Report and I thank the honourable Members of the Standing Committee. Thank you, Sir.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir, just to highlight some of the financial aspects of FNU. Mr. Speaker, Sir, the FNU in 2019 there was a total of 12,226 equivalent fulltime students, a three percent increase in comparison to 2018. It was also noted that the female graduates are accounted for around 56 percent of the overall graduates in 2019. Of course, we have seen the trend since we have introduced National Toppers Scheme and TELS that we find a lot more female in universities and high schools now than ever before. In fact, in many areas they have surpassed that of their male counterparts.

Mr. Speaker, Sir, overall Government funding, honourable Radrodro unfortunately has disappeared and I wanted to talk about that. Government has allocated a total grant of \$410.7 million as operational and capital grant for the past seven years. For example, in 2016 the operating expenditure to FNU was \$36 million, capital expenditure - \$5 million. I will not go through every single year. In 2018-2019, Sir, the operating expenditure was \$65 million and then \$19 million for capital expenditure.

The reason, Mr. Speaker, Sir, that we saw an increase in the operating expenditure was as honourable Prasad would tell you and honourable Dr. Reddy will also tell you that the lecturers at FNU received far lower salaries than those that were paid at USP. Far less! And in fact so we wanted to of course in order to attract good academics, good trainers to FNU, we need to increase the salaries that they would be able to pay to those people. They have gone on about the capital expenditure which I will come on to that. Honourable Radrodro seems to be just fixated on the \$20 million capital cut that we made but has completely ignored everything else, every other funding that has been provided to FNU, Sir.

Overall, Mr. Speaker, Sir, since 2016 to 2021-2022, \$344,191,841 has been given as an operating expenditure. The capital expenditure has been \$66,554, 143 million. Of course, that is not the only revenue they get because FNU as we know is a completely 100 percent Government-funded organisation. Of course, none of this expenditure, probably a small percentage of it because we used to fund FIT cetera appeared in Government's book before.

Mr. Speaker, Sir, National Toppers Scheme and TELS. For example, we paid in 2019-2020, \$14,749,388 for National Toppers Scheme at FNU and we paid \$33,701,736 million for TELS, so combined you are looking at around nearly \$50 million or about \$48 million on that year plus you are looking at about \$65 million worth capital and operating just in that one year alone, so in access of a \$100 million that was funded to FNU in one year. They completely missed that.

So, Mr. Speaker, Sir, every single year FNU receives not only the operating expenditure, capital expenditure plus Toppers plus TELS. That is the level of funding that have been provided to FNU and of course, we believe it is good investment. We are still a long way in establishing FNU to get a number of international accreditation.

Academics over here will tell you that it is not an easy task. We also know the shenanigans that used to take place at Derrick Technical Institute (DTI) those of you know that or Fiji Institute of Technology (FIT) and in fact, FNU inherited many of those people who used to work in those organisations. Some of them do not even have the right qualifications. When FNU was set up, we had students wanting to do Masters and the lecturers, who were their supervisors did not even have a Master's degree.

We had people wanting to do PhDs but there is nobody over PhD qualification at FNU in that particular area of discipline. These are the challenges faced by FNU. Any academic would tell you, honourable Prasad I am sure you will agree. Honourable Dr. Reddy and others will tell you cannot have a lecturer supervising somebody to do a PhD when you do not even have a PhD yourself. So, these are the challenges in having a national university.

Honourable Gavoka says we will make university free. Tertiary institutions will be all free. This is the kind of funding, Mr. Speaker, Sir, that is required and he is saying every single student in Fiji, so USP, University of Fiji and FNU. And obviously, Mr. Speaker, Sir, they will cut funding from somewhere else if they are going to stick to their word. Of course let us assume they will get elected. That is another issue. Mr. Speaker, Sir, the other point that I also wanted to make ...

(Chorus of interjections)

MR. SPEAKER.- Order, order!

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, we all need to come away from la-la land. In the 2018-2019 budget, FNU Campus was given \$6 million, the FNU Vet Laboratory was \$4 million allocation, Nasinu Campus - \$4 million and the Maritime Academy - \$5 million.

Honourable Leawere, who obviously has his speeches written because he just simply reads it off, many issues he raised, the honourable Minister for Education already addressed that but he kept on asking the same question. This is the problem. The maritime building of course is about 80 percent completed, bit delayed but it will get completed very soon. The Gym Complex at FNU, I understand the opening is next week or week after next or in early March.

Mr. Speaker, Sir, of course we have continued to fund FNU. There was a reduction in capital expenditure of course because of COVID-19. We had to put that on hold and to say that Labasa

campus, when you know that there is a legal issue, why continue to make budgetary allocation for the sake of looking good. If you know there is a legal issue, there will not be any construction going on, why do you want to allocate funding for that. These guys have complete lack of understanding of how finance works if the matter is before the courts.

Mr. Speaker, Sir, honourable Radrodro, who I wish would smile a lot more, she is always so serious, in fact, I thought was suddenly an advocate for the contractor because she said oh, the poor contractor, they had to raise up the land. When you bid for work, you know exactly the parameters of your contract work. In any case the civil works were given by somebody else. When you bid for work you know exactly, it is your job to go and check what you have to do, then you put in your tender. It is not like suddenly it was revealed upon the contractor and therefore oh my God, poor contractor! If that was the case, the court would not have ruled in FNU's favour. This is the kind of level of debate we have to engage in, Sir.

Mr. Speaker, Sir, the other point that I also wanted to make was that one of the issues that honourable Minister Usamate raised which is very pertinent and so did Minister Premila Kumar. Was FNU's ability to be responsive to the vocational area for the demands of the nation? A case in point. I mentioned yesterday and also today about the BPO sector, fast growing, 3,000 jobs during COVID-19, 3,000 jobs during COVID-19 is not any easy feat. FNU has now developed a short-term course, so people wanting to work in the BPO sector can do that course, so when you have overseas company coming in, they know that our people have the right qualifications.

There are other areas in the BPO sector, so what the BPO people are telling us, you do not have any courses available at any of the universities where you have management skillsets in running a BPO facility. So they are currently looking at developing those types of courses available in collaboration with the BPO Council and Outsource Fiji. So, we have the skillsets, it is a huge growth area. Things like lots of coding et cetera is critically important for us to have skillsets. So, FNU does offer us that opportunity.

We are also through the climate change division looking at how we can collaborate with FNU in terms of not just this sort of academic side of climate change, but in terms of some of the practical issues where the climate change matters can be addressed through training. Now, Honourable Leawere again, please somebody wrote there and he is saying the economy has been on a life support since 2007. I mean what nonsense. He said tourism sector is on life support, Sir.

Mr. Speaker, Sir, the FNU of course has a lot of potential and there is a lot of work to be done. I would also like to make the point about the number of people on the Council. We have a professor from Monash University in the area of medical sciences and we have people who are on the Council working in artificial intelligence. I think it is a very good Council, people from the private sector, the banking sector et cetera, so, Mr. Speaker, Sir, FNU will continue to fund some of the capital projects and we look forward to their completion. The question was asked, why that particular land because it is actually State land so the State has basically given that land to FNU.

There are other buildings that are being built there, there is a cinema, et cetera, on that land. Of course, honourable Dr. Reddy had talked about dredging the rivers, et cetera so we hope to mitigate those issues regarding flooding and we will, of course, look forward to working with the Council and we should all be proud. I am glad Members on the other side have also said that we need to have this University which will give us that level of competition and indeed wonderful opportunities for our youth.

The last point I want to say, honourable Professor Prasad, we are also talking to young people too. A lot of them actually, some have come back to Fiji. Some do not want to go to Fiji because of the opportunities that Fiji is offering. For example, in the digital space because of the digital space, we now are actually recruiting. One of the few ministries in the Government that is recruiting people is in the ITC space. We need the capacity.

A lot of people are now coming to Fiji because of the Business Process Outsourcing (BPO) Council, et cetera, so there are new jobs being created which a lot of the young people in fact are into and we will look forward to obviously making sure that we retain their skill sets and the brains that actually exist amongst them and we can do so by offering a number of courses and opportunities and of course jobs too.

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

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

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

Question put.

Motion agreed to.

### **CONSOLIDATED REVIEW REPORT – INVESTMENT FIJI 2016-2019 ANNUAL REPORTS**

HON. V.K. BHATNAGAR.- Mr. Speaker, Sir, I move:

That Parliament debates the Consolidated Report on the Review of Investment Fiji 2016-2017, 2017-2018 and 2018-2019 Annual Report which was tabled on 19<sup>th</sup> August, 2021.

HON. RO F. TUISAWAU.- Mr. Speaker, Sir, I rise to second the motion.

HON. V.K. BHATNAGAR.- Mr. Speaker, Sir, Investment Fiji works for the benefit of the national economy by creating employment opportunities, raising economic activity and bringing in foreign exchange to the country thereby increasing Fiji's economic growth and prosperity prospects. Through this a core function of promoting and facilitating investment and exports Investment Fiji helps raise Fiji's standard of living and contributes to the eradication of poverty.

Mr. Speaker, Sir, the various initiatives and programmes that Investment Fiji undertook during the period under review were much appreciated as it enhanced Fiji's position in the global market as a trading destination.

The Committee was pleased to note that under the Foreign Investment (Amendment) Regulations 2013, a total of 17 activities were reserved for local businesses and recommended for Investment Fiji to collaborate with relevant stakeholders to design incentive packages to encourage more locals to start a business.

During its deliberations the Committee noted the Prime Minister's International Business Awards Initiative and commended Investment Fiji for providing local companies with a platform for

recognition and capacity building. Such events not only reward businesses and exporters who are positively contributing to the economy on an international level but also provides working opportunities.

Mr. Speaker, Sir, the Committee was satisfied with the overall performance of Investment Fiji and acknowledges their contribution towards Fiji's economy during the period under review and encouraged continued progress to enhance its service delivery.

MR. SPEAKER.- Honourable Members the floor is now open for debate on this motion.

HON. PROF. B.C. PRASAD.- Mr. Speaker, Sir and before I discuss the Report, I just wanted to respond to the honourable Acting Prime Minister's attack on Mr. Anish Chand and Mr. Vijay Narayan. Sometimes I think the honourable Acting Prime Minister and Minister for Economy thinks that *Fiji Times*, Communications Fiji Limited and *Fijivillage* works for NFP. At least that is how he tries to portray it.

I want to appeal to him, let us not attack individuals who are not in Parliament and especially those from the media. I know these two gentlemen, Mr. Anish Chand and Mr. Vijay Narayan. They are seasoned journalists, they have a lot of respect in their media fraternity in this country and I know because I have been interviewed by both of them before I was a politician on so many issues.

We must understand that the media environment in Fiji is quite a stifling environment for journalists, for media organisations and it does not look very good on Government, whenever they do not like news which is in favour of them, they start attacking the journalists. I would appeal to the honourable Acting Prime Minister not to please get into this attack on journalists. I know there are media organisations that have said many things and defamatory as well at times but that is another matter but we do not go around attacking journalist in particular in those media organisations.

Mr. Speaker, Sir, with respect to the Report, I want to thank the Committee for their Report. It is in some sense very comprehensive because I was just reading the verbatim notes of the meeting and I thought that the Chief Executive Officer and the Manager Investment and Trade Manager Investment Facilitation actually provided very good responses to the questions that the Committee had put. I think from reading the verbatim report and the responses, Mr. Speaker, Sir, I feel very confident that they actually know what the role of trade in Investment Fiji or the importance of the organisation to promote investment. So, I want to take this opportunity to thank them for providing those frank answers.

Mr. Speaker, Sir, investment is a very important component of our GDP. Basic economics tells us that it is made up of consumption, investment which includes foreign direct investment as well as domestic investment which includes Government expenditure plus export minus the imports, the trade deficit or trade surplus and all that put together, of course, is the GDP.

If GDP grows, it means that three of those entities or all of them are growing and the ideal situation Mr. Speaker, Sir, would be to have a balance but in the long run the fundamental premise on which you could have sustainable GDP growth is investment and trade which is having a reasonable level of trade. Ideally, we would like trade surplus and ideally we would like both foreign and domestic investments, but one factor that is also very important when you look at investment because in private investment, domestic investment it includes not just businesses but people themselves. People build houses, do all types of investment at a family level, community level. These are all counted as investment but for that we also need savings.

Mr. Speaker, Sir, I just want to highlight the importance of investment but for me to do that, let me just talk about savings as well. Unfortunately, Fiji's gross domestic savings rate is low compared to similar countries that we were in the same group; the developing middle income countries which was Group C, now we are in Group B, except for some countries like Romania, Georgia and Philippines, Fiji's gross domestic savings has been rated as low. Of course, we run chronic trade and fiscal deficits which again is consistent with low savings rate.

It is important for us to understand that we need to make sure that we have a level of Foreign Direct Investment (FDI) as well as domestic investment and the ADB Report as I said earlier points out that Foreign Direct Investment has been modest averaging 6.9 per cent of GDP between 2014 and 2019 and also has been very volatile. We need to understand why.

The other point that I want to make is about Foreign Direct Investment. I think the Report says that Fiji has been moderately successful in attracting FDI over the past decade aided by political stability and a system of tax and other concessions. That is a plus for Government, however these FDI inflows have tended to be volatile and highly concentrated in few sectors especially in tourism. Fiji's net FDI average was 6 per cent of GDP during 2010 to 2020 with a minimum of 4.4 per cent on GDP in 2015 and a maximum of 8.4 per cent of GDP in 2018.

Mr. Speaker, Sir, it also talks about personal remittances. As I said, the GDP component is consumption, investment, government expenditure and trade. We know that in the last seven years at least since I have been in Parliament, I think we have relied essentially on Government expenditure which is the "G" component of the GDP equation as well as consumption which can be driven by increase in Government expenditure, which also means that we are likely to incur more debt which is also what the ADB is saying that our debt level is at a point where we risk distress.

It is absolutely important for us to understand that basic point that in the long term, for sustainable economic growth, we need to remove the major obstacles which includes the need to increase the low level of private investment and reliance on public investment to drive economic growth. This is fundamental, Mr. Speaker, Sir, and we have consistently talked about this and I know the Ease of Doing Business, World Bank stuff is no longer available but we used to talk about that.

It did indicate to us on many instances that there were problems with respect to attracting Foreign Direct Investment and encouraging domestic investment in the country. It also says that major obstacles also include constraint access to quality services and economic opportunities caused in part by infrastructure deficits, vulnerability to climate and disaster risk and other external shocks which erode fiscal buffers and cause economic volatility. We have experienced that and we understand that, but that is not the only factor. These challenges are exacerbated by our country's small size country and remote location, despite being one of the larger and more developed Pacific Island countries. Fiji has opportunities, and I agree to leverage its central position in the Pacific which makes the country a natural and regional hub for trade.

Mr. Speaker, Sir, I think the Report does point out that while there is interest, while people have the same proposals and register to invest in Fiji, the difference between the proposals or registration and the actual implementation remains a challenge for Fiji and might I say for any country. But what I want to ask is, what are the constraints? Have we identified any binding constraints that might be there which is keeping foreign investment or, indeed, private investment very, very modest. We need to think through that carefully. I have heard about one stop shop, for example, for a long time. I am not sure how that is working or whether that is working at all.

The other point that I want to make, Mr. Speaker, Sir, is the situation with respect to the services and the ADB Report does talk about infrastructure. We are saying that we are spending a

lot on infrastructure and, again, it brings us to the point about value for money, priority, where the economic services are needed, where the social services are needed, how is the infrastructure spending align to those two areas that would help us create more investment in the country.

The final point I want to make and I think the Report talks about the sustainable towns and cities. It talks about Goal No. 11. I think it is a very important point that the Committee has raised, Mr. Speaker, that we need to look at what is happening to our cities and towns. Are they creative? Are they innovative? What is the environment?

Here again, I tend to keep going back to the whole management of town and city councils in this country. We have heard many times in this Parliament that we had corruption, we had mismanagement when we had elected councils but if you compare the way in which the cities and town councils are run today, Mr. Speaker, if you look at the availability of the services that are being provided, not only for consumers and ratepayers but also services that facilitate investment. So, this idea of sustainable creative cities is important from the investment point of view.

Mr. Speaker, Sir, as I had pointed out that any investment is linked to savings as well. Government expenditure is fine, it can mean more borrowing which is what has happened. We have not given enough attention to the amount of remittances that we are getting and sometimes, we do not acknowledge that, especially the amount of remittances that we received in 2020 and 2021. In fact, a lot of the economic activities are being driven by the amount of remittances that we received.

I was in Nabitu, Mr. Speaker, Sir, about four to five weeks ago. There were about 26 people, so I asked them a question. They were telling me about the difficulties they were facing and I said, “How many of you have relatives overseas?” Almost all of them put their hands up. My second question was, “How many of you receive remittances?” Almost all of them put their hands up to say that they have been receiving remittances from their families and friends. It is a very important contribution.

But, Mr. Speaker, in the long term, consumption through remittances and Government expenditure through continued borrowing, is not going to provide sustainable economic growth, and that was what happened with this Government’s policy until 2019. We got hit by COVID-19 and we are in a deep hole, so now is an opportunity, Mr. Speaker, Sir, for this Government to relook at its economic policy agenda. Review what they have done in the past, and not just brag about unprecedented growth, because it is always important.

This is an election year, they may be voted out or likely to be voted out, but they must leave a legacy. They must put up a plan for the next government to actually work on. We might be thankful if we come into government that they actually did that. This is what a good government will do. A good government will make policies in consultation with the Opposition because if they are genuine about leaving a legacy, they must feel that the Opposition also supports what they do. This happens in every democracy. When the government changes, the direction set by a party which has been in government for so many years, can be continued.

It makes sense, Mr. Speaker, Sir, for a government not to just rubbish the Opposition all the time, but to work together and try to leave a legacy that will be carried on. Any government which is going to come after these people is not going to change everything that they have done, all the laws that they have put in, I mean, there are things that we acknowledge that have been done.

If you put up a plan which is honestly relooking at the economic agenda, the strategy, that plan, even if you are not in government, can be carried on. So, Mr. Speaker, investment is very

important but it is also important that we create an environment for that kind of investment so that we have sustainable economic growth in the future. Thank you, Mr. Speaker, Sir.

HON. F.S. KOYA.- Mr. Speaker, Sir, thank you for the opportunity to contribute to this important motion for debate. As we all know, investment is actually central to growth and sustainable development and I think everyone will agree to that. It expands on an economy's productive capacity with driving job creation and an income growth.

In recognising this, Mr. Speaker, Sir, Governments around the world have actually established IPAs to create awareness of exiting investment opportunities and attract investors that can foster job creation and productivity growth, and to facilitate their establishment and expansion in the economy.

Investment Fiji, Mr. Speaker, Sir, is an extended arm of the Government that provides services and assistance to promote, to facilitate and to stimulate investments and exports. Investment Fiji actually continues on the course of executing its core functions. However, it also to a certain degree, plays the role of gatekeeper and regulator. For instance, Investment Fiji issues Foreign Investment Registration Certificates and undertakes background and due diligence checks of foreign investors, whilst they also engage in promotional activities and advisory and information services.

Mr. Speaker, Sir, one can say that Investment Fiji, at present, is vested with two totally different roles - regulator and the promoter. In order to correct this anomaly and to ensure that Investment Fiji is focussed on its core responsibility, the Government has undertaken a number of reforms. These reforms to date are inclusive of development of an Investment Policy Statement, a new and modernised Investment Act which was passed by Parliament in 2021 and a review of the Investment Fiji Act and this was done to align the role of Investment Fiji with the new Investment Act, Sir.

Mr. Speaker, Sir, these reforms basically provide an overarching architecture to anchor investment policies across Government Agencies towards a common goal, to align all the laws and regulations and processes and procedures to international best practices.

The overall vision is to make Investment Fiji the leading investment promotion agency in the region and is demonstrated by increased levels of investment and exports. The role of Investment Fiji will be strengthened, Mr. Speaker, and it will be solely responsible for investment promotion and facilitation of both, domestic and foreign investors.

What the Opposition focusses on is foreign investors but now, they are starting to talk about the domestic investors also. But during the pandemic, it has been domestic investors and reinvestments that has been fuelling economic activity, Sir.

I had presented some figures earlier on regarding the Department of Town and Country Planning, which is actually on the growth on the construction sector. Mr. Speaker, Sir, 758 permits were issued in 2021, of which 48 were major multimillion dollar building projects worth about \$608 million. So, about 600 Completion Certificates were issued, worth \$162.8 million and this is an increase of about \$42.5 million, compared to 2020.

So, in line with international best practices, Mr. Speaker, Investment Fiji's role will be attracting investments, investment generation including targeted investment, foreign and domestic, investor facilitation and aftercare, and export and promotion and policy advocacy.



Essentially, like other successful investment promotion agencies, like Singapore's Economic Development Board, Investment Fiji will change its approach and become proactive in pursuing desirable investors and multinational companies that will bring countless benefits to Fiji.

As I have highlighted the future plans for Investment Fiji, it was interesting to note also, Mr. Speaker, that the Standing Committee also was fixed on the fact that with respect to World Bank Group Doing Business Report and Ranking. It was also again mentioned by Honourable Professor Prasad.

This is the Report that has been discontinued and it is important to say this today, that it has actually been discontinued due to faults found in the data collection processes and this is the point that was raised with the authorities - by us, by the Ministry of Economy and by the Ministry of Commerce, Trade and Tourism. It was the Report that was skewered towards advanced and larger developing countries and disadvantaging small island development states that have made real challenges.

We continuously said this, we continuously came here to this Parliament House and explained it and today, it does not exist anymore because of that very reason.

There is so much information now, Mr. Speaker, out in the public domain on reforms that have been undertaken to improve and modernise business processes and to make doing business in Fiji simpler and easier, and I encourage the Opposition to read it. These reforms have been done to assist investors. It was actually not being done to meet any particular ranking.

Mr. Speaker, Sir, the Standing Committee also failed to look at the Government machinery as one. It treats all arms as different and I bring the attention of the House on one particular recommendation. It says and I quote:

“The Committee recommends for Investment Fiji to collaborate with relevant stakeholders to design incentive packages to encourage more locals to start businesses.”

Incentives for domestic investors, Mr. Speaker, especially in target growth areas are provided for through our National Budget and all economic-related agencies contribute to that particular process. There are programmes and initiatives from MSMEs, incentives for ICT and BPOs, as we have just mentioned, incentives for tourism development, incentives in the medical sector, incentives in value addition in agriculture, fisheries and forests, duty concession for investments, tax rebates, and I could on, Sir.

The Standing Committee also note that domestic investors are protected by maintaining a reserve list. But, Mr. Speaker, Sir, that is not the best way to protect domestic business. That is why we have bought in the protections through the new Investment Act. The new Investment Act confers protection and obligations to both foreign and domestic investors. The Act also makes a reserved and restricted list more practical and easier to implement. The main principle of the Act is to primarily ensure protection of national interest and protection of MSMEs, protection of resource-based sectors and protection of domestic infant industries.

Mr. Speaker, Sir, the reforms in the investment legal framework is being reflected in the forward plans of Investment Fiji and they are in the process of finalising the new strategic plan and furthermore Investment Fiji is actually working on a marketing strategy, aftercare plan for both domestic and foreign investors and stakeholder relationships, the management plan, the strategic plan also undertakes demand site analysis that identify the historical current and future opportunities available in investment and trade and that is viable for Fiji to target.

The supply side analysis is one that identifies factors that an investor will typically consider when making an investment decision in a country. Mr. Speaker, Sir, to refine the reporting mechanisms for investment, Investment Fiji has implemented a reporting model also whereby the investment value for one year is captured rather than for three years. This mechanism is established to allow for collection of more realistic data and analysis on real time investments. We have officers based in Labasa and Lautoka with the aim to reach out also to our resources owners, government agencies and other stakeholders in order to educate and encourage more locals also to take advantage of the initiative run by Investment Fiji.

In addition, Mr. Speaker, Sir, the Investment Fiji has adopted virtual platforms to conduct these missions and to date we have had about 36 virtual investments and trade events. These missions aim to promote Fiji in trade and investment exhibitions and to strengthen our networking and identify potential export opportunities. This is all well documented Sir. Investment Fiji has also reconvened work on the Prime Minister's International Business Awards and we will make the necessary announcements in due course.

Mr. Speaker, Sir, there is some data also that probably just needs to make it easier for our businesses to get registered and be a part of the economic recovery also, online companies, business registrations, no more business licences, risk-based businesses processes for starting a business, low risk businesses could start operating after tax and business registration. There is no need to go to OHS, NFA et cetera, approvals, if the buildings already had a valid registration and there are no alterations done to the workspace.

Mr. Speaker, Sir, as announced in the budget also, the Government will also pay for market fee for about 8,000 market vendors so these are small businesses, pay for base fees for taxis, buses, mini vans, carriers, fishing industry, fisherfolk, inshore fishing licence fees and other associated MSAF fees and to support our local exporters also the Government will pay Biosecurity Authority of Fiji fees on all exports for 12 months, waiver of business licenses continues, reduction of electricity rates for MSMEs from commercial to domestic rates and government foots the reduction.

Mr. Speaker, Sir, the cashless society also is an important aspect, paying fees for *Vitikart* platforms for *M-PAiSA* for fees for agents for MSMEs and it would also assist MSMEs to install mobile money transfer services and internet payment gateway. The construction permit processes information is really available online and the fast-track process of Peg-b. So, a lot of these things have already occurred and I am sure if honourable Professor Prasad actually had a good read, you will see there is a lot of assistance that is being given to our companies that are either newly formed or currently exist. This is domestic investment.

Unlike what the Opposition may believe Sir, the Fijian Government is actually focused on growing our economy and we continue to evolve on a daily basis. COVID-19 has also taught us, we are not going to just lie and rest on our laurels from before. There is a lot of work that is still being done in terms of changing the platform in terms of making sure that our businesses survive and we want to ensure that there is recovery both from a domestic perspective and also recovery from a foreign investor perspective. This is actually a critical role that Investment of Fiji will play in terms of Fiji moving forward. I thank you, Mr. Speaker, Sir, for giving me the opportunity to contribute to the debate.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, Investment Fiji obviously plays a pivotal role and we have continued to fund them and as the Minister for Commerce, Trade, Tourism and Transport highlighted that they do actually play a facilitating role not just for foreign investors but also for local investors. We have also provided or relaxed a number of rules pertaining to business

registrations, the turnaround times and of course in respect to removing some of these, what may some consider impediments completely from the landscape.

The honourable Prasad talked about you know where is the plan. We have the National Development Plan that of course went into limbo after the 1987 coups. We have the 20-year plan, we have a five-year plan, of course that has been affected by the COVID-19 pandemic which has in fact turned the world on its head, not just Fiji but a number of jurisdictions including if we look at the debt to GDP ratio even in countries like New Zealand, significantly increased the debt to GDP ratios. So it is not something peculiar to Fiji.

I think it is quite unbecoming of him to suggest that the Fijian economy since 2007-2019 basically rode just simply on remittances. Obviously that is quite silly to even suggest that Mr. Speaker, Sir and the ADB Report, they keep on harping on about it because obviously that is the narrative with they have grabbed, hold on to like many other things they have done. But of course, a number of incentives have been put in place, we have seen a number of incentives being actually driving investment now as I also mentioned in the BPO Council- a number of the other areas where investment interest is there.

Mr. Speaker, Sir, the issue about the journalists. I do not want to labour the point but I think the point that he said there is a stifling environment for journalists. There is nothing stifling about what is happening. Nobody is actually stopped from printing anything. There is no censorship. In fact the quality of journalism many would argue has gone down. They are not even adhering to the standards. If you look at the schedules to the Act, nobody is actually adhering to those standards and you know that very well.

Mr. Speaker, Sir, honourable Prasad is on record for calling people, accusing them of skirt journalism et cetera. Just a few days ago, he said I do not speak to particular media organisations. Somebody sent me a voice recording of it. So let us not engage in this hypocrisy. But the point I would like to make, Mr. Speaker, Sir is this and I have said this publicly. There is nothing wrong, even Transparency International (TI) has said that. There is actually nothing wrong with a media organisation taking an editorial position. It does happen. For example, if you go to UK, you may find the *Daily Telegraph* saying they actually support maybe the conservatives or one organisation has supported the Labour Party.

Mr. Speaker, Sir, no problem with that as long as they declare that. TI will tell you. I was a board member of Transparency International. We had a speaker actually I remember at one of the USP lecture halls a few years back and in which they said there is nothing wrong with that. But the media organisation must declare its interest. That is all we are saying. Do not hide behind the facade of saying we are independent and we are doing balanced reporting when actually you are not.

So there is nothing wrong if the *Fiji Times* wants to come out and say we support NFP and Rabuka. They can say that. Their editorial position- no problem, they should make it in their editorial statement, not every day, just say it once, so everybody knows what is the proclivity in terms of the way you write the stories. That is all we are saying. Do not hide behind the façade.

Many media organisations in the world actually practice that. *Fox News*, they came out and said we support Trump, so when you turn on the television, when you watch *Fox News*, you know that they will have a particular editorial line. That is fine. People are aware of that and those people that actually support Trump will go and actually watch it. Nothing wrong with that but please, let us not pretend, let us not pretend that you are independent. Let us not pretend that your editorials have a particular proclivity a particular stance. That is all we are saying. Thank you, Sir.

HON. V.K. BHATNAGAR.- Thank you, Mr. Speaker, Sir. I have no further comments to make. *Vinaka*.

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

Question put.

Motion agreed to.

### **REVIEW REPORT – FIJI AIRPORTS 2018-2019 ANNUAL REPORT**

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

That Parliament debates the Review of the Fiji Airports 2018 – 2019 Annual Report which was tabled on 20<sup>th</sup> September, 2021.

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

HON. V. PILLAY.- Mr. Speaker, Sir, Fiji Airports is a fully Government-owned Commercial Company which was established on 12<sup>th</sup> April, 1999, under the Public Enterprises Act 1996. It operates 15 airports in Fiji, including the Nadi and Nausori Airports, together with 13 other domestic airports located on islands scattered over Fiji's maritime zones.

Fiji Airports also provides Air Traffic Management Services within Nadi Flight Information Region which includes the sovereign air spaces of Tuvalu, New Caledonia, Kiribati and Vanuatu. In the period under review, Fiji Airports received the Airports Council International Level 3 Airport Carbon Accreditation for the Nadi International Airport.

In their response to the Committee, the Executive Management of Fiji Airports assured us of the continued development of new energy efficiency initiatives and envisioned extending this initiative to the Nausori International Airport upon return to normalcy following the impacts of the COVID-19 pandemic. This initiative is part of the capital project plan which includes terminal upgrades to the Nausori Airport to commence in 2024, which will include scope for energy efficient responses for carbon reduction. The Committee was also informed that the \$64 million Nausori project would be completed before the end of August 2021. The runway has been reoriented to its full width and length as per the final design and the instrument landing system was commissioned in May 2021.

Other highlights include; Fiji Airports being bestowed with the Excellence in Service Award and the Prime Minister's International Business Award in 2018 and 2019 respectively. Furthermore, the upgraded Nadi International Airport attained Skytrax recognition in March 2018 and represented an amazing repositioning for the airport to be accredited top 10 of the World's Most Improved, which is a milestone achievement of Fiji Airports. Thank you, Mr. Speaker, Sir.

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

HON. DR. RATU A.R. LALABALAVU.- Thank you, Mr. Speaker Sir, for the opportunity and I thank the honourable Chairman of the Standing Committee on Social Affairs. Being a Committee Member myself, I must, first of all, thank the Fiji Airports Management and Board for their written submission to our questions and queries that has allowed the Committee to compile the Report that

is beforehand. With respect to the Report being debated, I would like to point out that even though it is the 2018-2019 Report, the submission from the Fiji Airport mentioned the challenges during that period but more-so challenges in relation to COVID-19.

Mr. Speaker, Sir, the challenges with regards to COVID-19 for Fiji Airports were noted by the Committee and it affected their service delivery and revenue stream. As noted in the Report, we must commend the Management as they took the lead role with 30 per cent pay cut and also the Board Chairman with 100 percent pay cut. There are other measures that were put in place by Fiji Airports that allowed it to, at least, continue with their services.

Also, with regards to the capital projects for the ones that were due to start, they had allowed that to go on and we note that the other major capital projects were put on hold and that is to be expected, Mr. Speaker, Sir.

Mr. Speaker, Sir, even though the challenges with regards to COVID-19 were raised by Fiji Airports, one of the recurring issue or challenge that is noted in the observation and areas of concern by the Committee is the loss making of the outer island airports.

We have come to note that this is unavoidable and it will be there in every Report and that is why our recommendation will always be there as well, that as part of its social responsibility, the Government must take the lead role and support Fiji Airports in the maintenance and upgrade of the domestic airstrips in the outer islands. Fiji Airports continue to subsidise domestic travel and for the current COVID-19 challenges, domestic changes be reviewed at an appropriate time.

Mr. Speaker, Sir, as a Member of the Standing Committee, there were challenges faced while compiling the Report because less time was given and we were not able to do site visitations. With the easing of restrictions, we hope that we will, again, be allowed to go on site visitations to actually see the progress of the various capital projects that are ongoing with Fiji Airports.

HON. V.R. GAVOKA.- Just before I start, Mr. Speaker, Sir, there is a message here from the villagers of Malomalo to the honourable Minister for Infrastructure, Meteorological Services, Lands and Mineral Resources, they are asking about their water, if they can be connected to the water that runs through their land from Namuka to the Golf Course at Natadola and they have been asking about this since 2015. Honourable Minister, that is the request from the villagers of Malomalo. That is the area where FijiFirst had spent \$45 million on golf for the rich and famous, neglecting the villages around the area.

Mr. Speaker, Sir, one of the recommendations is that, as part of its social responsibility, the Government must take the lead role and support Fiji Airports in the maintenance and upgrade on island domestic airstrips.

Mr. Speaker, Sir, in the past, we have spoken about bringing in a suitable aircraft into Savusavu, given the critical mass of tourism in that area. Savusavu has got some great resorts but the airline capacity is still a limiting factor.

The ATR42 now lands in Labasa. We should also upgrade the airport at Savusavu to also accommodate the ATR. I know it has been there for quite some time, we have seen a number of proposals, but I think we must make the decision to land an ATR in Savusavu. Like I said, it has the critical mass, it will help tourism. Savusavu in the North is very famous in the American market.

That, Mr. Speaker, Sir, is my short contribution for tourism and also to improve the services with the air capacity into the North, especially into an important centre like Savusavu.

HON. L.S. QEREQERETABUA.- Mr. Speaker, Sir, I know it is nearly 7.30 p.m., so I am going to get straight to the point in my contribution on the Report prepared by the Standing Committee as it reviewed the 2018-2019 Annual Report for Fiji Airports.

I thank the Committee for their bipartisan and robust interrogations as detailed in the appendices. I note the seven recommendations as placed under the thematic issues of Loss Making Outer Island Airports, Fiji Airports Master Plan on Hold and Impact of COVID-19 on Fiji Airports Operations.

I note in particular, Mr. Speaker, Sir, that the Committee was very proactive and questioned Fiji Airports on the lateness of their annual report, which was adequately responded to by Fiji Airports, stating that the delay in the 2018 Financial Statements was due to the to-ing and fro-ing with Government on the confusion between a Cabinet circular and a Ministry of Public Enterprises directive.

Mr. Speaker, Sir, it is very serious and unfortunate that this manner of bureaucratic confusion should hamper Government Commercial Companies like Fiji Airports and Government Statutory Organisations from complying with a legal requirement to submit their annual reports to Parliament at the prescribed timeframe. Yet, on the total flip side, the head of another statutory entity with hugely delayed annual reports and this is the Fijian Competition and Consumer Commission (FCCC) through its CEO, Mr. Joel Abraham, can somehow find the time in his busy schedule to make brazen political comments. So, I reckon he should just decide which hat he wears.

Mr. Speaker, Sir, with this revelation from Fiji Airports in the Committee Report as to the bureaucratic barriers causing confusion and contributing to delays in annual report submissions, as of today on the Parliament website, only two annual reports for 2021 are up to date and they have been tabled in this august House. So, I take this opportunity to commend these two organisations: the Office of the Auditor-General and the Fiji National Provident Fund. These two organisations understand what accountability means, they know how to be grateful to taxpayers, and they are not bringing scorn and disrepute to their line Ministers in an election year.

Mr. Speaker, Sir, allow me to take this opportunity to gratefully commend the Auditor-General, Mr. Ajay Nand, and his Team for their unwavering steadfastness in presenting audit reports to this House without fear or favour. Mr. Ajay Nand has continued and excelled in the tradition of impartial excellence at the Office of the Auditor-General. It is disgusting that he has become yet another victim of self-righteous and combative behaviour by Government functionaries and self-seeking flatterers.

It is almost like, Mr. Speaker, Sir, if I may, a domestic violence scenario where the perpetrators are allowed to continue with criminal behaviour even though a zero tolerance, no drop policy by the Police exists. But circling back to the substantive elements of this Report, I am stunned that robust due diligence processes in an organisation like this can lead to bad debt carried by taxpayers where a company called Pacific Affordable Homes did not honour its approximately \$124,000 contract to build a new terminal at Savusavu.

I am further stunned that Virgin Australia then owed \$700,000 to Fiji Airports for landing fees triggering its bad debt collection process. I hope that this has, by now, been resolved. I also note from the Report, Mr. Speaker, Sir, that China Railway No. 5, the principal contractor for the \$64 million Nausori Airport Runway extension funded by Fiji Airports has project delays due to the COVID-19 border closures affecting the China Railway No. 5 workers, and I also hope that these delays have either been resolved or at the very least being mitigated.

Mr. Speaker, I further note the Committee also questioned the once-a-week flight to Rotuma and whether their frequency had changed. It is quite astonishing that Fiji Airports candidly states that despite requests to Fiji Airways to increase flights to Rotuma, the frequency of these flights was at the total discretion of Fiji Airways. Mr. Speaker, how many times must we, as elected legislators, insist on Fiji Airways to show some gratitude to taxpayers and table their Annual Reports here in this House instead of hiding them away in the Registrar of Companies Office?

Mr. Speaker, permit me to add some concern about Fiji Airports labelling of loss making outer island airports as it headlined in this Report. I would urge Fiji Airports to frame it in a more acceptable narrative as it implies that outer islands are second-class burdens, forgetting that they too are taxpayers. We all know that these airports and flights do not generate profits, especially during COVID but this is the social contract of this Government and any Government for that matter, Mr. Speaker.

It is part of the balancing act that I spoke about yesterday. If perhaps there is more rigid cohesion and a shared vision between the efforts of the Ministry of Agriculture, the work described earlier today by honourable Koya and his team and the efforts of rural development and *iTaukei* affairs, it is not impossible, Mr. Speaker, despite COVID-19 to harness innovative thinking and a shared vision that makes air travel to these outer islands profit laden and consumer driven.

While I have the floor, Mr. Speaker, and to pre-empt the tiresome sexist and sneaky put downs by the honourable Minister for Economy on my understanding of his *dinau* that is placing all of our necks in the noose of debt slavery, I do know what *dinau* is. I do know what debt is. That is why I live a modest life that understands full well that my expenses must never drown my income. In fact, everyone in Fiji understands this. So this flaky idea that debt is good debt because this Government can borrow with the taxpayers guarantee but not necessarily their fullest consent backed by *lasulasu* and *jhooth* justification, would surely send any commercial entity or small to medium enterprise running for the hills.

HON. A. SAYED-KHAIYUM.- Mr. Sir, I take exception to the fact that if I question a particular statement by Honourable Qereqeretabua and, therefore, I am being sexist...

HON. GOVERNMENT MEMBER.- She always says that.

HON. A. SAYED-KHAIYUM.- ...that is not being sexist. So, in other words because she is a female, I cannot question what she is saying or I cannot question the veracity of what she is saying. That is not sexism. I question her leader. Does that mean I am sexist? I mean, that is a ridiculous proposition and he is taking advantage, Mr. Speaker, Sir, of this particular discourse.

Mr. Speaker, Sir, firstly, what I would like to mention is that Honourable Gavoka talked about Savusavu. Fiji Airways, in fact, has looked at it for a number of years now. To get a larger aircraft and I am sure Honourable Gavoka knows from his tourism days, that you have the sea on one side and you have the Savusavu Hill on the other, so when you have these types of tight landings on a runway that is short, they have to get the approval of those manufacturers of those particular aircrafts. Sir, ATR has certified that there is no way you can have an ATR landing there. The only way to do so is to build a runway that goes out into the sea. Those people who know Savusavu means we have to build out into the sea and that is going to be a very costly affair. Studies have already been done.

We have also announced in this Parliament sometime back, Mr. Speaker, Sir, that we are looking at an alternative site in Vanua Levu where we could build a new Green Field Project. In fact, we had been talking to ADB and there was some funding that was available also but because of

COVID-19, that has been put on hold because we realised that there is still a lot more potential for regional development in Vanua Levu, including the area of tourism.

Mr. Speaker, Sir, we have, in fact, looked at three sites. They most certainly are not in Labasa, they most certainly are not in Savusavu but they are somewhere where it could be easily accessible by both those two centres, which would make a lot more sense because if you are able build an airport that has eventually the ability to look at landing a Boeing 737 and God knows one day A330 or A350, then that is a good site. Unfortunately, the airport in Labasa is built between the bend of a river, so you cannot extend that.

Mr. Speaker, Sir, that is the story, so we are looking at a longer term project. In fact, in our discussions with ADB, we used the regional angle that it could also be used as a redundancy airport if something happens, for example, in Viti Levu, and also it is closer to countries like Samoa, et cetera, so there is some work around that. I do not want to give the exact location, honourable Professor Prasad may go running off and buy some land there. We know you own large vast tracts of land and there is a lot of freehold land there too. I know there is some co-operative land that you managed to get hold of too.

Mr. Speaker, Sir, honourable Qereqeretabua went on about the 2018 issue about why it was delayed. She is using a one-off incident to cast some kind of aspersion on the entire filing of all the AFL reports. So, please let us keep it under control.

The other point we also want to make, Mr. Speaker, Sir, FNPF does not go through the Office of the Auditor-General, honourable Qereqeretabua. They do their own audit, they outsource it. The Office of the Auditor-General does not have the actuarial skill-sets to be able to do that. They do it on their own, that is why they are able to do it on time and that is precisely the point I was trying to make.

When you are able to outsource it by accounting firms that are certified internationally, you will get much faster turnaround times. I have pointed out organisations, Mr. Speaker, Sir, that have submitted their accounts to OAG and they are still waiting for two or three years to finalise it. It has not been done. Of course, it is quite trite to say, “oh good on you Auditor-General’s Office, you have done your own audit, you are right on time”, of course they are doing their own audit.

Mr. Speaker, Sir, the other point that I would also like to make, the fact is, Nadi Airport is the only airport that makes money for AFL. I also would like to mention that a lot of people do not understand that one of the major sources of revenue for international airports is not from landing fees anymore, it is about the concessions that are available at the airport, in other words the rental.

It was quite fascinating, Mr. Speaker, Sir, before we put in place the law about the Nadi Re-Development Programme (there is a law that we put in place) because we had a situation when Nadi Airport was, in fact, price controlled through rental. So, FCCC actually had a price control on rental at Nadi Airport. Companies like Prouds and Tappoos were paying rental of only about \$3 million. Today, they are paying a combine of nearly \$20 million, before COVID-19 I am talking about. That is one of the major reasons why AFL was able to give a higher rate of return.

During the SDL days, they called for a tender for space. Tappoos bid was higher than Motibhai’s, phone calls were made, they cancelled the tender process. There was a compromise reached, Tappoos was given a bit more space and they just continued along paying \$3 million to \$4 million when the real value of that real estate at the airport was not realised.



When we put in place that law, we got rid of that price control mechanism, we got rid of all those shenanigans that were taking place about the lack of transparency and then both of them ended up paying about \$8 million or \$9 million each. Mr. Speaker, Sir, that is what happened. That is one of the major reasons why the revenue went up and we have seen the re-development. People were actually renting space at Nadi Airport in that outside area, paying far cheaper rent than what people are paying in Namaka and Martintar. Imagine Nadi Airport real estate, you go anywhere in the world, the rental will be highest at the airport, it is prime real estate. That is what used to happen at AFL.

Mr. Speaker, Sir, now we come back to the point about honourable Qereqeretabua saying that the others are non-profit making, it is a fact. Airports Fiji Limited is a limited liability company. Just because it is 100 per cent owned by the Fijian Government, it does not mean it is going to engage in some sort of a charity.

We have, for example, Mr. Speaker, Sir, Electricity Fiji Limited (EFL), we pay 50 per cent of the electricity bill of people who earn less than \$30,000 a year. We do not expect EFL to do it, if it is a Government policy, we pay EFL because EFL's balance sheet needs to look good. As a result of that, Mr. Speaker, Sir, the total debt exposure of Government guarantee in EFL is down to less than a \$100 million. Before it used to sit at \$300 million to \$400 million.

Every single development at Nausori Airport and Nadi Airport by AFL is not funded by the Fijian Government and the taxpayers at all. It is funded by AFL - the company because its balance sheet is good. Private banks want to lend to them, actually some of the rates they got was phenomenally cheap because of the asset base, the equity in the company. They do not understand that.

Rotuma Airport, we funded because it needs to be built, Mr. Speaker, Sir. Other outer airports, we gave the grant to them. In the same way, when we want to connect a village or community to the grid through the Department of Energy, we pay EFL, we do not expect EFL to do it. That is how the system works, that is how balance sheets becomes strong and they completely missed that point.

It is not relegating the outer islands as second class, we are just stating a fact from a balance sheet perspective, and that is a fact. We, of course, have to pay and we call for tenders for airline services to Rotuma and various other outer islands in Fiji because no one wants to fly because there is no refuelling. If I am going to fly to some island in Lau, I do not take my full load. I have to take half the load because I have to carry enough fuel to be able to fly back. Northern Air and Fiji Link bid for it. Some routes Northern Air has and some routes Fiji Link has, then Government as you saw in the Budget, we subsidised them, so the same thing applies to Government shipping companies. The franchise will not go otherwise, it does not make commercial sense for them.

In the same way, Vodafone and Digicel will not build towers in a place where there are only 50 people living in a village because the tower will cost them probably a million dollars or half a million dollars. If 50 people even use \$10 a month, that is \$500, \$6,000 a year. If you are putting a half a million dollar tower, when will they get their money back?

That is where we come in through the Universal Service Fund. We take a certain percentage of their profit, put it in a Trust Fund, we put money in there then we get the towers built. They need to understand the fundamentals of how commercial enterprise works and how we need to be able to keep the separation between social corporate responsibility and Government responsibility. She talked about the fact that, "Oh, we know how to run a house, we should live within our means."

Mr. Speaker, Sir, a Government, if you look at almost all the governments in the world, all of them run deficits because there are certain services that we must provide. We cannot say, “Oh, because of COVID-19, unlike Narube, we are going to cut all the civil servant’s salary.” Imagine if we did that! Why should we cut the salaries of the nurses and the doctors who are the frontliners, the police and other people? That is what you call “living within your means”. Let us cut social welfare – living within your means, let us not pay the market vendors fees, let us not pay \$500 million in the Unemployment Benefits, that is what you call living within your means!

They do not have a fundamental understanding of the balancing act that we need to strike. In a Government, unlike a business, it is not in the business of always making money. There are certain services we have to provide for free. There are poor people in Fiji. For Fijians coming back from medical procedures, we paid for their quarantine - millions of dollars through the Ministry of Health. Otherwise, they would be stuck. We paid for them, organised a place for them, and that is what you call looking after your citizens. She is saying, live within your means. Where is the social responsibility?

(Chorus of interjections)

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, this is the kind of contradiction in what they are saying, basic lack of understanding.

Mr. Speaker, Sir, again, she brought in Fiji Airways. People do bid for outer islands and they say, “We are flabbergasted, they only went once a week.” *Areh*, if there is not enough people wanting to fly, why do you want to fly to Rotuma everyday? Why? The airfares at Rotuma, before the airport was built, to fly a small aircraft the airfare was like flying to New Zealand - \$600 to \$700 to go to Rotuma. Now, we have a much bigger airport, we have an ATR72 landing, full load, the price comes down because you spread your expenditure. This is so fundamental.

Mr. Speaker, Sir, it can be a bit embarrassing to be able to highlight all these things. I think AFL, of course, is doing a lot of upgrade. The Nausori Airport, we hope God-willing when the economy opens a lot more, then we can have more direct flights into Nausori because most of the Fijians who actually travel into Fiji and who to come to Nadi, a lot of them live within the Suva-Nausori corridor. We also think there is an opportunity in terms of Fiji being put as a hub of the Pacific, a lot of the UN agencies, et cetera, are based in Suva, so this will also give them a lot more opportunity to fly directly into Suva and makes it a lot more attractive as the capital city.

Mr. Speaker, Sir, I would like to thank the AFL for its work and we look forward to ensuring that with the opening of the borders, AFL can bounce back in terms of the services it provide as the gateway to Fiji.

MR. SPEAKER.- I now call on the Chairperson of the Standing Committee on Social Affairs to speak in reply.

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

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

Question put.

Motion agreed.

## QUESTIONS

### Oral Questions

#### Update on the Strategic Management Team (Question No. 11/2022)

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

Can the honourable Minister for Education, Heritage and Arts and Local Government update Parliament on this Strategic Management Team announced by the Minister in Parliament in April 2019 to review the master plans for Fiji's main towns and which was to be led by prominent Singaporean Architect Liu Thai Ker?

HON. P.D. KUMAR.- Mr. Speaker, Sir, actually this question should have been directed to the honourable Minister for Commerce, Trade, Tourism and Transport, but I will take that question.

Mr. Speaker, Sir, April 2019 is when this work started and in March 2020, that was when the COVID-19 cases came to Fiji and there were some disruption in the country, as well as globally. We had issues with the travels and, therefore, the team from Singapore could not come to Fiji. For the last two years they are not in Fiji, however, some work has continued through email, but we are waiting for the borders to open. As soon as the borders open, they will be able to come into the country and complete the work.

The work is still pending. There are about four or five stages, but they have completed up to three stages. Because the stages involves data collection and then with the data, they then do the scheme planning, consultation, et cetera. They have to follow this long process and after consultation, they will be able to come up with a master plan. This master plan will be able to solve a lot of problems for the people of this country.

At the moment, if someone wants to build something in a particular zone, and if it is not classified residential or commercial, then they have to put in an application to the Department of Town and Country Planning, and that takes a lot of time, because the zoning process itself is cumbersome and it requires consultation with the people who live around that place.

The master plan will provide the zones, so if someone wants to build a commercial building, we will just have to look at the master plan and say, "Right, this is commercial zoning," so there is no reason why we have to reconsider or do anything extra, and then the approval can be given. So there are benefits with the master plan, but at this stage, it is still not complete.

HON. L.S. QEREQERETABUA.- Just one follow up question, please, Mr. Speaker, Sir; could the honourable Minister also tell us if she and her team factored in road use changes to the master plan development, especially now that we have been seeing so much flooding affecting vast areas of the country?

HON. P.D. KUMAR.- When the master plan is drawn up, as I had mentioned, data is collected in terms of rainfall, other parameters are taken like climate conditions, the suitability of the land is taken into consideration, how people are staying in that area - all those aspects are taken into consideration before decisions are made.

Update on Visitor Arrivals – Reopening of Borders  
(Question No. 12/2022)

HON. R.R. SHARMA asked the Government upon notice:

Can the honourable Minister for Commerce, Trade, Tourism and Transport update Parliament on the visitor arrivals after the reopening of borders and outlook for the tourism industry?

HON. F.S. KOYA.- Mr. Speaker, Sir, this answer is actually two-fold, it is also an answer to the question that was raised by the honourable Professor Prasad and I did refer to him and said that there is a question. Forgive me, Mr. Speaker, Sir, this may be slightly lengthy but it is not too lengthy.

Two months ago, we opened our borders to travel partner countries and this is after nearly two years of being closed to the world. Since then, there have been many positives and, of course, many, many challenges as we all know. In 2021, our total visitor arrivals stood at 31,680, compared to our record high in 2019 of 894,389. This was about 3.5 per cent of 2019 levels and pre-COVID-19 levels, and a decline of about 96.5 per cent.

Mr. Speaker, Sir, in the month of December, we received 23,226 visitors and this was 73.5 per cent of the total arrivals for the year. The 23,000 odd visitors in December was 31 per cent of the arrivals in December 2019. This 31 per cent recovery can be attributed largely to Australia, which amounts to 17,896 and United States of America which is 3,502 - those two markets that collectively made up the 92 per cent of the total December arrivals.

In December alone, Mr. Speaker, Sir, we collected net revenue of approximately \$190 million and the highest monthly collection by Fiji Revenue and Customs Service since Fiji's first COVID-19 case in March 2020. These numbers although lower than pre-COVID-19, are an indication of our progress, a progress that is gradual and it is actually sustainable, so this is where we are now. We want to say a big thank you also to the Ministry of Health and Medical Services and the support from all the other Ministries that we had throughout this period.

Looking ahead, Mr. Speaker, Sir, as honourable Gavoka will allude to also, February and March are traditionally low months in the tourism season. So, whilst the April onwards bookings and forecast looks buoyant, it should be, hopefully, barring. Any other difficulty should be doing alright.

Just last week, as we all know, New Zealand, our second largest source tourism market announced it will begin reopening to the world in phases and what this means for us is that, by next month we will start welcoming back our Kiwi friends and families after about two years. So, based on the current trend as more markets ease travel restrictions and open up the borders, the Macro Economic Committee projects a total visitor arrivals in 2022 to reach about 50 per cent of the 2019 level, that is about 447,000 visitors as an optimistic outlook, if the conditions remain favourable globally.

However, Mr. Speaker, Sir, this will not be an easy path to recovery. The Ministry, Tourism Fiji and COVID-19 Risk Mitigation Taskforce have worked tirelessly to reach where we are today, and as the other markets actually open up, this means (we have mentioned this yesterday and I think today too) increased competition for Fiji from destinations that are larger with a lot more resources. So destinations will employ any and all tactics because we all know, to attract source markets and they will provide rock bottom prices with some possibly compromising standards and safety of visitors.

We, Mr. Speaker, as a country have to keep our eyes firmly focussed on two things. One is our competitiveness and this means that most of the food and beverage, accommodation, COVID-19 test all need to be cost effective in line with Government's generous tax policies and initiatives. The industry needs also to reflect the reduction and removal of taxes in their prices. Secondly, also our image as a safe destination. This is very important, Sir, and I am sure the honourable Minister for Health will support me on this. Here, all Fijians need to play their part in portraying this particular image. We need to not only just follow the COVID safe behaviour but be seen to be doing so. It is extremely important. We must respect the Care Fiji Commitment (CFC) and all the protocols that have actually been laid down by the Government. It only takes a small mishap, Sir, and then we are back to square one.

As we have heard, Mr. Speaker, the worst of Omicron wave is actually behind us. This means we are gearing up for the next phase but as announced on Sunday also, travellers aged 12 years and over from one of Fiji's travel partner countries now have not had an option of taking a negative Rapid Antigen Test (RAT) within 24 hours of the flight's scheduled departure and this actually eliminates the burden of paying for a PCR test which could cost the family thousands even before they reach Fiji. This, Mr. Speaker, is actually a game changer and will add to our competitiveness with the increase in reliability and reliance of RATs and Fiji has followed other countries, like Australia, in making this move.

Today, Mr. Speaker, we have 57 travel partner countries with the most recent additions being the People's Republic of China, Hong Kong SAR, and what this means is that, we can also focus on what was once our emerging markets - Asia, like Hong Kong, Japan, China and Singapore.

However, we can only go as fast as they open up to us but I want to be clear though, Mr. Speaker, that the easing of restrictions is actually not done in isolation. It is part of a systematic and comprehensive policy of reopening based on science and economic realities. So, becoming a nation with one of the highest COVID-19 vaccine coverages has actually helped us immensely.

Mr. Speaker, Sir, I want to say thank you to every single Fijian citizen, whose actually taken up the vaccination. It has put us in a good space and you can see how comfortable we are sitting in this particular Parliament and attending to what we need to do.

Mr. Speaker, Sir, the Fijian tourism industry will also continue to be guided by the CFC because we have come too far to let our guards down. Today, we have over 2,200 businesses CFC certified, compared to 1,741 in December 2021 and as any destination can expect, we have seen some non-compliance but they have been dealt with severely. These businesses have and will be dealt with if they continue to disregard, and I mean this. They can cost us our national efforts, so, we must always be on the guard.

Mr. Speaker, Sir, I want to reiterate the Acting Prime Minister's caution to the tourism operators, lack of adherence to CFC standards will absolutely not be tolerated. If you fail to comply, our COVID- safe ambassadors and the Police will shut your operation down, it is as simple as that. We will not allow non-compliant operators to spoil it for those who actually follow the rules. We have had to work very hard. Every single frontline worker has worked very hard, the COVID-19 Risk Mitigation Taskforce has worked very hard, all the Ministries have been working tirelessly to get us into this position, so we will not let anyone destroy that, Sir.

To share the world, we are open, we continue to ensure our targeted campaigns and tell the world, "We actually are a safe destination". Last year we launched Fiji's Open for Happiness Campaign in anticipation of our border reopening. The Campaign actually took Fiji to over 13 million people across the social channels with over 14.5 million views.

There are far too many people who have actually worked, Mr. Speaker, Sir, prayed very hard to get us onto this path of recovery and it takes strong partnership and that is what we have done, Sir. The Government, the industry and all the stakeholders, our bilateral, our development partners, everyone has been very, very instrumental in all of these and this is the time also for me to say “thank you” to all of them who have been an integral part of getting us back on this particular path. So I hope that with us and the other side of the House will also ensure that we support the tourism industry and the stakeholders so we can actually support the economy in moving forward.

HON. G. VEGNATHAN.- Mr. Speaker, Sir, thank you for allowing me to ask a supplementary question. Can the honourable Minister update this august House on how visitors are kept safe at our resorts?

HON. F.S. KOYA.- Mr. Speaker, Sir, it is actually a very important question. We have done phenomenally well in demonstrating our ability to keep our visitors safe and without actually compromising our renowned hospitality. This is precisely what the Care Fiji Commitment (CFC) is all about. The CFC is a WHO approved standard of best practice health and safety measures for travel in a post-COVID world and led by Tourism Fiji with the support of the Ministry, the programme provides added confidence to international guests that Fiji is a safe destination to come to.

To provide these services to international visitors, tourism operators must be CFC certified. The industry has aligned its daily operations and product offerings also with COVID-safe measures designed to reduce risks at each step of the tourism value chain. In fact, I can proudly say, Sir, that almost the entire business community has actually adopted this particular CFC principles to build back better.

Every tourism business needs to have a dedicated wellness ambassador as part of the CFC and these ambassadors undertake extensive trainings on the COVID-safe best practices. So, when a tourism operator adopts a CFC, they commit to ensuring that the business and every staff is fully vaccinated, masks are worn, physical distancing is kept and there is regular sanitisation and an in-country COVID-19 testing is available, guests and staff are tested routinely and there is well-managed tested isolation protocols when required.

In addition to these minimum measures, Sir, all international visitors are only recommended to engage in tourism experiences that are CFC certified and they fall within the actual safe travel areas. To ensure that we have got industry compliance to COVID-19 safe measures, regular monitoring also and surveillance is being done by us on an ongoing basis. Stringent penalties are also there, Sir, for those who do not comply with the measures that are being put in place.

The COVID-19 safe ambassadors that we introduced last year will continue as an added mechanism to advocate adherence to COVID-safe measures, Sir. I hope that answers your question.

Government Shipping Franchise Scheme – Current Status  
(Question No. 13/2022)

HON. A. JALE asked the Government, upon notice:

Can the honourable Minister for Commerce, Trade, Tourism and Transport update Parliament on the current status of the Government Shipping Franchise Scheme?

HON. F.S. KOYA.- Mr. Speaker, Sir, this is a question that is of continual interest to the Opposition and rightfully so because this initiative is so important and it actually directly impacts the

lives of our maritime islanders. Every year, the interest is shown by the Opposition on the Scheme and every year we do not hesitate to provide an update, not for any other reason except for the fact that we do not leave anyone behind.

Mr. Speaker, Sir, the Government Shipping Franchise is Government funded, as we all know, and it ensures the movement of cargo and passengers between our maritime islands. The Scheme enables connectivity and accessibility to markets, increasing economic activities and improving livelihoods. It is actually essential to maritime connectivity and accessibility, especially with respect to our uneconomical routes. So, there are 10 routes operated under the Franchise Scheme and these include; Rotuma, Beqa, Yanuca, Vatulele, Yasawa and the lower Southern Lau, which actually operates on a monthly basis, Kadavu, Lomaiviti, Upper Southern Lau, Northern Lau and Yasayasa Moala, which operate on a bi-monthly basis and North-East Vanua Levu which operates every two months.

Mr. Speaker, Sir, we have over \$2 million which is allocated for the Franchise Scheme. In the current financial year, the same budget allocation have always been provided every year since the existence of the Scheme. This is because the Fijian Government is strongly committed to the continuous provision of efficient and affordable shipping services to our islands.

Mr. Speaker, Sir, 2020 and 2021 have not been normal years in terms of shipping services both, globally and domestically. We will strive to ensure that the ships are still commuting our islands and provide the necessary support. Despite the COVID-19 restrictions, we will only on the transport of cargo, the Government continues to pay the subsidies for the service of the uneconomical routes. So, this continues with 14 trips to 15 trips per month and this is how committed we are with respect to our maritime islands.

Despite the pandemic, Mr. Speaker, Sir, the Franchise Scheme has continued to provide more than 250-odd trips that accommodated about 19,000 passengers and more than 11,000 tonnes of cargo. Apart from the direct subsidies that are paid by Government to private vessel operators, the Government Shipping Services (GSS) also provides services to uneconomical routes, such as Yasawa, North-East Vanua Levu, Beqa, Yanuca, Vatulele and Lower Southern Lau where the private sector is actually unable to service due to high maintenance of vessels and operating cost issues.

The Government has allocated more than \$6 million budget to GSS with more than \$2 million allocated for maintenance and operations, and FijiFirst Government will maintain this particular commitment and ensure that our islands are supported wholeheartedly. Apart from providing such services, GSS is also working closely with Maritime Safety of Authority Fiji (MSAF) and also the Hydrographic Office in upgrading our ATONs, the Aids to Navigation for safe navigation of these vessels.

The Franchise Scheme has also ensured that people in the Maritime regions have access to food, stores, medical and other essential supplies. Most recently, we experienced *TC Cody* and we continue experiencing adverse weather which affects our services to maritime islands but this also leads to mishaps and accidents at sea, Sir. At certain points of the voyage, severe bad weather or high waves affect transportation but when vessel operators do not take necessary precaution, these matters are very seriously taken.

Safety at sea was always very paramount to us under the GSS and the Franchise Scheme and I want to thank also the selfless and hardworking team at the GSS who are on-call 24 hours seven days a week, Sir, and they are always ready to assist whether it is a franchise trip or a humanitarian assistance trip in the event of a natural disaster. I thank you for allowing me to respond.

Update on Damage to Aquaculture Farms  
(Question No. 14/2022)

HON. V.K. BHATNAGAR asked the Government, upon notice:

Can the honourable Minister for Fisheries update Parliament on the Ministry's response in assessing the damages sustained for aquaculture farms across Fiji due to the recent adverse weather conditions?

HON. CDR. S.T. KOROILAVESAU.- Mr. Speaker, Sir, thank you and I thank the honourable Member for the question.

Mr. Speaker, Sir, the Ministry of Fisheries has standard plans to address the uncertainties brought about by adverse weather conditions. The Ministry of Fisheries response to adverse weather conditions and associated cyclone is undertaken through our regional offices. Within these offices, our Officials conduct initial damage assessment for farms and farmers within affected areas. Sir, Divisional Offices of the Ministry would mobilise within 24 hours to affected communities in which initial assessments are conducted and documented.

Additionally, through the Divisional Emergency Operation Centres across Fiji, the Ministry of Fisheries also render support to the Divisional Commissioners through logistics and manning during the initial damage assessment.

Mr. Speaker, Sir, the quantification figures identified through the initial damage assessment is important because it helps us identify key areas of assistance to communities and helps in the speedy rebuilding process. I thank you, Mr. Speaker, Sir.

Special Purpose Audit on Lots Allotment - Housing Authority  
(Question No. 15/2022)

HON. P.W. VOSANIBOLA asked the Government, upon notice:

Can the honourable Attorney-General, and Minister for Economy, Civil Service, Communications, Housing and Community Development update Parliament on the Special Purpose Audit (special investigation) on lots allotment and awarding of tenders by Housing Authority?

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, I thank the honourable Member for the question.

Mr. Speaker, Sir, in fact, the honourable Minister Education, Heritage and Arts and Local Government was the Minister then when she, through her Ministry, asked for the engagement of the Office of the Auditor-General (OAG) to perform a special audit report because they had received numerous complaints about lot allotment. There were lot of allegations regarding the fact that a lot of people who were buying lots who, in fact, were not entitled to it because the idea was that, those low income people should be entitled to the first bite of the cherry so to speak, to get those lots.

Mr. Speaker, Sir, there was a number of weaknesses that were found in the operational side of the Housing Authority, in the management, and also the middle management level where people had acquired lots, who should not have acquired those lots. As a result of which a number of matters were highlighted, in fact, frankly, the audit that was done was not a very good audit.



We believe that a lot more could have been done by the OAG. They did not meet the Terms of Reference (TOR) and we had asked them to verify all information by checking the Titles Office, FNPF, et cetera, which was not done.

In fact, we were informed that perhaps, some people from the OAG may have acquired some of those lots too and not necessarily entitled to it. So, there is a lot of things in the closet that is yet to be leaked out but as a result of being proactive about it, the current Board is in the process of finalising a draft Lot Allocation Policy which is going to be reviewed by the Ministry and the Board, a Mechanism Periodic Declaration by Board Members also, and all other stuff in particular.

Also, files related to the allocation of lots to several former employees have also been submitted to FICAC itself for them to investigate as to how the staff had acquired those lots.

We have a new Board and is chaired by the CEO of FNPF, Viliame Vodonaivalu; Deputy Chairperson is the CEO of FDB, Saud Minam; we have an engineer - Renee Duguivalu from Nadi; Susan Naidu, who is also the manager of Koroipita Homes in Lautoka; Florence Takinana who is a lawyer by profession; and a member of the real estates fraternity. So, Mr. Speaker, Sir, this Board is currently finalising all these action plans and we hope to improve these processes within the Housing Authority itself, Sir. Thank you.

HON. V. LAL.- A supplementary question, Sir; can the honourable Acting Prime Minister, in his capacity as Minister responsible for Housing, inform Parliament on what is happening with regards to Lagilagi Housing Project?

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, I will be very brief. It is not directly related but in a way it is indirectly related, a similar issue but a bigger debacle over here.

Sir, the Lagilagi Housing Project is commonly known also as Jittu Estate. The Government at that time, obviously, wanted to give proper housing to those people who live in Jittu Estate or Lagilagi Housing. We funded, actually through People's Community Network (PCN) which was headed by Father Kevin Barr and his group of people.

In fact, we already had disbursed a lot of money. Sir, 33 units were built under one phase which costs about \$2.9 million, then another worth \$2.15 million was done. A German Catholic Agency had put in about \$649,000 and the Asian Coalition Housing Rights - \$142,000. We then further approved funding of about \$12 million, Sir, for the construction of additional 120 units.

Unfortunately, only 84 units were completed and the remaining 36 units are partially completed. Unfortunately, Sir, PCN which is quite actually shambolic, collected money from literally hundreds of Fijians. People have given monies of about \$5,000; \$10,000 and \$20,000 and the Minister then had also asked FCCC to carry out an audit.

In fact, they did an investigation and found out, Sir, that in the first or initial stage 336 complainants deposited a total sum of \$2.2 million to PCN. The money is gone, the money has actually disappeared, so at the moment, Mr. Speaker, Sir, we, as Government, have decided as a policy that we need to refund this \$2.2 million. We have to find this money and we hope to do so very soon.

Sir, it is really quite sad because a lot of people had saved money and mostly the low income people. I mean, I was just at one of the restaurants in Damodar City a couple of months ago, a number of waiters and waitresses came up to me and said, "Look, I put \$5,000, I put \$10,000, what will I do?"

How will I get my money back? So, we have been working internally to see what we can do, Mr. Speaker, Sir.

In the meantime, of course, we have to wrestle away this land from PCN. There has been some talk about certain offshore bank account. Unfortunately, Father Kevin Barr has passed on. The person who is running PCN is an adopted son and seems to have disappeared. We do not have a functioning trust that was set up. The land was State land and as a result of the breach of the condition of the lease, through the Ministry of Lands, we are in the process of getting that land back to Government, so that Government can then take over the project.

If you look at where Jittu Estate is, Sir, it is actually prime land. It is at the back of Belo Street, coming on to Grantham Road and we want that area to be developed. We need to take a different model approach to it too. There needs to be some high-rise development. We should be able to be subsidise some of that by perhaps, doing some subdivision and allocating where we can get some proper funding for the sale of the lots.

There are business people, Sir, who are actually living in those apartments. There are some foreigners who have actually acquired those apartments too. It is quite sad, so we are in the process of resolving that issue, it is a big matter. We are trying to, sort of, weave our way through it, we need to get the legal aspect to be right. The main issue is to get the land back into the Government's land system, and then we can move on from there.

Assistance to Co-operatives during COVID-19 Pandemic  
(Question No. 16/2022)

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

Can the honourable Minister for Commerce, Trade, Tourism and Transport inform Parliament if assistance has been provided to Co-operatives during the pandemic?

HON. F.S. KOYA.- Mr. Speaker, Sir, it is unfortunate that honourable Jale is not here, but I have got some good information, which may mean that they will not come back and ask again. I thank the honourable Member for the question.

As I have said earlier on, today there are close to 400 odd operating co-operatives in all the Divisions that are involved in 14 odd different sectors, namely, wholesale/retail, administrative support service, banking, agriculture, food industry, real estate, and transport sectors. Despite the setback of COVID-19 and some of the wishes on the other side of the House, co-operatives actually continued to flourish and they hold over about \$133 million worth of assets. They have maintained revenue of \$17.9 million. Contrary to what honourable Kuridrani may believe, they still exist and they do very well.

Mr. Speaker, Sir, in the last financial year, co-operatives generated a net profit of \$2.5 million. This is such an important statistics. We have more than 24,500 Fijians who are members of co-operatives and we have more Fijians joining the cooperative family.

The Department of Co-operative receives new registrations on a weekly basis. As a member-driven business, this resilience by our co-operatives is actually admirable. They are robust and are resilient businesses and this is because of the foundation upon which these cooperatives are built, such as self-help, self-responsibility, democracy, equity and solidarity are actually critical to its success. Like other businesses, Mr. Speaker, Sir, cooperatives also suffered during the

pandemic, however, with the self-help and solidarity that we are talking about, they showed some resilience and members are able to pull their resources, finance and skills together to quickly adapt to the situation and they adjusted their plans.

The Government also provided assistance to boost the recovery of the Micro, Small and Medium Enterprises (MSMEs), including co-operatives. Holistically speaking, Mr. Speaker, Sir, the support provided to the MSMEs and co-operatives actually ranged from financial assistance to training and handholding exercise and guiding and nurturing the co-operatives in their business ventures and possible areas of growth.

I want to put on record, Mr. Speaker, Sir, that co-operatives have received assistance prior to the pandemic and will also receive assistance post pandemic. So we are here for them and we are here to stay, contrary to what is believed on the other side of the House.

Co-operatives have received closed to \$300,000 through the numerous livelihood programmes that we (Ministry) have offered since the outbreak of the pandemic in Fiji. For instance, in the MSME concessional loan programme, \$72,500 was provided to co-operatives. The Sede Na Qele Co-operative Limited in the North which is a women-based fishing co-operative used the funds to plant about 500 *yaqona* plants to grow and diversify its business from fisheries to farming. So this is just one of the positive stories that we have.

Under our IHRDP Programme, \$197,602 was provided to five different co-operatives for capital projects and through this funding programme, the business has provided one-third, whilst the Fijian Government provided its two-thirds contribution towards the project. The concept is actually giving co-operatives ownership and responsibility for the resources that are invested in the venture. One other such successful recipient is the Lovu Co-operative Limited in Gau, Lomaviti. They were recently assisted with a 23 foot fibreglass boat with an engine, deep freezer and solar panels and this came to close to \$24,000. This is a youth-based co-operative and it managed to boost its shop operations and actually diversified into the fishing business.

We have also worked closely with resource-based Ministries, like the Ministry of Agriculture, Ministry of Fisheries, Ministry of Forestry and Ministry of iTaukei, plus development partners, to support the establishment of cooperatives and assist them in progressing their ventures.

Under the Ministry of Agriculture's Farm Mechanisation Programme, the registered co-operatives were also able to access support in the form of tractors and rice harvesters which not only improves their crop production but resolves some of their supply chain issues. The Ministry of Fisheries has also given a lot of support with respect to freezers and solar panels to co-operatives, particularly in the remote islands.

Currently, the Ministry is working with the Food and Agriculture Organization of the UN to develop some training materials for the co-operatives. Contrary to what honourable Professor Prasad believes, Sir, more sugarcane based co-operatives now own their own sugarcane harvesters. This is made possible through the funding programmes that was developed by the Ministry of Sugar and the Fiji Development Bank. Honourable Professor Prasad yesterday claimed that we will actually kill the sugar industry when, in fact, we are finding innovative ways to keep the industry going. It is a tough job but we will keep it going, Sir.

Beyond financial assistance and collaborations for the benefit of co-operatives, we have continued to offer them mentoring and guidance in terms of services to ensure that they are able to serve the business community.

During the time of movement restrictions and internal borders, we also reviewed our training in co-operative. We have got them using online and the zoom platform has been wonderful for us to ensure that they get to continue with their training.

Since the pandemic, Mr. Speaker, a total of 46 trainings have been conducted and that benefitted the co-operatives in terms of 1,561 Fijians, this was right throughout the pandemic. So, not only did we train them, we also educated the co-operatives on COVID safe business protocols, whilst they conducted their businesses. We have an enormous potential for co-operatives also, again, to continue to improve. Co-operative is actually here to stay. It is not an outdated business model but it is here to stay.

If you know anyone that is in a cluster or has a cluster or group of people, be it with your own youth groups or *mataqali* groups who have an asset and would like to generate some returns from it, establishing a co-operative is strongly recommended. Please, get in touch with us and all that you know.

Job Test for School Heads  
(Question No. 17/2022)

HON. A.M. RADRODRO asked the Government, upon notice:

Can the honourable Minister for Education, Heritage and Arts, and Local Government inform Parliament on the current status of the Job Test for Heads of Schools?

HON. P.D. KUMAR. - Mr. Speaker, Sir, I also thank, honourable thank, honourable Radrodro for his question.

Mr. Speaker, Sir, before I explain the recruitment process for the Heads of School, just a way of background, the Job Evaluation Exercise (JEE) for the Ministry of Education's teaching positions were carried out as part of the Whole of Government evaluation exercise where teaching positions were evaluated and respective salary bands were assigned.

The JEE was designed to ensure that teachers were paid in accordance with the work that they do in school. All positions during this period were evaluated and a Band was assigned to a post. Head of School's transition to respective Bands J, K and L is based on the size of the schools. These positions require Postgraduate qualification.

Following the JEE, the revised MQR were created, the qualification requirement for the small, medium and large schools were same, except the experience which was clearly defined. For example, prior to JEE, five years of experience was required for leadership role, immaterial whether the school was small, large or medium. Now, the experience changed, for small schools, five years teaching experience and three years' experience in educational leadership. For medium schools, seven years teaching experience and, at least, five years educational leadership experience is required. For large schools, 10 years teaching experience and, at least, five years educational leadership experience.

Mr. Speaker, Sir, based on MQR, applicants were shortlisted. The Ministry received a total of 1,424 applications, only 408 applicants met the MQR and those 408 applicants were then shortlisted to sit for the job test. The job test was conducted at the Fiji National University Computer Laboratories in the Central, Western and Northern Divisions on 30<sup>th</sup> December, 2021.

HON. PROF. B.C. PRASAD.- A supplementary question; can the honourable Minister and I am a bit confused. You announced the MQR changes on 20<sup>th</sup> January, now you are saying that the JEE was done. I understand one JEE was done in 2017?

HON. P.D. KUMAR.- Yes.

HON. PROF. B.C. PRASAD.- After that, people were appointed on the basis of that job evaluation. When was this new job evaluation done? It is after 2017 so was there another job evaluation done?

HON. P.D. KUMAR.- One cannot have job evaluation after a job evaluation. Job evaluation was done in 2017...

HON. PROF. B.C. PRASAD.- That was what you said now.

HON. P.D. KUMAR.- No, I did not say that.

HON. A.M. RADRODRO.- A supplementary question to the honourable Minister. I thank her for the explanation that was given. In fact, I expected more on the explanation that should be given, whether job test also applies to heads of schools in primary schools or only applicable to heads of school in high school? That is more like some more information that we would like to hear from the honourable Minister.

There are instances where existing Principals who have been holding the position for more than 10 years and who have excellent school record in terms of exam results, with some even having Postgraduate and Masters qualification are being left out of this

Mr. Speaker, Sir, the question is, what will happen to the employment status of those Principals who are currently in Principal position in their respective schools but are being left out of the job test come April 2022?

HON. P.D. KUMAR.- Mr. Speaker, Sir, he should understand better. In any private sector, when you conduct an interview, there is an MQR, and that is the first step one has to meet.

(Honourable Member interjects)

HON. P.D. KUMAR.- No, the MQR has not been changed. The MQR clearly stated that one has to have a Postgraduate qualification and they must have an Undergraduate degree and certain years of experience. So, that is the MQR and when they meet that, then we go to the next step. So, we prepare a long list and a short list and after that, we conduct the job test.

What honourable Radrodro is saying is that, there are heads of schools who have got Postgraduate qualification and they have got undergraduate qualification in teaching qualifications or teaching degree, then he should bring it to our attention but as far as we know, people who applied, this is the process we have followed and that is where we are. For everyone's information, out of 408 applicants who did the job test, only 124 candidates actually met the benchmark. So we will be conducting interview for only 124 candidates, Mr. Speaker, Sir.

Increase in Inflation  
(Question No. 18/2022)

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

Can the honourable Attorney-General and Minister for Economy, Civil Service, Communications, Housing and Community Development update Parliament on why inflation has increased recently?

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, it is a very topical issue, this question.

Mr. Speaker, Sir, just to contextualise it, inflation stayed in the negative range for around 16 months in the past. That is between October 2019 and January 2021.

Since August 2021, however, Mr. Speaker, Sir, inflation has been on an upward trajectory, led by supply side constraints and recovery of domestic demand, relaxation of COVID-19 restrictions and higher freight costs.

Mr. Speaker, Sir, earlier in the pandemic, disruption to the global supply chain due to lockdowns, as well as labour and container shortages started to substantially raise the cost of freight and international trade. And as demand started to recover, especially in advanced or developed countries, the resulting mismatch between demand and supply fuelled inflationary pressures across the globe.

Mr. Speaker, Sir, higher global and trading partner, inflation eventually trickles down to all of us. By way of example, in December last year, inflation in the United States was seven per cent, the highest in almost four decades, while in New Zealand inflation reached a 30-year high of 5.9 percent. Similarly in Australia, inflation was 3.5 percent at the end of 2021, the highest since 2014.

Given those three countries, Mr. Speaker, Sir, our key trading partners, high inflation in those countries obviously will be eventually passed on to our domestic prices through the goods we import from those countries.

Mr. Speaker, Sir, Fiji, of course, has not been spared from the rise in global inflation. Annual headline inflation has been increasing since the second half of 2021. It was 3 percent in December last year. Higher prices were noted mainly for food and fuel, resulting from the surge in global commodity prices and continuous supply chain disruptions amid a rapid rise in pent-up demand in developed countries.

In January, the inflation rate was 2.7 percent, Sir, led by higher prices for food and fuel, as well as household furnishings and maintenance and health products. Estimates by the RBF revealed that in 2021, imported inflation was the major factor and averaging at 4.4 percent, while domestic inflation was relatively muted at minus 1.1 percent. The higher imported inflation was mainly for food and fuel.

Mr. Speaker, Sir, over the next few months, however, given the recent flooding we have had, we will also expect some domestic inflation to rise, of course, in particular to fruits, vegetables, et cetera, and because of the damage in places like Sigatoka, Ba and various other places around Fiji.

Essentially, Mr. Speaker, Sir, what we have seen is that, due to the high pent-up prices offshore, supply chain issues, freight cost issues and because Fiji is so heavily dependent on imports, in terms of our day to day living and nearly everything we use is imported, you will see that passed on. Fuel prices went up and honourable Professor Prasad made a big noise about that some months back. Of course, he has not said anything because fuel price has already come down by 10 percent since it went up. But we are projecting, Mr. Speaker, Sir, if you look at the global trends, it would probably pick up again very soon.

According to the IMF, Mr. Speaker, Sir, crude oil prices are forecasted to rise further by 11.9 percent this year. Nonetheless, the sharp rise in oil prices and the supply chain disruptions are largely transitory and should start to ease from later this year. So, it will go up, but expect it to come down further on as economies will open up and there is some form of rationalisation.

Mr. Speaker, Sir, Government reduced duty on about 2,000 items last year in the Budget. We, of course, made sure that we bring down a lot of the imported items that are used in the tourism sector, for example, and are used by the ordinary Fijians too.

It would have been an actually a disaster if our dollar was devalued. If you look at the history of inflation, Mr. Speaker, Sir, it is generally after devaluation of the Fijian dollar, there are large economic shocks either financial or geopolitical, for example, in 1987, 1998 and 2009.

The COVID-19 pandemic led to the largest economic contraction in our modern history. We have always said that. After borders were closed down for almost two years, we lost \$4 billion in tourism earnings. However, despite this 100-year event, Mr. Speaker, Sir, because we have buoyant foreign reserves well over the IMF's benchmark of three months of import cover, there was no need to actually devalue the Fijian dollar. Of course, it would have been catastrophic if we would have had to do that. It could have put a lot of pressure, in particular on low income families.

Mr. Speaker, Sir, we are looking at the inflation rates, kind of, stabilising towards the latter part of this year, as I have stated earlier on. Of course, if we had not reduced many of the items, then we would have been in a different position, but that is one the reasons.

I just recently got some figures, Mr. Speaker, Sir, today. Wheat prices are looking like it is going to go up. As I have said publicly, we make flour from wheat. Two companies in Fiji import wheat - FMF and Punjas & Sons, but flour is actually price controlled. However, if the input cost is higher and it gets higher, we expect the prices to go higher.

So, we price control. If Punjas & Sons brings in the wheat, they grind it, they put other stuff in it and we get flour. We then price control it at wholesale. And then it gets sold to the retailers, it is again price control there too. But as I have said, if the wheat price at the moment is \$298.22 and now it is going to go up in excess of \$350, that obviously will be passed on to us. So the price of bread, *babakau*, *purini*, cake, *roti*, everything can actually go up.

Those are the kind of things that we will need to anticipate and we are, of course, working behind the scenes to see how we can actually mitigate those costs, these inflated prices, Sir. Thank you.

MR. SPEAKER.- We will move on to the Written Questions for today.

### Written Questions

#### Current Status – Job Test for Heads of Schools (Question No. 19/2022)

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

Can the honourable Attorney-General, and Minister for Economy, Civil Service, Communications, Housing and Community Development update Parliament on the status of the Jobs for Nature Rehabilitation Programme (J-NR) in particular:

- (a) how many communities have participated in total and per division; and
- (b) the total number of projects funded per broad category in this Programme.

HON. A. SAYED-KHAIYUM. - Thank you, Sir. Mr. Speaker, Sir, I would like to thank the Member for this question and will provide a written answer as facilitated under the Standing Orders. Thank you, Sir.

(Written Question No. 20/2022 withdrawn)

MR. SPEAKER.- Honourable Members, that brings an end to question time. Honourable Members, I thank you for your cooperation today and for your forbearance. I look forward to seeing you in 12 hours' time. We adjourn.

The Parliament adjourned at 8.51 p.m.