

PARLIAMENT OF THE REPUBLIC OF FIJI



PARLIAMENTARY DEBATES

DAILY HANSARD

FRIDAY, 15TH SEPTEMBER, 2017

[CORRECTED COPY]

CONTENTS

	<u>Pages</u>
Minutes	248
Communications from the Chair	248-249
Point of Order	249-252
Presentation of Papers & Certain Documents... ..	252-255
Questions – Tabling of Written Responses	255
International Arbitration Bill 2017	256-261
Personal Property Securities Bill 2017	261-266
Consideration of Bills	266-267, 291-305
❖ Debate on the Land Transport (Amd't)(No.3) Bill, 2017	291-295
❖ Debate on the Fiji Revenue Customs Service (Amd't) (No. 2) Bill 2017...	295-300
❖ Debate on the Tax Administration (Amd't) (No.2) Bill 2017	300-302
Extension of Government Guarantee – FEA	268-278
Extension of Government Guarantee – FDB	278-284
Extension of Government Guarantee – EXIM Bank of India...	284-291
Adjournment	305-306

FRIDAY, 15TH SEPTEMBER, 2017

The Parliament resumed at 9.38 a.m., pursuant to adjournment.

HON. SPEAKER took the Chair and read the Prayer.

PRESENT

All Honourable Members were present, except the Honourable Prime Minister and Minister for iTaukei Affairs, Sugar Industry and Foreign Affairs [Minister for Education, Heritage and Arts]; the Honourable Minister for Fisheries; the Honourable Assistant Minister for Agriculture; the Honourable Nawaikula and the Honourable Ratu S.V. Nanovo.

MINUTES

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

That the Minutes of the sitting of Parliament held on Thursday, 14th September, 2017, as previously circulated, be taken as read and be confirmed.

HON. A. SUDHAKAR.- Madam Speaker, I second the motion.

Question put.

Motion agreed to.

COMMUNICATIONS FROM THE CHAIR

Acknowledgement

HON. SPEAKER.- I welcome all Honourable Members to the final sitting for this year and I also welcome members of the public joining us in the public gallery and those watching proceedings on television and the internet, and listening to the radio. Thank you for taking interest in your Parliament.

This morning, we also have two groups visiting Parliament and they are Year 10 students from the International School in Nadi and law students from the University of Fiji, Saweni Campus. Welcome to Parliament and I trust that your visit today will be a memorable one.

International Day of Democracy

For the information of Honourable Members, in 2007, the United Nations General Assembly resolved that 15th September be observed as the “International Day of Democracy”, with the purpose of promoting and upholding the principles of democracy, and invited all member States and organisations to commemorate the day in an appropriate manner that contributes to raising public awareness.

The International Day of Democracy 2017 marks the 20th Anniversary of the Inter-Parliamentary Union’s Universal Declaration on Democracy and the 10th Anniversary of the International Day of Democracy. These two critical milestones offer an occasion to reaffirm our shared commitment to protect and promote democracy.

The Universal Declaration on Democracy is a landmark achievement, as it was the first time that State institutions from so many different countries agreed on the essential elements of democracy, including basic principles, such as free and fair election, human rights and the rule of law, gender equality, freedom of expression and the need for a strong Parliament.

As part of the campaign, the IPU is running a year-long online petition. The purpose is to encourage parliamentary and Government leaders to uphold the principles and norms of democracy, as set out in the Declaration. The electronic signatures will be presented to the world's Parliaments and the United Nations in 2018.

Since 2015, our Parliament has been celebrating the International Day of Democracy by engaging with Fijians around the country through various programmes and platforms. Our Parliament makes a special effort this year to create more awareness through the media amongst other initiatives, and we will continue to reach out to communities and also invite members of the public to learn more about Parliament and democracy.

As you may have also witnessed, Honourable Members, we have some displays and more information about the International Day of Democracy in the Parliament foyer. Thank you.

POINT OF ORDER

HON. S.V. RADRODRO.- Point of order!

HON. SPEAKER.- Point of order!.

HON. S.V. RADRODRO.- I wish to raise a point of order in accordance with Standing Order 46 on Motions and Standing Order 124 on Business Committee in regards to Schedule 2 in today's Order Paper and noting Schedule 2 in the Government Guarantees, whereby according to tradition and practice, we need time to be able to undertake research and be able to contribute to constructive debate on these Government Guarantees.

And not only this side of the House, I believe both sides of the House need time to be able to scrutinise those Government Guarantees and we have just heard, to uphold the pillars of democracy in having to have constructive debate towards the need for a strong Parliament, Madam Speaker.

HON. SPEAKER.- Thank you, Honourable Member, but I will give you time again when we come to the agenda item on Guarantees and you may repeat your point of orders.

HON. PROF. B.C. PRASAD.- Point of order!

HON. SPEAKER.- Point of Order!

HON. PROF. B.C. PRASAD.- Madam Speaker, I rise on Standing Order 74(1) and I seek your ruling on the tabling of the Supplementary Report to the Audit Report on the Whole of Government Financial Statements and Annual Appropriation Statement of the Republic of Fiji for the Year Ended 31 July, 2016 (Parliamentary Paper No. 115 of 2017), listed as Item 4 in Schedule 1 of today's Order Paper.

We, Madam Speaker, submit that the tabling of this particular report is procedurally wrong. This arises over a recent press conference held by the Auditor-General. We think that this is not a proper Parliamentary process. We believe that the Auditor-General was forced to hold a press conference to correct the so-called anomalies in the Auditor-General's Reports.

Madam Speaker, it is unprecedented and unethical for the Auditor-General to reveal the so-called anomalies in the Reports of the Auditor-General through a press conference. We believe that this should not have happened. The fact that the Auditor-General revealed this supposed anomalies in a press conference in the presence of people from the Ministry of Economy, Madam Speaker, raises a lot of questions and it also raises the question on the independence of the Auditor-General's Office.

Now, Madam Speaker, in my view, what should have happened, there is a possibility that there were errors in the report; we do not dispute that. However, when the Report of the Auditor-General is presented to Parliament, Madam Speaker, you refer that report to the Public Accounts Committee (PAC) and any clarifications or corrections to be made by anyone, including the Auditor-General, should have been made to the PAC because the PAC then does its thorough scrutiny, gets people to appear before the Committee, then the report goes to Parliament with corrections with clarifications.

Madam Speaker, it is unprecedented that the Auditor-General corrects the report in a press conference and puts up a supplementary report. I think it is against Parliamentary practice and it may raise questions about the proper practice and conventions about how we deal with the Auditor-General's Report and any corrections or errors in that report. So, we believe that this Supplementary Report, if it is to do with corrections, should be referred to the PAC and the PAC will have an opportunity to deal with that in a public manner. Then the report will be presented to Parliament and it will have an opportunity to deal with that in the interest of the public as well. Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. Could I ask the Honourable Attorney-General to give some clarifications on issues that are being raised before I make a ruling?

HON. A. SAYED-KHAIYUM.- Thank you, Madam Speaker.

Madam Speaker, I was not listening much to Honourable Professor Biman Prasad. The reality is that, this is the same Honourable Member who, soon after the Auditor-General was appointed, actually questioned his appointment.

(Honourable Members interject)

HON. SPEAKER.- Order!

HON. PROF. B.C. PRASAD.- Madam Speaker, I think the Honourable Attorney-General is misleading Parliament. I did not question the appointment of the Auditor-General, I did not, so he should withdraw that.

HON. A. SAYED-KHAIYUM.- No!

HON. PROF. B.C. PRASAD.- I had not questioned the appointment of the Auditor-General.

HON. A. SAYED-KHAIYUM.- No, no!

HON. OPPOSITION MEMBER.- Withdraw!

HON. SPEAKER.- Honourable Member, you are giving a lengthy description of your point of order, just give the points that you want to clarify. One is that the Auditor-General and that can be the....

HON. PROF. B.C. PRASAD.- The tabling of the Supplementary Report, Madam Speaker, what we are saying is that the Auditor-General does his job, makes a report and it is presented to Parliament. Once that is done, you, Madam Speaker, refer that Report to PAC.

Now, if the Auditor-General finds later on that there are errors or clarifications that he need to make to the report, then he should go to the Public Accounts Committee and make those corrections and submissions or clarifications, including that which may be made by the Ministry of Economy or other Ministries.

HON. SPEAKER.- Yes, that is clear. Which is the second one?

HON. PROF. B.C. PRASAD.- So what we are saying is

HON. SPEAKER.- That is very clear to me. Which is the second one that you talking about?

HON. PROF. B.C. PRASAD.- The second point, Madam Speaker, is that now we are getting a supplementary report to make those corrections directly to Parliament. We are saying that that is not the right practice. That report, if it is a supplementary report, should go directly to the PAC and they will deal with that and include that in their report and report back to Parliament.

Once the Auditor-General's Report is presented in Parliament, that is his report; whether it has errors, mistakes, it is possible, but there is a process to correct all that and that is in front of the PAC. We do not have to, otherwise tomorrow if we find another clarification or error, we might have to bring another supplementary report to Parliament, Madam Speaker. That is the point I am trying to make.

HON. SPEAKER.- Thank you. Honourable Attorney-General?

HON. A. SAYED-KHAIYUM.- Madam Speaker, they want me to legally stop an independent office to...

HON. S.D. KARAVAKI.- Oh!

HON. A. SAYED-KHAIYUM.- You cannot say, 'oh'.

Madam Speaker, this is the level of contribution from the other side.

(Laughter)

They do not have the dignity to just listen to what we are saying.

HON. OPPOSITION MEMBERS.-Talk on the issue, it is not on the issue.

HON. A. SAYED-KHAIYUM.- I will talk on the issue.

HON. SPEAKER.- He is bringing issues, we want to hear the Honourable Attorney-General.

HON. A. SAYED-KHAIYUM.- Yes.

HON. SPEAKER.- Please allow him to speak without interrupting.

HON. A. SAYED-KHAIYUM.- Honourable Professor Biman Prasad has not given any specific provision in the Standing Orders that prevents the independent Office of the Auditor-General from putting in a supplementary report. Nothing whatsoever! There is absolutely no legal impediment.

HON. PROF. B.C. PRASAD.- Parliamentary practice.

HON. A. SAYED-KHAIYUM.- There is no legal impediment to the independent Office of the Auditor-General to put in a supplementary report.

Secondly, Madam Speaker, there are many practices that Parliament have established previously that people have departed from, even in this Parliament even when the Honourable Member as Chair to many things that he adopted, that was a huge departure from the standard practice or what Chairs of Public Accounts Committees do.

HON. M.M.A. DEAN.- Yes.

(Honourable Members interject)

HON. A. SAYED-KHAIYUM.- So, Madam Speaker, he talks about practice now. The reality, Madam Speaker, as was highlighted by the Auditor-General himself which was in the press statement was that he said that they identified a lot of glaring mistakes as a result of which he filed supplementary reports.

HON. MEMBER.- (inaudible)

HON. A. SAYED-KHAIYUM.- Of course, Madam Speaker, there may be errors here and more reports but what he pointed out, there were enormous glaring reports, as a result of which he found it necessary to put in the supplementary report. And, Madam Speaker, to reiterate, legally, there were no impediments for him to do this.

HON. SPEAKER.- Thank you. I think the point has been clarified and they are under Standing Order 38. There is no legal practice that had been made in the submission of a supplementary report.

Thank you, we will continue.

PRESENTATION OF PAPERS AND CERTAIN DOCUMENTS

HON. SPEAKER.- I now call upon the Honourable Acting Prime Minister to table his Reports.

HON. A. SAYED-KHAIYUM.- Thank you, Madam Speaker.

Madam Speaker, in accordance with Standing Order 38(2), I present the following reports to Parliament:

1. iTaukei Trust Fund Board - Annual Report 2016 (*Parliamentary Paper No. 87 of 2017*);
2. Unit Trust of Fiji (Management Limited) - 2015 Annual Report (*Parliamentary Paper No. 95 of 2017*);
3. Public Rental Board - Annual Report 2015 (*Parliamentary Paper No. 72 of 2016*);

4. Supplementary Report to the then Audit Report on the Whole of Government Financial Statements and Annual Appropriation Statement of the Republic of Fiji for the Year Ended 31 July 2016 (*Parliamentary Paper No. 115 of 2017*);
5. Reserve Bank of Fiji - 2016 Insurance Annual Report (*Parliamentary Paper No. 95 of 2017*);
6. Fiji Corrections Service - 2015 Annual Report (*Parliamentary Paper No. 69 of 2016*);
7. Fourth Quarter Appropriation Statement - 1 August 2016 to 31 July 2017; and
8. Fijian Electoral Commission - Annual Report 2016.

Thank you Madam Speaker.

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

(Reports handed to the Secretary-General to Parliament)

HON. SPEAKER.- Pursuant to Standing Order 38(2), I refer the following Reports to the:

1. Standing Committee on Social Affairs:
 - i) iTaukei Trust Fund Board - Annual Report 2016 (*Parliamentary Paper No. 87 of 2017*);
 - ii) Unit Trust of Fiji (Management Limited) - 2015 Annual Report (*Parliamentary Paper No. 95 of 2017*); and
 - iii) Public Rental Board - Annual Report 2015 (*Parliamentary Paper No. 72 of 2016*).
2. Standing Committee on Economic Affairs:
 - i) Reserve Bank of Fiji - 2016 Insurance Annual Report (*Parliamentary Paper No. 95 of 2017*).
3. Standing Committee on Public Accounts:
 - i) Supplementary Report to the then Audit Report on the Whole of Government Financial Statements and Annual Appropriation Statement of the Republic of Fiji for the Year Ended 31 July 2016 (*Parliamentary No. 115 of 2017*) and Fourth Quarter Appropriation Statement – 1 August 2016 to 31 July 2017.
4. Standing Committee on Foreign Affairs and Defence:
 - i) Fiji Corrections Service - 2015 Annual Report (*Parliamentary Paper No. 69 of 2017*).
5. Standing Committee on Justice Law and Human Rights:
 - i) Fijian Electoral Commission - Annual Report 2016.

HON. SPEAKER.- I now call upon the Minister for Industry, Trade and Tourism to table his Report.

HON. F.S. KOYA.- Madam Speaker, in accordance with Standing Order 38(2), I present the Consumer Council of Fiji – Annual Report 2015 (*Parliamentary Paper No. 96 of 2016*).

HON. SPEAKER.- Please hand that report to the Secretary-General.

(Report handed to the Secretary-General to Parliament)

HON. SPEAKER.- Pursuant to Standing Order 38(2), I refer the Consumer Council of Fiji - Annual Report 2015 (*Parliamentary Paper No. 96 of 2016*) to the Standing Committee on Social Affairs.

I now call upon the Minister for Employment, Productivity and Industrial Relations to table his Reports.

HON. J. USAMATE.- Madam Speaker, in accordance with Standing Order 38(2), I present the following Reports to Parliament:

1. Ministry of Labour, Industrial Relations and Productivity - 2004 Annual Report (*Parliamentary Paper No. 70 of 2017*);
2. Ministry of Labour, Industrial Relations and Productivity - 2005 Annual Report (*Parliamentary Paper No. 71 of 2017*);
3. Ministry of Labour, Industrial Relations and Productivity - 2006 Annual Report (*Parliamentary Paper No. 72 of 2017*);
4. Ministry of Labour, Industrial Relations and Environment - 2007 Annual Report (*Parliamentary Paper No. 73 of 2017*);
5. Ministry of Labour, Industrial Relations and Employment - 2008 Annual Report (*Parliamentary Paper No. 74 of 2017*); and
6. Ministry of Labour, Industrial Relations and Employment - 2009 Annual Report (*Parliamentary Paper No. 75 of 2017*)

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

(Reports handed to the Secretary-General to Parliament)

Pursuant to Standing Order 38(2), I refer the following Reports to the Standing Committee on Social Affairs:

1. Ministry of Labour, Industrial Relations and Productivity - 2004 Annual Report (*Parliamentary Paper No. 70 of 2017*);
2. Ministry of Labour and Industrial Relations - Annual Report, 2005 (*Parliamentary Paper No. 71 of 2017*);
3. Ministry of Labour, Industrial Relations and Productivity - 2006 Annual Report (*Parliamentary Paper No. 72 of 2017*);
4. Ministry of Labour, Industrial Relations, Tourism and Environment - 2007 Annual Report (*Parliamentary Paper No. 73 of 2017*);
5. Ministry of Labour, Industrial Relations and Employment - 2008 Annual Report (*Parliamentary Paper No. 44 of 2017*); and
6. Ministry of Labour, Industrial Relations and Employment - 2009 Annual Report (*Parliamentary Paper No. 75 of 2017*).

I now call upon the Minister for Agriculture, Rural and Maritime Development and National Disaster Management to table his Report.

HON. LT. COL. I.B. SERUIRATU.- Thank you, Madam Speaker.

Madam Speaker, in accordance with Standing Order 38(2), I present the Ministry of Rural and Maritime Development and National Disaster Management Annual Report for the Year 2015 to Parliament.

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

(Report handed to the Secretary-General to Parliament)

Pursuant to Standing Order 38(2), I refer the Ministry of Rural and Maritime Development and National Disaster Management Annual Report for the year 2015 to the Standing Committee on Social Affairs.

I now call upon the Minister for Defence and National Security to table his Report.

HON. RATU I. KUBUABOLA.- Thank you Madam Speaker.

Madam Speaker, in accordance with Standing Order 38(2), I present the Ministry of Defence and National Security and Immigration 2015 Annual Report to Parliament.

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

(Report handed to the Secretary-General to Parliament)

Pursuant to Standing Order 38(2), I refer the Ministry of Defence, National Security and Immigration 2015 Annual Report to the Standing Committee on Foreign Affairs and Defence.

QUESTIONS

Tabling of Written Response

HON. SPEAKER.- Although not in the Order Paper, the Secretariat has received notification from the Honourable Acting Prime Minister to table his responses to written questions. I now call on the Honourable Acting Prime Minister to table his responses.

HON. A. SAYED-KHAIYUM.- Thank you, Madam Speaker.

Madam Speaker, pursuant to Standing Order 45(5), I hereby table my written responses to Question No. 174 of 2017 asked by the Honourable Aseri Radrodoro and Question No. 183 of 2017 by the Honourable Leader of the Opposition respectively.

HON. SPEAKER.- Please, hand your written responses to the Secretary-General.

(Written responses handed to the Secretary-General to Parliament)

HON. A. SAYED-KHAIYUM.-Madam Speaker, I have just discovered something. I wanted to give the Honourable Leader of the Opposition some more information. I have attached some flyers for her and would like to attach another one, with your permission after this sitting, if that is all right, just to give her more information.

RESUMPTION OF DEBATE ON THE INTERNATIONAL ARBITRATION BILL 2017

HON. SPEAKER.- I now call the Honourable Acting Prime Minister and Attorney General to move his motion.

HON. A. SAYED-KHAIYUM.- Madam Speaker, pursuant to the Resolution of Parliament passed on Friday, 14th July, 2017, I move:

That the International Arbitration Bill 2017 be debated, voted upon and be passed.

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

HON. SPEAKER.- For the information of Honourable Members, the motion was brought in pursuant to Standing Order 51 and the Resolution was passed by Parliament. The terms of the Resolution now requires the House to debate it in the Third Reading.

Additionally, Standing Order 88 provides that the debate must only be on whether the Bills should pass and not on the content. I now call upon the Honourable Acting Prime Minister and Attorney-General to speak on his motion.

HON. A. SAYED-KHAIYUM.- Thank you, Madam Speaker.

Madam Speaker, notwithstanding the fact that this Bill was brought under Standing Order 51, it was referred to the relevant Committee that considered the Bill and had public consultations and indeed, they called for public consultations.

Madam Speaker, by way of introduction again to Parliament, Fiji acceded to the Convention on the Recognition and Enforcement of Foreign Arbitral Awards, also known as the New York Convention, on 23rd September, 2010. The New York Convention is widely considered as the foundation instrument for the international arbitration.

The Bill, Madam Speaker, accordingly before Parliament is drafted to implement Fiji's obligation under the New York Convention. Of course, this has not been done for a few years now.

The Government, through the United Nations Commission on International Trade Law which is commonly known as the United Nations Commission on International Trade Law (UNCITRAL) and the Asia Development Bank (ADB), engaged a consultant in the field of international arbitration, who reviewed the comparable laws on arbitration and recommended the best model for Fiji. Mr. Daniel Krochmalik, a Barrister at Selbourne Chambers from Sydney, has a broad-based commercial practice, covering a variety of different specialist areas. Widespread consultations, Madam Speaker, were held before the Bill was actually tabled in Parliament.

Again, Madam Speaker, I do not intend to speak for too long on this, but essentially what this will do, this Bill will enable Fiji to be recognised as a sovereign State, as an independent destination, and indeed as an independent third party that can provide arbitration facilities for other State parties that they may want to use Fiji as an arbitration destination.

We have seen countries like Singapore and the autonomous state of Hong Kong, actually established themselves in that part of the region as arbitration hotspots where in particular, for example, with a lot of commercial contracts between countries, independent contractors and countries, they actually build in arbitration provisions for arbitration to be referred to, for example, Singapore and Hong Kong.

We believe there is a lot of scope for us, of course, we have a lot of international companies now that actually work in Fiji. They work in Fiji themselves and may, in fact, be a party to a contract with Government or indeed with a major private company. So, within the clauses of the contract, we normally have arbitration clauses. So they can now refer to Fiji being used as the arbitration jurisdiction to be able to arbitrate on any of these outstanding matters, any anomalies they may have, or indeed any disputes that they may have as contracting parties.

Firstly, it provides facilities for our own people, our own companies, our own Government and our own private companies. Secondly, you could have a scenario, for example, you may have a contracting party say, from Australia, contracting a provision of infrastructure facilities to a country in the Pacific, whether it is at Tuvalu, Kiribati, Tonga or Samoa. They could then use Fiji and apply Fijian laws for arbitration purposes.

Again, it creates that level of hubbing that we require and, of course, as I am sure the Committee Members who worked on this may want to contribute also, they will give a brief elucidate exactly on what the provision of this Bill are. But essentially what it does, it rests on international best practice, international law and, indeed, we have used and greatly with the assistance of ADB and UNCITRAL that were very, very forthcoming in their intellectual inputs that they provided for us to be able to come up with this Bill.

So with those few words, Madam Speaker, just by way of introduction, I recommend the Bill to Parliament.

HON. SPEAKER.- Thank you. Your motion is now up for debate and I invite input from Honourable Members. Honourable Sudhakar?

HON. A. SUDHAKAR.- Thank you, Madam Speaker.

Madam Speaker, I thought I will just speak briefly on the Bill as the Chairperson of the Standing Committee on Justice, Law and Human Rights, the Committee which handled this Bill after it was referred to the Committee by Parliament.

Madam Speaker, this Bill essentially is like establishing a quasi-judicial office. What is happening currently is that, we have many agreements where there are certain sections which promote arbitration. It is like an out-of-court structure, which allows parties to go to an Arbitration Tribunal and resolve their disputes in a timely and in a cost efficient manner.

Currently, what is happening is, there are parties to an agreement and they have a dispute regarding a trade matter, say an airline company or an international commercial multinational business or a shipping company. If they go to court, then that matter is stuck in court for a number of years and by the time the matter is resolved, what could happen is that, the company itself is wound up and no one gets anything in return.

What the Bill has sought to achieve is that, to set up an Arbitration Tribunal in Fiji, as the Honourable Attorney-General has pointed out, which can be used by local businesses as well as international business, and they can use Fiji as a hub of an international arbitration tribunal or an international court, if I may say it that way.

In that respect, if there is a dispute regarding a trade matter that is specific to a particular area, for example, shipping, we do not need to go to a judge who may not be well versed with the trade practices of shipping industry or airline industry. In that respect, they appoint their own arbitrators (they have the freedom to appoint as many arbitrators as they want) and they can have three or five,

they appoint their own experts in the area of business and then the other party also have their freedom of appointing their own commercial experts in that area. They get together and then they hear the parties. They are not bound by the strict rules of evidence, so they can put all their papers in front of that arbitration tribunal and then that tribunal makes a determination based on that commercial aspect.

In looking at the Bill, we have looked at the various aspects of the Bill. We have looked at the UNCITRAL which Fiji is a signatory to and that UNCITRAL had directed a Model Law which is applicable across, which other countries have applied in their own jurisdictions. It has got principles of commercial activities across the world and Fiji has also adopted most of the parts of the Model Law in the current Bill.

Honourable Members would notice that when we returned the Bill to this honourable Parliament, we made no changes to the Bill because it reflects the current best practice as is applied in countries such as, Australia, New Zealand, Singapore and Hong Kong, which have also applied the Model Law in their own law and legal structure.

As I mentioned earlier, the Bill hopes to:

- achieve timely resolution of commercial disputes;
- make Fiji an attractive venue for settlement of disputes and commercial structure; and
- helps businesses in saving costs.

They do not have to go to court in all matters. It is not opposing them from going to court, it is not a restrictive Bill, but you have to have an agreement on arbitration before you enter into business. In the absence of an agreement, the business is open to go to court but when there is an arbitration agreement, any party can raise at the first instance that, “We do not want to be entangled in court disputes, we can go to arbitration straightaway”, and that has the leeway there.

What it also does, Madam Speaker, is that it reduces the burden on our current legal system. Currently, we have four structures of court that deal with this kind of matters mostly; the High Court, Court of Appeal or Supreme Court, we have avenues here in this Bill that allow people to go straightaway to arbitration and if there is a dispute even after that, there is limited grounds to appeal that and to open that agreement and the decision in court as well. So, all in all what this Bill does is, it makes good commercial sense. It streamlines a lot of processes and it helps to achieve the best commercial practice which other countries have, in fact, adopted. We are a bit late in that but we still hope to achieve that purpose.

With those words, Madam Speaker, I support this motion and the Bill.

HON. SPEAKER.- Thank you. We have heard some more clarification in this particular Bill but please remember in this debate, you do not speak on the content, only on whether the Bill should be passed or not. But thank you for the additional clarifications that have been made.

We still open the debate to Honourable Members. I invite input and the substance of your presentation should be really on whether this Bill should be passed and the basis of that.

HON. PROF. B.C. PRASAD.- Thank you, Madam Speaker. I understand what you are saying.

Madam Speaker, I rise to actually support this Bill. I think this is a progressive Bill. It will contribute towards making Fiji an attractive destination, particularly for foreign investment. In light of the World Bank Ease of Doing Business ranking, as we know Fiji has gone down, so I think this

Bill and making Fiji a hub for international arbitration is going to improve the overall investment climate and indeed, may provide (I know the Honourable Attorney-General this is music to his ears). But it is a Bill which will increase investor confidence in the way that investors would want to deal with the enforcement of contracts.

Enforcement of contracts, Madam Speaker, is very, very important element in business and Adam Smith said this many, many years ago that commerce and manufacturers do not flourish in an environment where the rule of law, where the administration of justice, where the enforcement of contracts is not easily facilitated. And for any country, that aspect of business environment of attracting foreign investment is absolutely important.

I see the comparison provided by the Committee with Singapore, also lends weight to the fact that we need Fiji as an arbitration centre. For example, the comparative analysis and details of time and cause for unforeseen contracts 2017, time required in Fiji is 397 days as opposed to 164 days in Singapore. For filing and service now required 36 days, as opposed to six days in Singapore. Trial and judgment 206 days here, as opposed to 118 days on average in Singapore. Enforcement of judgement 155 days here, as opposed to 40 days. So, Madam Speaker, these statistics actually prove that not only the time that we need now to enforce contracts is very, very high and costly as well, compared to Singapore.

So, yes, I think the Government while enforcing this Bill and allowing the investors to deal with disputes or an enforcement of contract in this way, must not also lose sight of other aspects of Ease of Doing Business, where we have actually not improved and I hope that the Government will look at some of those specific things, like starting a business, getting credit, even in paying taxes where we have slipped further down in terms of the global ranking.

I support the Bill and I do hope that the Government will take those issues into account, Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. Honourable Usamate?

HON. J. USAMATE.- Madam Speaker, I do not intend to talk on the content but I just like to say that I fully support the Bill because of the changes that are already happening in Fiji in terms of coming up with the alternative dispute resolution system.

Our history has always been to take our disputes to courts and over the past few years, we have seen in Fiji that we are beginning to use alternative dispute resolution systems. An example of this, of course, is the mediation resolution mechanism that is used within the Ministry of Employment and also now used by the arbitration court that is beginning to be used in other places.

These alternative dispute resolution systems allow us to address the backlog that exist, for instance, in the court. It gives alternatives to people and in the case of mediation in particular, it also gives us a way in which we can resolve disputes and at the same time, repair the relationships between the parties that are in dispute.

I fully support it because I think we are coming up to a stage in our development now that we need to have this alternative dispute resolution mechanism. We have the courts, we have the arbitration, we have the growing use of mediation in Fiji and all of these will give avenues for people who are in dispute, whether it is companies, the private sector or even also in other areas, in the family, disputes that happens on the labour front and also in our communities.

So, for that reason, Madam Speaker, coming up with alternative dispute resolution mechanism such as, arbitration and mediation, is something I fully support.

HON. SPEAKER.- Thank you. Honourable Karavaki?

HON. S.D. KARAVAKI.- Thank you, Madam Speaker, I rise also to support this Bill.

However, Madam Speaker, the Bill seems not to the extent of providing the assistance needed to the parties that would like their issues to be arbitrated in Fiji. I know that this is maybe a progressive Bill at this stage. For example, if we talk about Singapore, it has an arbitration centre. This Bill seems to be sort of that, Madam Speaker, it does not really establish or set up an arbitration centre over here so the appointment of arbitrators, et cetera, are left to the parties to decide on and agree on that.

As I have said, Madam Speaker, it is probably a progressive Bill at this stage, but if we are looking at getting the maximum benefit out of this in terms of businesses and commerce, I think the State should be looking at the prospect of setting this up and one way to do that is to put it in the Bill and have different parts coming into effect at different times. If we look at that, then it would be easy for the parties to bring their issues to be arbitrated upon and results are to be available as soon as possible because in commerce and business, Madam Speaker, this is exactly the Bill's objective, to have matters of disputes be resolved as quickly as possible. That is just one issue that I would like to raise, Madam Speaker, that the Government can look at that in order to improve whatever is there in the Bill now.

I have said, it is probably a progressive Bill and will probably come into effect. Do they say probably we do not have the resources now to set up an arbitration centre like Singapore and for that reason, we can have that in the process and later on, probably can set it up, to have Fiji as an attractive place of arbitration, not really in the Pacific region but also in the Asian region. And a lot of people would probably be attracted to bring their issues here in Fiji and not only that, to set up investment here in Fiji for that reason.

Madam Speaker, I support the Bill.

HON. SPEAKER.- Thank you. There being no other input. I now give the floor to the Honourable Attorney-General for his Right of Reply.

HON. A. SAYED-KHAIYUM.- Madam Speaker, I would like to thank all Honourable members who have spoken in support of this Bill. As has been highlighted by the various speakers, the Bill actually is good for Fiji, in respect of the various arbitration centres that obviously follows after once you have the law in place, Madam Speaker. I think the most important aspect at the moment is to be able to provide a legal environment where such arbitration matters can be dealt with.

But suffice to say, Madam Speaker, I would like to thank all Honourable Members for speaking on this Bill and we look forward to Parliament to formally approving this Bill.

Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. Parliament will now vote.

Question put.

The question is that:

Pursuant to the Resolution of Parliament passed on Friday 14th July, 2017, that the International Arbitration Bill 2017 (Bill No. 37/2017), be debated, voted upon and be passed.

Does any Member oppose the motion?

(Chorus of Noes)

HON. SPEAKER.- There being no opposition, the Bill is agreed to.

Motion agreed to.

Bill reported without amendment, read a third time and passed.

[A Bill for an Act to make provision for the Conduct of International Arbitrations Based on the Model Law Adopted by the United Nations Commission on International Trade Law on International Commercial Arbitration and to Give Effect to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards and for related matters (Bill No. 37 of 2017) enacted by the Parliament of the Republic of Fiji. (Act No.2017)]

HON. SPEAKER.- We will move on to the next Item in the Order Paper and I now call on the Acting Prime Minister and Attorney-General to move his motion.

RESUMPTION OF DEBATE ON THE PERSONAL PROPERTY SECURITIES BILL 2017

HON. A. SAYED-KHAIYUM.- Madam Speaker, pursuant to the resolution of Parliament passed on Friday 14th July, 2017, I move:

That the Personal Property Securities Bill 2017 (Bill No. 38/2017) be debated, voted upon and be passed.

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

HON. SPEAKER.- For the information of Honourable Members, the motion was brought in pursuant to Standing Order 51 and the Resolution was passed by Parliament. The terms of the Resolution now requires the House to debate it in the Third Reading.

Additionally, Standing Order 88 provides that the debate must only be on whether the Bill should be passed and not on the content. I now call on the Acting Prime Minister and Attorney-General to speak on his motion.

HON. A. SAYED-KHAIYUM.- Thank you, Madam Speaker.

Madam Speaker, again, this Bill was referred to the Committee and we understand that the Committee called for public submissions as highlighted in the Report. We understand that members of the public, although in small numbers, did make submissions and were given the opportunity to do so.

Madam Speaker, essentially, what this Bill does and why it should be approved by Parliament, is that, it provides a very secure legal framework to facilitate the financing of moveable of personal property in order for ordinary Fijians to access credit for micro, small and medium enterprises and indeed, for individual also, Madam Speaker.

Madam Speaker, the current system and the laws actually are quite outdated, some of them go back to the 1930s and 1940s. They are a whole set of laws in Fiji that needs to be updated. What this does is, we will now be able to offer new financing procedures and opportunities for ordinary Fijians to access funds. It will stop them from going to moneylenders. Just by way of example, Madam Speaker, at the moment if I buy a tractor and the tractor is worth \$100,000 and I have \$80,000 of my own money but I need to borrow \$20,000, if I go to Financier A, they may give me the \$20,000, but they take a charge over the entire property (over the entire tractor), notwithstanding the fact that, in fact, the tractor is worth \$100,000 and they have only lent me \$20,000. I still have some equity in that asset.

At the moment, I cannot go to anyone else, or if I do go to anyone else, that person does not have the security over that particular asset. What this Bill does, Madam Speaker, is essentially centralises all the registration of interests, but it gives me the ability to go to a Financier B and say, "Look, I have got an asset worth \$100,000, of which \$20,000 is incumbent. Can you please give me another \$30,000 because I want to expand my business", or "I have got to pay a bond because I have a new contract to do some drainage excavation." They will then be able to lend me that \$30,000 using the same asset as security. I simply count number 2 after the person has given \$20,000, so it creates a lot of opportunities and also creates opportunities for farmers in terms of what is traditionally called crop liens. You can even have moveable assets or livestock, etcetera, so you will have ordinary Fijians who can go to mainstream financial institutions and actually borrow money.

You will see, Madam Speaker, in the consultations before this Bill was even drafted, we had consulted a lot of organisations, of course, included are traditional and financial institutions, the banks, micro-finance institutions, the Association of Banks in Fiji, Fiji Teachers Union Co-operative Thrift and Credit Limited, Public Service Credit Union, Fiji Police Credit Union, Fiji Nursing Association Credit Union, Fiji Savings and Credit Union League, Fiji Law Society, Fiji Institute of Accountants, Fiji Credit Institution Association; all those organisations were consulted and everyone actually agreed that it is a good thing.

At the moment, Madam Speaker, if, for example, I want to finance a particular asset, say a motor vehicle which is second-hand, you have to go to different places to see if someone has some sort of encumbrance on that asset. This will centralise it all. You go to only one place to see whether this tractor has got any encumbrance on it, you know it has not, then you can actually lend on that tractor.

Madam Speaker, obviously, there is a transitional provision in the Bill. It allows from the time Parliament passes it to the time it becomes law, six months for everyone, all current registrable interests, to be all centralised. So, you have six months to comply with that. If you do not do it within six months, you will lose out. It also helps, for example, in bus companies. A lot of bus companies go and borrow money to buy a bus. They may have only a particular portion of that, that they may borrow, but the entire asset is actually incumbent. So this would free up a lot of opportunities for a lot of ordinary Fijians who have small assets, even livestock. So you give them access to credit, bring them into the mainstream society and also the mainstream financial system, Madam Speaker.

Of course, things like this, Honourable Professor Prasad, do go to Ease of Doing Business because it is to do with the ability of financial institutions to be able to register their interest properly, and to be able to expedite these types of matters. Of course, Madam Speaker, this is something that has been languishing for quite some time, and we have been working on it for about 18 months to be able to bring some fundamental shift in the way that business is done in Fiji and, indeed, access to finance for ordinary Fijians, in particular.

With those few words, I would like to move that the Bill be approved.

HON. SPEAKER.- The Bill is now up for debate and I invite input from Honourable Members, if any.

Honourable Professor Biman Prasad?

HON. PROF. B.C. PRASAD.- Madam Speaker, I rise to support the Bill. Again, I think this is a progressive Bill. I agree with the Honourable Attorney-General that it will facilitate greater access to finance. I think it is going to be good for both, the lenders and those who are seeking credit from those lenders.

I note, Madam Speaker, as alluded to by the Honourable Attorney-General, that there is a transitional provision. I think that is good but I am not sure whether six months is actually enough because the last time I was looking at the implementation of this Bill, in fact, the Bill is modelled more on the New Zealand Personal Properties and Securities Act 1999. And I was looking at the assessment and the review of the impact of the Act in New Zealand, there are some academic analysis of the implementation and how that particular Act was dealt with.

Madam Speaker, I think they may need to consider a longer transitional period, maybe a year, instead of six months. It could be easier for the lenders to make the transition but I am not sure whether the general public (those who are out there seeking funds and finance) would be able to get this going, so this is something that the Government might want to consider.

Obviously, in those analysis of what happened in New Zealand, there were questions about the certainty and simplicity of how the borrowers or those who want to put in their assets, including movable assets, in the registration process so that documentation, registration and enforcement of security interests would not be an issue and how efficiently all that could be done. I am not sure how the lenders are going to respond to that. The Bill actually facilitates and probably makes it easier for them, but whether the lenders would do enough to ensure that the objective of the Bill is translated into more efficient and effective actions on the ground.

In New Zealand, it actually took a while for it to effectively work and over the last 10 years when they did the analysis, they found that there were a lot of litigations. In fact, in the 10-year period, they were looking at something like 52 litigations, out of which about 73 judgments were made, so these are probably issues which would be ironed out as the Bill is implemented. But the caution that I want to make and I think it will all depend on how efficient the lenders and the lending institutions are able to deal with this change and to ensure that people who (as the Honourable Attorney-General had pointed out) have equity within their assets are able to realise additional financing from the lending institutions. So I really think that the transitional period is quite short when you look at the six months, Madam Speaker.

HON. SPEAKER.- Honourable Sudhakar?

HON. A. SUDHAKAR.- Madam Speaker, I thought I would like to add on the Bill for what was presented by previous speakers, as the Chairperson of the Standing Committee on Justice, Law and Human Rights Committee which handled this Bill that was handed to us by this Honourable Parliament.

There are some very basic aspects, Madam Speaker, that suggested why this Bill should be passed. It is a very progressive Bill, it is good for the economy, especially in terms of small, micro and medium enterprises. We have had instances, in very practical terms, where someone goes and buys a second-hand vehicle and does repair works on it, like painting and while driving around town, he is then

stopped and the vehicle is repossessed by bailiffs. It was then found that the vehicle was actually under a Bill of Sale with some other company or other financier and the person loses his equity or money that he has put in the vehicle.

What this Bill hopes to achieve is that, those type of instances are minimised or eliminated by having a central registry where, once you provide a loan or finance to a particular person, within seconds or almost immediately you can register your interest on that particular property, such as a motor vehicle, livestock or crops with the central registry. So the next person who wants to buy that particular equipment or vehicle, can do an electronic search and find that this particular property is mortgaged somewhere else. That is one aspect of it.

The second is, currently, there is an untapped market in the economy where financiers are very reluctant to provide finance. People are more readily willing to provide finance when he owns a house, a building or motor vehicles but if you have a machinery, equipment or computers in your office which you want to mortgage and raise funds to progress your business further, then there are very few takers of that proposal because they do not know who owns the property, who owns the computers, where it will end up or if he provides finance, whether he will ever be able to gain out of it.

The central registry system in this current Bill allows that market to be opened up where people can now mortgage whatever business equipment they have to gain some sort of finance. A tailor in the village, who has one sewing machine can now mortgage that sewing machine and buy another one to increase the volume of her business. If a farmer in the village has a pair of bullocks and a pair of bullocks is worth anything between \$2,000 to \$3,000, you do not have a mechanism currently that enables that. I mean, it is also open to the financiers to reject that proposal but it actually facilitates that idea that if you want to mortgage my livestock and get some finance to buy a tractor, for instance, I can do that.

It is well-known to farmers that a tractor itself might be worth about \$12,000 but the equipment and implements (plough and the tiller) around it, are worth more than that - worth \$15,000 or \$20,000. Currently, you can only mortgage the tractor to obtain finance but there is no mechanism to mortgage your trailer, plough, tiller, harrow, et cetera. What this Bill does is, you can describe your equipment, your implements in the Schedule and obtain a mortgage on that and, of course, you have to pay off.

What we have also found is that when people are unsecured, that is, they do not have equipment or property, they go to money lenders. Legally, money lenders are only allowed to charge up to 20 percent in interest, but some lenders actually exceed that and charge a lot of interest where people are actually out of pocket by the time they pay off their mortgages. Money lenders actually take their ATM cards as well and keep it with them, and when they have their salaries coming in, they go to the ATMs and withdraw the money before the person actually sees the money. This Bill hopes to curtail that market where now people actually have some security, where the interest rates will be brought down and it will generally help everyone in the economy.

Thank you, Madam Speaker.

HON. SPEAKER.- Honourable Jilila Kumar?

HON. J.N. KUMAR.- Madam Speaker, I wish to contribute to the Bill before the House today. I would say that this Bill is a ground-breaking Bill because I am a daughter of a farmer and this Bill will open, once it is passed in Parliament, opportunities and doors to those farmers in the rural areas because now they are able to use their personal properties such as livestock, crops and even machineries. Madam Speaker, it will be easier for them to use that as personal security.

Also those small entrepreneurs, those selling along the roadsides of Fiji and those running small businesses at home, especially women, they can make use of this opportunity. This Bill, Madam Speaker, is another initiative by the Government to help the people of Fiji particularly the grassroots people in rural areas to extend their businesses, to help them to at least have money in their pockets because people always say that in Fiji we have a lot of resources but pocket poor. So, this Bill, Madam Speaker, once passed, it will help the ordinary people of Fiji to expand their businesses. Thank you.

HON. SPEAKER.- Thank you. I now give the floor to the Honourable Semesa Karavaki.

HON. S.D. KARAVAKI.- Madam Speaker, I rise to support this Bill. I believe this is the position of the SODELPA Party on this because the Bill has gone through the Committee, Madam Speaker, and extensive discussions and consultations have been carried out on it. There are new avenues that are brought into play here in the Bill such as the warehouse concept. These are things that open up the prospect for businesses to use the warehouse because of their products and there are people probably who would be encouraged to set up warehouse because of this. Apart from that, I think the banks had declared that there are funds available with them and they would like to see a mechanism in place where those funds can be channelled out to the members of the public in order to set up businesses and grow whatever business is in place now. So we believe it is good for Fiji, is good for the economy and for that vision, Madam Speaker, we support this Bill. Thank you.

HON. SPEAKER.- There being no other input, I now invite the Honourable Attorney-General to speak in reply.

HON. A. SAYED-KHAIYUM.- Thank you, Madam Speaker. Madam Speaker, I would like to thank all the Honourable Members who have spoken in support of this Bill.

Madam Speaker, the six-month transition period is necessary because we do need to have a short concentrated period of time and six months we believe for a jurisdiction such as Fiji is actually long enough. We do not have at the moment, Madam Speaker, many people who actually have security over many movable assets. I mean, if you go out now into Fiji and say how many of your cows as some registration of interest over it, no one hardly ever does. Similarly, you will find, Madam Speaker, that even if a tractor or if someone has borrowed money, they would only be one lender on that. So it makes it a lot easier and New Zealand has a population of over 4.5 million people, much larger population area and of course they have been traditionally lending in those areas prior to this.

In Fiji, a smaller group of people who will actually need to register so people need to understand that the six months period is when you actually go out and register your existing interest over a particular asset in that six-month period. Not anyone who wants to have their asset lend against, it is all existing people. Also, Madam Speaker, I would like to refer Honourable Professor Biman Prasad who talked about this. Clause 1(2) states and I quote: "The Act comes into force on a date or dates appointed by the Minister."

So just because Parliament passes it today and subsequently His Excellency the President will give his assent, does not mean that the Act therefore comes into force immediately. We, of course will have all the ducks lined up before we implement it, in the same way we did with the (Honourable Chand knows this), electronic ticketing Act passed, but when we knew that everyone was in alignment, that was when we started the clock ticking because there are obviously various compliance requirements. So a similar thing will be done for this, but six months is a legal transition period and is obviously sufficient enough to ensure that everyone's current registrable interest will be registered. With that, thank you, Madam Speaker.

HON. SPEAKER.- Thank you. Parliament will now vote.

Question put.

The question is that:

Pursuant to the Resolution of Parliament passed on Friday, 14th July, 2017 that the Personal Property Securities Bill 2017 (Bill No. 38/2017) be debate, voted upon and be passed.

Does any Member oppose the motion?

(Chorus of Noes)

HON. SPEAKER.- There being no opposition, the motion is approved.

Motion agreed to.

Bill reported without amendment, read a third time and passed.

[A Bill for an Act to Regulate the Lending of Money Secured By Personal Property as Collateral (Bill No. 38 of 2017) enacted by the Parliament of the Republic of Fiji (Act No.2017)]

HON. SPEAKER.- I now call upon the Honourable Acting Prime Minister to move his motion.

CONSIDERATION OF BILLS

HON. A. SAYED-KHAIYUM.- Madam Speaker, pursuant to Standing Order 51, I move:

1. That the –
 - i. Land Transport (Amendment) (No. 3) Bill 2017;
 - ii. Fiji Revenue and Customs Service (Amendment) (No. 2) Bill 2017; and
 - iii. Tax Administration (Amendment) (No. 2) Bill 2017, be considered by Parliament without delay;
2. That the Bills must pass through one stage of a single sitting of Parliament;
3. That the Bill must not be referred to a Standing Committee or other Committee in Parliament;
4. That the Bills must be debated and voted upon by Parliament on Friday, 15th September, 2017 (which is today) but that one hour be given to debate the Bills, with the right reply given to me as the Member moving this motion.

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

HON. A. SAYED-KHAIYUM.- Madam Speaker, if I could just suggest that if we could circulate the Bills now then go onto the guarantees and then once we finish the guarantees then we could come back to the debate of these Bills in today's session.

HON. SPEAKER.- Thank you. I would suggest that we break for tea for one hour to give you time to look at these Bills and then we will deal with guarantee after morning tea.

(Honourable Member interjects)

HON. SPEAKER.- It will be circulated to you now and you are given one hour to look at it.

HON. PROF. B.C. PRASAD.- I just wanted to raise this matter because I think the Honourable Attorney-General, Standing Order 51 is fine; there is a use for Standing Order 51. But I think Bills rushed like this is in my view inappropriate. I would have thought and I would request the Honourable Attorney-General that if he wants to get Bills under Standing Order 51, give us those Bills one or two days before so we can have a look. I know sometimes it could be very simple amendments but I think it just make sense to get Bills in our hands a few days before so that we can make some meaningful contribution, even if it is a very small change. We should not railroad Bills under Standing Order 51 without us having any time to look at these Bills.

HON. SPEAKER.- Thank you. I am acting on the provision of Standing Orders and Standing Order 51 states, and I quote:

- “(1) A motion requesting that Parliament consider a Bill without delay –
- (a) may be moved without notice; and
 - (b) shall be moved by the member moving a Bill.”

And that is the provision made under Standing Order 51, I am afraid I am not able to change the Standing Orders.

HON. RO T.V. KEPKA.- Madam Speaker, we also have issues with Standing Order 51. In this case we are only being given the Bills and we had asked earlier because there has been no Business Committee meeting, we are only notified what was on the Order Paper through flying minutes and in this case we were not even given what Bills will come up before the House. At the moment it has only been distributed, so it is a bit difficult for us to look at the very important issues that are contained in the Bills so we need time, Madam Speaker, for them to give us these Bills. Thank you.

HON. SPEAKER.- Thank you. The tabling of these Bills had been circulated to the Members of the Business Committee by a flying minute and no one had spoken against having these Bills tabled at this time.

Therefore, Honourable Members, we will now break for tea for one hour to allow you to peruse the Bills and we will come back for debate. Thank you.

The Parliament adjourned at 10.46 a.m.

The Parliament resumed at 11.49 a.m.

HON. SPEAKER.- Honourable Members, before we resume, I would like to welcome the students from Nadi District School who are here with us this morning. Welcome to Parliament and I hope the experience will be of benefit to you. Of course, I have welcomed the rest of you here, thank you for your patience and remaining in Parliament up to this time.

I will now call on the Honourable Acting Prime Minister and Attorney-General to speak on his motion.

**EXTENSION OF GOVERNMENT GUARANTEE –
FIJI ELECTRICITY AUTHORITY (FEA)**

HON. A. SAYED-KHAIYUM.- Madam Speaker, for the purposes of Section 145(1) of the Constitution of the Republic Fiji and pursuant to Standing Order 131(1), I move:

That Parliament approves:

1. the revised Government guarantee mix for Fiji Electricity Authority (FEA) borrowings of US\$50 million for offshore borrowing and FJ\$202 million for domestic borrowing;
2. the extension of the validity period of FEA's Government guarantee for three years effective for 1 January, 2018 to 31 December, 2020; and
3. that FEA be charged with a 0.75 percent guarantee fee, with the fee to be paid up-front.

HON. SPEAKER.- Now that we have gone on to the guarantee, I would like to give this time to the Honourable Salote Radrodoro. You did raise a Point of Order earlier on, on the guarantee, do you want to raise it again?

HON. S.V. RADRODRO.- Madam Speaker, the Point of Order was on our concern in the Business Committee not being carried out and therefore, we were not really aware of the guarantees. Also that we were not given enough time to sort of scrutinise the guarantees to be able to effectively debate in the House. That was the concern that we raised in the morning, Madam Speaker.

HON. SPEAKER.- Thank you, Honourable Members. The Business Committee via a flying minute, dated 8th September, 2017 were advised that the Parliament on Friday will consider motions to reapprove existing Government guarantees. There were no objections, nor any comments received by the Secretariat, therefore we will continue.

Thank you, do we have a seconder?

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

HON. SPEAKER.- I now call upon the Honourable Acting Prime Minister to speak on his motion.

HON. A. SAYED-KHAIYUM.- Thank you, Madam Speaker. Madam Speaker, pursuant to Standing Order 131 and for the purposes of Section 145(1) of the Constitution of the Republic of Fiji, Madam Speaker, I moved the issue of extending the guarantee.

Madam Speaker, FEA serves nearly 175,000 customers. They oversee the supply of 983 gigawatts hours of energy all across Fiji and every year expanding their services, electrifying communities, bringing opportunities to ordinary Fijians.

Madam Speaker, as you know, Government has a huge rural electrification programme also, whereby literally hundreds of Fijians are getting connected nearly every few months to the electricity grid. Of course, Madam Speaker, this is to ensure that we not only economically empower these Fijians but also provide basic amenities to them, and for students to read under proper lights, for people to have refrigeration and people to have other amenities that they can use to expand their economic activity. Madam Speaker, there has been a dramatic decrease in the Government guarantee exposure to FEA which was in the vicinity of over \$400 million until the beginning of this year. This was made possible through the strengthening of FEA's balance sheet as we have talked about it since with the media, underpinned by its expanding asset base.

It only requires guarantee cover of \$202 million now, an overall reduction of 50 percent, in relation to FEA's onshore debt exposure to the State. Essentially used \$400 million, now has it is \$202 million. This demonstrates the company's ability to borrow commercial rates without Government guarantee. Moreover, FEA has an unblemished track record in relation to servicing its guaranteed debt, it has never defaulted. This reflects FEA's prudent financial management and a visionary leadership in particular with the new Board that we do have in place now, and also the Board prior to that, Madam Speaker.

As at 31st July, 2017, FEA's total Government guaranteed debt including offshore loans stood at FJ\$99.2 million and this represent 9.7 percent of the total contingent liabilities. The revised Government guarantee mix of US\$50 million for offshore borrowing and \$202 million for domestic borrowings will enable FEA to fund its capital investment over the next three years which is part of its 10-year Power Development Plan, Madam Speaker.

In light of the rise in power demand, driven by the ever growing economy and social development, it is proposed that the guarantee facility be extended to cover the three-year period from 1 January, 2018 to 31 December, 2020. Of course, the guarantee does expire at end of this year, thus the bringing of this particular guarantee motion that was filed two days ago, Madam Speaker. As at 31 July, 2017, the FEA's unutilised Government guarantee stood at \$102.8 million for onshore borrowings and US\$50 million for offshore borrowings. The extension on the guarantee availability period will allow FEA to access credit in order to successfully fund its ongoing and new projects as outlined in various other places, but I will outline it now again.

This will include, Madam Speaker:

1. A new 132 KV transmission line from Virara, Ba to Koronubu, Ba;
2. Development of waste energy to the Energy Plant at Naboro;
3. Lower Ba Hydro Scheme;
4. Qaliwana, Upper Wailoa, a Diversion Hydro Scheme; and
5. Development of Solar PV Plants.

In terms of FEA's investment plan capital expenditure averaging \$120 million per annum has been budgeted for, Madam Speaker, for the next three years (2018 to 2020) as stipulated in FEA's Corporate Plan. The Government guarantee, Madam Speaker, is necessary to ensure that FEA is able to acquire credit to fund these capital projects.

The Government guarantee provides a strong platform for FEA to complete its Renewable Energy Projects, particularly hydro-related energy capital outlays. It will also assist in reducing the

carbon footprint which will reaffirm Government's national priority target of reducing carbon emissions by 30 percent and the electricity generation through renewable sources by 99 percent by the year 2030. It is an ambitious plan but nonetheless a plan that actually can be achieved with everyone's assistance.

Madam Speaker, as I am required to so, I would like to present the financial position as at 31st July, 2017 for FEA. The FEA's unaudited profitability level as at the end of July 2017 is a profit after tax of approximately \$49.58 million as compared to \$37.28 million profit recorded for the same period last year. This indicates that FEA is of stable financial position and has a potential to further increase its earnings.

In addition, Madam Speaker, the FEA has been able to meet with financial covenants as imposed by its key lenders, namely Australia and New Zealand Banking Group Limited (ANZ) and Fiji National Provident Fund (FNPF). As at the end of July 2017, it has maintained a healthy debt matrix reflected in its debt to EBITDA ratio at 3.50 times compared with the benchmark of less than five times. Gearing ratio, well below 70 percent compared to the benchmark of less than 125 percent, Madam Speaker. This signifies, Madam Speaker, the company's financial position is sound and stable.

As of 31st July, 2017, the total contingent liabilities were \$1,019.8 million equivalent to 9.9 percent of Gross Domestic Product (GDP), which is for Government exposure. Out of this, Government guarantees exposure to State-owned enterprises stood at \$562.2 million. In compliance with Government's Contingent Liability a guarantee fee of 0.75 percent has been imposed on FEA in the past and is proposed that this fee continues to be charged.

The proposed guarantee package, Madam Speaker, will enable FEA to successfully implement its long term energy investment. A guarantee fee of 0.5 percent, Madam Speaker, is essentially considered appropriate, bearing in mind the associated default risk bought by Government and FEA has agreed to pay this fee. Madam Speaker, FEA's financial performance continues to improve as evident by its profit after tax annual return of around \$49.58 million at the end of July 2017.

FEA appeared to be a low-risk entity and has never defaulted in its loan repayment, and indeed, Madam Speaker, has paid for the first time in its entire history a dividend to Government recently of \$20 million.

Given all these reasons, Madam Speaker, I now like to commend this motion to Parliament. Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. The motion is now open for debate and I invite input, if any. Honourable Ratu Naiqama Lalabalavu.

HON. RATU N.T. LALABALAVU.- Thank you, Madam Speaker. I rise to share a bit of my observations on the motion before the House, which is to do with FEA's borrowings and the guarantee being recommend here. Madam Speaker, let me be very clear from the outset that this side of the House understands fully the plans of the FEA in as far as electrification is concerned, both for the urban and for the rural areas of our country. But at the same time, when looking at the motion that is being presented, Madam Speaker, it kind of creates a lot of confusion in the mind as to the statement made by the Honourable Acting Prime Minister and that is, there has been a reduction in the total amount of outstanding debts, given the situation that exists in FEA and the profitability of what they have been doing. At the same time, Madam Speaker, here they are coming back to the House, seeking further guarantee for a period of three years, it is the same thing.

Secondly, Madam Speaker, is the fee that is now being charged to FEA again as a guarantee fee of 0.75 percent of the total amount of borrowing. Roughly, Madam Speaker, it is around one point something million. To us on this side of the House, after hearing the Government all these while by stating that the country has enjoyed this consistent economic growth, it leads us to ask this economic growth, is it a self-induced economic growth, where here we are charging a Government arm a guarantee fee of 0.75 percent. They pay that to the Government, it comes as an expense and then it goes in as an income to Government again. These are situations that are very confusing, Madam Speaker.

It never used to be the case before, where we charge a fee for guarantee, never, because it is just coming from Government to another arm of Government. The most important thing here is the guarantee because the Government takes control of the debt, but again, Madam Speaker, even though the explanation given by the Honourable Acting Prime Minister reflects the ambitious plan that the FEA has, in terms of electrification both in the rural and urban areas, but what baffles us here is the guarantee fee.

It is not consistent, if we look at the amount for the other two motions that will follow, they all differ and it is just like, for example, Housing Authority. It is an arm of Government to carry out plans of the Government regarding housing for the poor, they come with their seeking guarantee and they pay another fee, someone has to bear this, Madam Speaker. Either the poor taxpayers again will be bearing this, but someone has to bear it. That is all I want to say, Madam Speaker. Thank you.

HON. SPEAKER.- Honourable Professor Biman Prasad.

HON. PROF. B.C. PRASAD.- Thank you Madam Speaker. I thank the Honourable Acting Prime Minister for his explanation for this extension of guarantee. We have really no problems with it. However, Madam Speaker, I just wanted to raise some questions and perhaps the Honourable Acting Prime Minister might want to respond to it. It is pleasing to note and as pointed out that FEA just made a profit of \$49.8 million. Maybe this is a time to revisit Government's plan to sell the 49 percent shares. I mean, if we have an enterprise like FEA which is doing very well, which is making profit, then I do not see the need for Government to continue with the plan. I am not sure how far that plan has gone and what progress has been made to diversify that 49 percent?

However, if FEA as we know is doing so well and because we have several issues confronting the country in terms of increasing the level of renewable energy, providing electricity to those who do not have at the moment and basically this is a public good, electricity is public good and governments everywhere have a responsibility to ensure that people actually have affordable, accessible electricity around the country. Perhaps it is also a time to then look at, because if the Government is in control through its various forms of support like government guarantees then it may be a good time to revisit that plan and ensure that FEA carries on and delivers the public good in an affordable and accessible manner to allow the majority of our people.

On the guarantee fee, I beg to differ from Honourable Ratu Lalabalavu, I think Government should charge guarantee fees and I notice we will be discussing FSC where we are giving them concession there. I think that is appropriate if Government guarantees loan to an enterprise where Government may not have direct control but Government is liable if the debt is called up for any reason. That is the liability that the Government will have.

So, it makes sense to have that guarantee fee. Madam Speaker, I think these are questions that Government needs to think about and consider whether their plan to diversify the 49 percent share is the right one. Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. Honourable Inia Seruiratu.

HON. LT. COL. I.B. SERUIRATU.- Thank you, Madam Speaker. I just wanted to make a very brief contribution. Of course, I strongly support the motion before the House for the extension of the FEA guarantee provided by Government given the significant and the strategic role that FEA provides for our country.

Madam Speaker, I am merely speaking from the climate change perspective as the global high level champion for COP23. The Honourable Acting Prime Minister did state that this extension of guarantee is so essential because of the fact that the Government guarantee provides a strong platform to allow FEA to complete its renewable energy projects.

Madam Speaker, this is very important for Fiji for two obvious reasons; firstly, our responsibility to the global community in as far as climate change is concerned. We all have to take responsibility and for us being chair of COP23, we have to make our commitments through the Intended Nationally Determined Contributions (INDCs) and I will talk about the INDCs, Madam Speaker, and this is why this guarantee is so critical.

Talking on INDCs, Madam Speaker, I think we have stated it so many often that our contribution to the global emission is insignificant, but that does not mean that we do not have a responsibility, whatever little contribution that we can make, it adds to the overall reduction so that we can make a more sustainable environment for our children in the years to come.

Madam Speaker, again more mitigation now means lesser adaptation in the future and for Fiji and of course other small island States, again if we look at our INDCs, this is perhaps the biggest component of the country's INDC energy. Apart from energy, there is a bit on transportation and this is the chunk, the biggest component of the country's INDC and it gives that very positive message to the international community that Fiji is in fact committed to the implementation of the Paris Agreement through action agendas such as this and I strongly support the motion before the House. Thank you, Madam Speaker.

HON. SPEAKER.- Honourable Prem Singh.

HON. P. SINGH.- Thank you Madam Speaker, I rise to support this motion before the House and FEA according to its balance sheet is doing well. One thing that catches my attention is that Fiji's nationally determined contributions towards Paris Agreement is geared towards the energy sector, as alluded to by the Honourable Minister for Agriculture.

Now, FEA would be using these guarantees to invest in capital projects related towards renewable energy, which is the hydro, and I believe there is another important component that is, upgrading the existing infrastructure like the hydro dams.

So, this is a viable motion and, Madam Speaker, talking about the energy sector, FEA is in the process of providing electricity towards a period of review towards renewable energy by 2035 according to Government's plan. Madam Speaker, the guarantee requires a guarantee fee and I believe this guarantee fee has been agreed to by the FEA, they have agreed to pay this. So I do not think that this should be a contention.

With this, Madam Speaker, once we move in towards renewable energy, whatever little contributions we can make towards this sector, I think this is very appropriate, and we wish FEA well.

HON. SPEAKER.- Honourable Dulakiverata.

HON. J. DULAKIVERATA.- Thank you, Madam Speaker. I would like to contribute to the motion before the House. While we all agree that FEA should be extended to all the areas that have not had the opportunity to have electricity, but I have a few observations on this motion.

Madam Speaker, I think this is the first time that a guarantee fee will be paid. From the FEA's Annual Report, they have made a handsome profit in 2016 and it has a total assets to a tune of \$1.2 billion. If FEA has assets of \$1.2 billion but does not need Government to secure itself, if he can secure himself from using its own assets that is collected.

Secondly, Madam Speaker, if FEA is going to pay for the guaranteed fees, I think this fee will be transferred to the consumers, which could increase the electricity bills to the ordinary people of this country. Also, the fees will just contribute to the Government's coffers for the income from all these guaranteed fees.

(Honourable Member interjects)

(Laughter)

Those are my observations on the motion, Madam Speaker, thank you.

HON. SPEAKER.- I take it that electricity was not meant for mobiles.
Honourable Aseri Radrodoro?

HON. A.M. RADRODRO.- Thank you, Madam Speaker, I just want to make a short contribution on this motion before the House.

First of all, Madam Speaker, I would just like to similarly echo the same concerns about the lack of consultation and information that have been provided to us here. It seems like Government is fond of taking this approach, where it is not even giving us enough time or information that will allow us to analyse this Bill before the House today.

This is a very important Bill, it is showing separately the overseas borrowings, the offshore borrowings and the local domestic borrowings of such amounts. It is a huge amount, Madam Speaker, and to take it like that in a short span of time, trying to figure out and argue, you need to have more time with us, and also in terms of the extension of the guaranteed period, this is what we have been discussing over the last three years. FEA guarantees have been coming in over the last three years and suddenly it has increased to a three year period. So what is the rationale behind this increase?

FEA also has a natural monopoly in the generation of electricity. It is also in the business of trying to sell off parts of its shareholder, I think this Bill is also before the Committee. So with all these financial performances that have been highlighted by the Honourable Attorney-General, I know he is taking points where he is seeing that and probably differ in the information that he has got and that is why we need those consultations, the need for more prior consultations.

We could have had this Bill probably on Wednesday, it would have given us more time to come up and argue. Despite the financial performances that have been maintained by FEA and the asset value, which according to the 2016 Annual Report has gone up to \$1.2 billion. Why the need to have so much Government guarantee? Is this for financial performance due to the revised tariff

that FEA had undertaken in 2010 or 2012? Probably the Honourable Acting Prime Minister could inform us whether those were the results of this revision in tariff.

Madam Speaker, I think the guarantee fee, as already been alluded to by this side of the House, it still does not give reasons for the continuation of guarantees. Probably, the Honourable Minister can highlight to us, when will this guarantee finish? Will it ever finish because it has been occurring, as rightly said by the Honourable Minister, now that the FEA is generating successful profits over the years, even for the first time, giving out dividends to Government? So why the continuation of guarantee and why such a big amount? Madam Speaker, 2016, I think the guarantee stood at \$319 million. Probably the Honourable Minister could correct us on that, this is according to the Report and now this additional guarantee might go up because there is an overseas portion in it. Thank you Madam Speaker.

HON. SPEAKER.- Honourable Kumar.

HON. P.B. KUMAR.- Thank you, Madam Speaker. Madam Speaker, I rise to support the motion that is before us. I just want to respond briefly to the Honourable Members of the Opposition, not this two sitting in front because for the first time they have spoken for the motion. but those two who have said, and I need to respond to them, they have not come up with any justification but just saying that this will be passed on to customers. How nonsense it is, Madam Speaker?

The other thing they are saying, when will this guarantee end? When we will be in Government in 2020, and when this will expire in 2020, we will decide whether to extend or not to extend.

(Honourable Members interject)

HON. P.B. KUMAR.- Madam Speaker, now coming back to the principle of this motion, the mover of the motion has explained so well. This amount that we are asking for is not from thin air. This is a calculated figure for the planned project and this is why this figure has come in, so I do not see any reason why the Opposition should make noise unnecessarily without getting any facts, just like the two Opposition Members who have just spoken, and with that brief contribution, Madam Speaker, I support the motion that is before us.

HON. SPEAKER.- Honourable Viliame Gavoka?

HON. V.R. GAVOKA.- I rise to contribute to the motion at hand and as articulated by my colleagues, there must come a time for a company that is doing so well that we, Government stops guaranteeing such successful operations.

The Balance Sheet of FEA is very healthy and going forward with the potential that is there, we must look into the future and say that we no longer guarantee loans for this company. And if I could just make a correction, Madam Speaker, the Honourable Kumar said that when we come to Government in 2020, no, no, 2018, not 2020.

(Laughter)

When we come to Government in 2018, we will change all this. Thank you.

(Honourable Members interject)

HON. V.R. GAVOKA.- Madam Speaker, as I have articulated a number of times, where we source all our energy, water, et cetera, we must always look after the resource-owners.

I have a case from the *Mataqali Narokomai* of *Nadrau*, who have written to iTLTB to question some of the conditions of lease that they believe FEA has breached, and as I said earlier this week, half of the world population live in cities and towns, but need the resources out in the hinterlands to service, to provide us with what we want in the comfort we want.

So, we need to look after them, we should not have a situation like they say for legal advice to go and correct some of the breaches in the lease. It must be better structured for FEA and together with iTLTB to look after them and too often the burden is on the resource-owners to go and fight for what is right and at the end of it, we say “yes, we are right” but that should not be the case. It would behove us the host, FEA, to be more vigilant in terms of their relationship with the resource-owners and resource-owners need to benefit monetarily in ways that commensurate with the expectations today and they must be rewarded.

We have the Nabou Green Energy Scheme, 25 per cent of that company has gone to Tropic Woods, whereas the landowners who gave 5,000 hectares for growing the field are left with nothing. So, this is a kind of concern we need to observe that it is a partnership. Let us not always forget the resource-owners, who contribute so much into items like electricity.

That is my contribution, Madam Speaker, please, do not forget that those who are providing the sources of energy are up in the hinterlands. Thank you.

HON. SPEAKER.- Thank you. Before we continue, for the information for all Honourable Members and our guests, there are some technical complications with regards to the air-conditioning unit. Works have been underway since the detection of the problem and I ask your indulgence to bear with us. Thank you. Honourable Parmod Chand? No. Thank you, and I now give the floor to the Honourable Attorney-General.

HON. A. SAYED-KHAIYUM.- Thank you Madam Speaker. I would like to thank all Honourable Members for their contributions.

Madam Speaker, just to highlight very quickly in response on the issue. Honourable Lalabavu said that he simply equate growth to revenue-generation by Government through guarantee fee. It is nothing to do with that Honourable Lalabavu - absolutely nothing. Growth, when you say “self-induced”, obviously the country itself induces growth. It is a policy that are in place that need to actually induce the growth, so we cannot say that we are guaranteeing fees. The one that in fact increases growth, it is so fundamental, I do not know how else to explain it.

I have also been informed by the officials of the Ministry of Economy that the guaranteed fees have actually been a feature of previous guarantees given by previous governments. Also, there is nothing new. In fact, in the last few times that we have been introduced the guarantee, we all have guaranteed fees and I do not know why they are saying it is a new thing. It is not a new thing, even the previous government, the SDL Government had guaranteed fees, Madam Speaker.

Madam Speaker, I did not say that the loan has decreased. What I have said is that the loan guarantee exposure by Government has decreased. As highlighted in Parliament, in the previous session, \$200 million previously was also guaranteed by Government, but that no longer has been guaranteed by Government because FEA has gone off on its own without Government guarantee and got itself a loan of \$200 million from ANZ.

In the same way, AFL is doing its renovations at the Nadi International Airport, which is looking very fantastic. It has got a debit exposure by \$103 million to building. All of that money has been borrowed by AFL through Westpac without any Government guarantee. So AFL, as a limited liability company, the shareholder being government was able to go out and they rely on that, on the assets of the company and the balance sheet was able to blend their money without Government guarantee. This is a good position to be in, Madam Speaker, but of course, we need a strong balance sheet.

We need State-owned enterprises to stand on their two feet. We need the financial discipline, I know Honourable Lalabavu, this may not have happened in previous governments but State-owned enterprise need to stand on their own two feet. Yes, as rightly pointed out, I think someone from NFP said that if you will see some of the other guarantees we have got, where there is no opportunity to generate revenue directly for the company, we do not charge the Government guarantee, a case in point being FSC.

The FSC does not go and collect tariffs, FEA does collect tariffs. The FDB has a lower fee because it also collects interest rates. The point about \$1 million being paid will be passed on to the consumer, you cannot simply really increase the tariff rates, you have to go through the Fijian Competition Commerce Commission because FEA has a monopolistic position in the market. They need to understand that. It has been there since time immemorial, the same thing with the price of cement, you have to go to the Fijian Competition Commerce Commission to get the price of cement to go up or down, steel, fuel and all of that goes through that, wherever there is a monopolistic or a duopolistic position in the market. Some of us obviously do not still understand that, Madam Speaker.

Now, Madam Speaker, one of the things that we have done, for example, how we say we subsidise people's electricity credit rates, directly we pay 50 per cent. The FEA does not take it off the tariff, FEA collects the full 34 cents, we pay on behalf of those consumers. Why do we do that is because we want the company to have financial discipline. They now are going to give out things for free. If you see the rural electrification, before they used to say to FEA that "that is part of your corporate social responsibility, go fix up this area, go and put that power pole there." We cannot do that anymore. We actually budget for it for the year because FEA needs to run its own company, based on its own balance sheet. So, if Government wants it to extend its grid, we pay FEA to go and do that and that is how FEA today has been able to reduce Government guarantee because it is time to discipline. We need to have those Chinese walls, notwithstanding the fact that we actually own those enterprises.

Madam Speaker, the issue of divestment is, a company that makes a profit of \$30 million, \$40 million, it is good, it has never happened before, but in the overall balance of things, when you have an enormous asset base like the Monasavu dam, you need to be able to have the cash flow, to be able to have regular maintenance. Just because you get a one off profit does not mean "oh, whatever we do, they no longer give them guarantee", but the major works need to be done. You need to be able to understand with any business.

Honourable Chand can tell you this. Just because his company will make a profit, it does not mean it is doing really well because he has to maintain his fleet of buses. Everyone who runs a business needs to know that you need to set aside money for that. What if the price of world fuel price goes up tomorrow?

The electricity in Savusavu, Labasa and various other parts of Fiji is not connected to the grid, but more so, they may be connected to the grid but the source of generation of that electricity is not from a renewable source, they still depend on fossil fuel. So, the world market price can have a huge

impact, so good business will ensure that just because you have big partnership, you make \$40 million need to have a set aside funds to have regular maintenance, Madam Speaker.

Divestment, Madam Speaker, therefore it should not be based just on that. Why do we carry out divestment? Divestment is not just for the sake of raising capital, it is also to be able to bring about strategic partners; new technology, bringing new ways of thinking, classic points.

Suva Port and Lautoka Port: Prior to the divestment of shares, which Government still owns about 41 percent, prior to the divestment, ships coming into the Suva Port used to charge a levy on containers because the turnaround time at the port was not good.

After the divestment and introduction of better international systems of management at ports, those levies have been removed. The turnaround times at Suva Port has increased by in excess of 33 percent, within a matter of months. So, when you bring in strategic partners, this is what it does. They also have connections with international shipping lines. What does that mean?

If they see a key international player go into a particular market, the ships can follow. Similarly, you can do that with their ports and similarly with electricity.

So, Madam Speaker, the whole issue unfortunately is a very simplistic analysis being carried out by the other side, saying “all of you are making profits therefore, do not do divestment.” No, Madam Speaker.

Yes, I believe that tariff rates should be higher for those people who use electricity excessively. A person who has a swimming pool and 25 air conditioners in the house have a much bigger carbon footprints than an ordinary Fijian that does not have a swimming pool and may not have air-conditioners. We would be able to then assist them better.

There needs to be better differentiation between tariff pricing. Most definitely, most countries do that. If you go below a particular level of usage, you pay a higher rate. It should have been followed in the first place, but that is also a deterrence for people who use less electricity. As the Climate Champion stated, we need to be able to look at a carbon footprint also at the same time, Madam Speaker.

Madam Speaker, the other issue that was raised was that, and I have adjusted tariff pricing, et cetera, the wrong figures were cited by Honourable Radrodro, and I can give them all the figures. The reality, Madam Speaker, is that, we need to be able to provide certainty. Yes, we are seeking guarantee for three years, Madam Speaker.

I have highlighted that the Honourable Minister for Infrastructure has stated actually a plan; what are the things that these funds will be used for in order for us to be able to give certainty to the company, and in these certainties to the lenders of these money to FEA that they know every year, will they get the guarantee or not, year in and year out? That is why I am saying, we have a three year guarantee, but it is specifically for these purposes, Madam Speaker.

Madam Speaker, FEA, under this Government, any other State enterprises that will deal with any landowners, whether they are *iTaukei* landowners or whether they are freehold owners, all of them will actually adhere to the Constitutional provisions that we have, in the protection of making sure that people get paid a fair rate, the market rate.

For the first time in any Fijian Constitution and I say this again, there is a provision that landowners must get paid the market rate. This is what we doing and should there be any breach,

everyone needs to be able to ensure that breaches are remedied. I can tell you, I agree with Honourable Gavoka that there have been breaches in the past. I agree with him that there has been peppercorn rent, you said this all the time, the Honourable Minister for Agriculture and the Climate Champion stated that.

There have been breaches in the past. You were paid peppercorn rent, we are now getting them to be paid market rates. Obviously they will do that and this Government has a commitment to ensure that we stick to the Constitutional provisions that provide protection for landowners, whoever they may be, Madam Speaker.

So, Madam Speaker, I think everyone does agree that we need to ensure that FEA does operate well, that FEA has the infrastructure to be able to extend the grid. Of course, electricity requirements, for example people in Kadavu and in Lau, they have electricity requirements too. They cannot be connected to the grid. There needs to be standalone solutions for them and we are also looking at the standalone solutions.

There is the Honourable Minister for Energy, he has also highlighted in this Parliament before, Madam Speaker. So this guarantee will ensure and give guarantee to FEA that they have the support of Parliament to continue with the major capital works, which is very critical to ensure that we connect ordinary Fijians to electricity and the source of that energy will be based more on renewable sources. Thank you, Madam Speaker.

HON. SPEAKER. - Thank you. Honourable Members before we vote, we need to finish all the business we have in the House and it is now 12.30, so I seek leave of Parliament to enable us to extend the sitting time to complete the business that we have before us.

Do we have any opposition? There being no opposition, thank you. The Parliament will vote and the question is, for the purposes of Section 145 (1) of the Constitution of the Republic of Fiji and pursuant to Standing Order 131(1) that Parliament approves:

1. The revised Government guarantee mix for Fiji Electricity Authority (FEA) borrowings of US\$50 million for offshore borrowing and FJ\$202 million for domestic borrowing;
2. The extension of the validity period of FEA's Government guarantee for three years, effective from 1st January, 2018 to 31st December, 2020; and
3. That FEA be charged with a 0.075 percent guarantee fee, with the fee to be paid up-front.

Does any Member oppose the motion?

(Chorus of Noes)

HON. SPEAKER. – There being no opposition, the motion is agreed to unanimously.

GOVERNMENT GUARANTEE – FIJI DEVELOPMENT BANK (FDB)

HON. SPEAKER. - I now call upon the Honourable Acting Prime Minister to move his motion.

HON. A. SAYED- KHAIYUM. - Thank you Madam Speaker. Madam Speaker for the purpose of Section 145(1) of the Constitution of the Republic of Fiji and pursuant to Standing Order 131(1), I move that Parliament approves that:

- Government provides the guarantee of \$160 million on the Fiji Development Bank's issuance of short and long-term bonds, promissory noted, term deposits and other short-term borrowings for the twelve month period effective from 1st January, 2018 to 31st December, 2018; and
- the Fiji Development Bank pays a guarantee fee of 0.075 percent of the utilised guarantee credit.

Thank you Madam Speaker.

HON. A. SUDHAKAR. - Madam Speaker, I second the motion.

HON. A. SAYED- KHAIYUM. - Madam Speaker, FDB's core business is to provide finance to projects which contribute to the development objectives of the Fijian economy and assist in enhancing the quality of life for the ordinary Fijians. To ensure that FDB has a healthy long portfolio that undertakes robust and sound assessment of loan proposals to ensure lending to new and continuing business operations thrive in the current competitive environment.

Madam Speaker, with recent reforms, the Ministry is heading in the right direction. The FDB is now emerging as key contributor to our region for development, uplifting Fijian businesses and entrepreneurs at the grassroots level and helping our bigger players expand to the regional and international markets.

To-date, Madam Speaker, the Fijian Government, in partnership with FDB, has assisted over 12,000 Fijians through the Micro and Small Business Grant Scheme investing over \$11 million for upcoming local entrepreneurs to create employment for our people at the grassroots level, with the relationship that is being developed through the Ministry of Industry and Trade and FDB. Of course, Madam Speaker, no other government has done this. This Government did it because we intend to provide the platform for ordinary Fijians to gradually become part of the mainstream businesses. We are giving equal opportunity to everyone to propel.

As announced by the Honourable Prime Minister from the beginning of this month, for a six month period, all application fees for loans and the \$20,000 will be waived, along with the establishment fees for all loans up to \$5,000, Madam Speaker, which was announced at the 50th anniversary by the Honourable Prime Minister. The FDB, of course, needs to have evolved in a mandate, it needs to be innovative and offer new or refined financial products that suit the needs of our inspiring and budding Fijians.

The bank will need to reposition itself to take the new challenges and realise new opportunities, including Madam Speaker, the bank has sought the accreditation from the Green Climate Fund to be an accredited financial institution. The FDB's financial position is stable with an operating profit after tax of \$7.67 million, registered as at June, 2017, and an increase of 5 percent from the previous period. The bank has a proven track record in financial governance and there is no Government guarantee call to-date affirming that it is due managed and prudentially sustainable manner.

Madam Speaker, the Government continues to support the bank in the form of Government guarantee to support the continued facilitation of the Government's policy by lending to essential sectors of the economy, particularly resource-based sectors.

For this, we are seeking Parliament's approval to support this guarantee request of \$160 million for the 2018 financial year, Madam Speaker.

Madam Speaker, of course, I have to lay out the stated requirement details before Parliament. The FDB's function under Section 5 of the Act is to facilitate and stimulate the promotion development of natural resources, transportation in other industries and enterprises in Fiji and in the discharge of these functions, FDB shall give special consideration and priority to the economic development in the rural and agriculture sectors of the economy of Fiji. That is the stated objective, Madam Speaker.

In discharge of the above-mentioned function, Madam Speaker, FDB under Section 16 of the Act may raise funds through the issue of bonds, promissory notes, term loans and other interest-bearing divestments. The repayment of such loans may be guaranteed by the Government in accordance with section 16(3) of the Act. This is stipulated, specifically in the FDB Act.

In 2018, Government Guarantee request from FDB will:

1. Enable FDB to continue to lend to essential sectors of the economy, particularly resource-based sectors, including agriculture, mining and quarrying, manufacturing, transport, communications and storage, small and micro enterprises, in wholesale/retail, in hotels, and the professional business services which will assist our citizens to earn a recent livelihood.
2. Ensure that FDB borrowings are guaranteed by the Government, therefore, reducing the perceived risk associated with such borrowings. This will make FDB's instruments more attractive to investors and should reduce the interest cost for FDB.
3. Ensure FDB's proposed term deposits are guaranteed by the Government. This will build investor confidence, thus help FDB to manage its liquidity position as well.

FDB's lending portfolio, Madam Speaker, accumulative to 30th June, 2017, the total active loan account stood at 4,944 loan accounts with a loan portfolio of \$438.1 million.

In terms of composition, Madam Speaker, the focus sector comprise of 3,982 accounts, with a portfolio of \$179 million, whereas the non-focus sector constituted 962 accounts with a loan value of \$241.1 million.

Most lending, Madam Speaker, is directed to the agricultural sector, accounting to 19.7 percent, followed by the wholesale/retail, hotels and restaurant sectors and the real estate sector.

In line with the existing Government policy, the number of loan accounts to the agricultural sector constitutes 53.3 percent of the total loan accounts as at June 2017. Overall, the focus sectors represent 80.6 percent of the total number of loan accounts, and 44.9 percent of the total value of the loan portfolio, Madam Speaker.

Madam Speaker, for the last three years, the Bank's borrowing request averages around \$125 million on an annualised basis.

A guarantee approval of \$130 million was given to FDB for the 2017 financial year. This has enabled the Bank to provide development financing to the key sectors of the economy, as well as flexibility to optimise its borrowing mix to reduce its cost of borrowing, and achieve optimum maturity profile structure.

FDB's financial position, Madam Speaker, is quite sound. The Bank recorded an operating profit after tax of \$7.67 million, an increase of \$0.37 million from the previous year.

In terms of the overall gearing, Madam Speaker, the total assets of the Bank stood at \$409.99 million, up by \$27.08 million or 7.2 percent, whilst total liability is accounted to be \$251.9 million, an increase of \$19.4 million or 8.4 percent, compared to the same period last year. Madam Speaker, this has enhanced the equity value by \$7.67 million or 5.4 percent.

The debt, Madam Speaker, and profitability matrix for the Bank is available for Honourable Members, and we can provide it to them.

A modest increase in debt equity ratio is noted in 2017, compared to the same period last year, mainly underpinned by incremental borrowings which has been directed towards new loans by the Bank. The Bank's profitability is relatively high, as its net profit as a percentage of the net interest income has increased from 42.2 percent in June 2016 to 42.7 percent in June 2017.

The Bank's current average lending rate and cost of borrowing as at 31st July, 2017 are 6.76 percent and 3.29 percent respectively, accounting to an average spread of 3.47 percent.

Again, Madam Speaker, as highlighted in the FEA's presentation for the Guarantee, I have read out the contingent liabilities of Government which stood at \$1,019.8 million equivalent to 9.9 percent of GDP.

FDB's outstanding liabilities guaranteed by Government as at 31st July, 2017 stood at \$189.2 million, of which bonds accounted for \$149.2 million which is 79 percent, promissory notes at \$40 million which is 21 percent, and this represents 33.7 percent of the total guaranteed debt.

Madam Speaker, over the past six years (2012 to 2017), Government had provided a guarantee to the sum of \$715 million. Out of this, Madam Speaker, FDB has already repaid \$525.8 million. Thus, its outstanding liability is only \$189.2 million out of the \$715 million.

The Bank, Madam Speaker, of course, has a proven track record in financial governance, as there has been no Government guarantee called to date, affirming that it is being managed in a prudentially sustainable manner.

To mitigate Government's risk and protect its rider financial interest, it is proposed that a guarantee fee of 0.075 percent be levied, Madam Speaker.

Madam Speaker, with those few words, I would like to now move the motion.

HON. SPEAKER.- Thank you. The motion is up for debate and I invite input, if any.

Honourable Gavoka, you may have the floor.

HON. V.R. GAVOKA.- Madam Speaker, thank you.

If I can contribute to this motion, Madam Speaker, a number of points continue to be highlighted within our Party and the general perception is that FDB is a farmers' bank. We believe that FDB should continue to develop its arm of lending to the farmers. What we have today is that, farmers are now finding it more attractive to go to commercial banks. But in commercial banks, the lending is there and there is no handholding as the way a development bank was setup, the way we understood FDB from its charter back in the 1960s. So, we would urge the management of the Bank to continue to look after the farmers. That is the perception, and we get asked these questions all the time.

In many cases, Madam Speaker, the lending model that was observed back in the 1970s and 1980s have, kind of, failed our people. And when I say 'our people', I mean the ethnic people. In my area in Nadroga, quite a number of farm projects, especially beef farming, have failed because of their inability to service FDB loans. Maybe, they could relook at the model.

This week, I wrote in the *Na i Lalakai* about the model of *solesolevaki*, to be the initial seed fund to have the enterprise started and then FDB can lend a helping hand there because when they go straight to the Bank and borrow, invariably they fail. So there could be perhaps, a way forward for FDB, as we continue to provide guarantee to them to enable them to operate.

Also, Madam Speaker, their cost of funds continue to be high, compared to other competing banks, so we must do all we can bring up, in terms of the laws, to enable them to raise deposits. Commercial banks have their own deposits and they pay 'x' amount and they lend with that margin, which FDB finds to be difficult. So going forward, we must give them the powers to raise their own funds inexpensively, to enable them to lend competitively against the other banks.

Also, Madam Speaker, FDB is not regulated by the Reserve Bank of Fiji (RBF), it has its own Act. But in 2003, the Minister of Finance then instructed the RBF to continue supervise FDB. That instruction should continue, Madam Speaker, because FDB now is very much like commercial banks, and they have the Act to guide their activities but they must always be regulated by the RBF.

Those are my contributions, Madam Speaker. We support the guarantee but those are certain things that we need to watch, Madam Speaker.

HON. SPEAKER.- Thank you. There being no other input, I will now request the Honourable Acting Prime Minister to speak in reply.

HON. A. SAYED-KHAIYUM.- Thank you, Madam Speaker.

Madam Speaker, the FDB has to, in fact, lend to the agricultural sector, the key focus areas, and they have been doing that. Traditionally, Madam Speaker, it is a well-known fact that commercial banks did not lend to the agricultural sector. This is why FDB was very much focussed on the agricultural sector. If you go to banks like Westpac and ANZ, they never lend to the agricultural sector.

A couple of reasons, of course, we had leases given only for 30 years so they could not use the land as collateral. Banks do not touch a land that has a lease for only 30 years. And the problem in Fiji was, Madam Speaker, that we have this very quirky situation, we give Crown land and *iTaukei* land for tourism, industrial, commercial and residential purposes for up to 99 years. We have been doing that for years. When it came to agriculture it was only 30 years. This is why you do not see large scale commercial farming in Fiji, and that is precisely the reason. Their inability to access funds, inability for people to invest because they know that if you buy, for example, huge harvesters, et cetera, there is no point in investing in the lease that is going to expire in 30 years' time.

Now, Madam Speaker, for the first time, the law actually now allows for agricultural leases for up to 99 years at market rates. In fact, with the agricultural scholarships that we gave to about 10 or 12 students who passed that, we go through the *i-Taukei* Land Trust Board, 99 year agricultural leases for them. We paid the premium to iTLTB, we paid their lease for five years, all of these individual new farmers. We did it for them because they got the scholarship. That was part of the deal.

They are now, Madam Speaker, not only able to access funds from FDB, but the commercial banks have actually shown an interest and it is about time that the commercial banks invest in the agricultural sector in Fiji. In fact, there has been a major cry; why should only FDB be the one to carry the burden of the agricultural sector? It should be these mainstream commercial banks that makes lots of money from ordinary Fijians.

The other point of difference, of course, of commercial banks and FDB is that, commercial banks take deposits. When they take deposits, then they use that same money to lend to other people and that is also how they make their money, the point of difference between interest rates. FDB does not take deposits, it is a development bank. Most development banks do not take deposits. This is why when they go out to borrow money to lend to other people, they have to get Government guarantee.

I completely agree that the cost of funds for FDB, we need to get better interest rates. As FDB's balance sheet gets better, you will find that the cost of funds for FDB will get lower, and that is precisely the reason why a number of reforms are being carried out within FDB. There is also a new CEO who has been chosen by the Board itself and they will soon be making that announcement, Madam Speaker.

But again, Madam Speaker, FDB's role is very critical in the development in the country, everyone knows it has played a pivotal role in the 1970s, they lent money to different sectors in the manufacturing sector, the transportation sector and many of those businesses are still thriving today. In fact, that is how they grew, through FDB's participation, and that is recognised.

However, FDB's role, Madam Speaker, needs to evolve. It cannot just get stuck with a few mandates. In five years' time, the economy of Fiji may be different. There may be new areas that needs assistance of FDB. Once you improve those sectors, we need to move along to other sectors to bring them up, and there is no doubt that the agricultural sector still needs a lot more work, Madam Speaker.

So I would like to thank all Honourable Members who had spoken in support of this motion and I urge Parliament to vote for this Guarantee. Thank you.

HON. SPEAKER.- Thank you. Parliament will now vote.

Question put.

The question is:

For the purposes of Section 145(1) of the Constitution of the Republic of Fiji and pursuant to Standing Order 131(1), that Parliament approves that:

1. Government provide a guarantee of \$160 million on the Fiji Development Bank's issuance of short-term and long-term bonds, promissory notes, term deposits and other short-term borrowings for the 12-month period effective from 1st January, 2018 to 31st December, 2018; and
2. The Fiji Development Bank pay a guarantee fee of 0.075 percent of the utilised guarantee credit.

Does any Member oppose the motion?

(Chorus of Noes)

HON. SPEAKER.- There being no opposition, the motion is agreed to.

Motion agreed to.

HON. SPEAKER.- We will move on to the next Item. I now call upon the Honourable Acting Prime Minister to move his motion.

EXTENSION OF GOVERNMENT GUARANTEE – EXIM BANK OF INDIA

HON. A. SAYED-KHAIYUM.- Madam Speaker, for the purposes of Section 145(1) of the Constitution of the Republic of Fiji and pursuant to Standing Order 131(1), I move that Parliament approves that:

1. the extension of the Government guarantee period for the EXIM Bank of India loan from 19th September, 2019 to 31st December, 2028; and
2. the Fiji Sugar Corporation be exempted from paying the guarantee fee.

HON. A. SUDHAKAR.- Madam Speaker, I beg to second the motion.

HON. SPEAKER.- I now call upon the Honourable Acting Prime Minister to speak on his motion.

HON. A. SAYED-KHAIYUM.- Thank you, Madam Speaker.

Madam Speaker, just before I do that, I just wanted to do a clarification to Parliament, FDB is actually regulated by the RBF, I forgot to mention that, Madam Speaker.

Madam Speaker, I rise to speak on the motion, requesting Parliament to approve the extension of the Government guarantee period for FSC's EXIM Bank of India loan from 19th September, 2019 to 31st December, 2028.

Madam Speaker, in substance this is not a new guarantee cover but merely an extension of the existing Government guarantee for the EXIM Bank of India loan facility committed by FSC in 2004. Under the SDL Government, there was a loan facility provided to the EXIM Bank of India for the upgrade of the Mills, and this guarantee was provided then. The initial guarantee, as I had said, was endorsed by the then Government.

Under the current term, the loan is for 15 years, thus was scheduled to be repaid by 2019. However, upon the request of FSC, the Indian Government has graciously agreed to extend the repayment to commence from December 2018 for a period of 10 years until 2028. Madam Speaker, this is conditional, upon the Fijian Government agreeing to be the guarantor of the loan until the loan term of 2028. It is not a new loan but merely an extension of what the then Government in 2004 had guaranteed initially.

Madam Speaker, it is important, of course, to recap the background of that US\$50.4 million EXIM Bank of India loan which was committed in 2004 for the upgrading of the Lautoka, Rarawai and Labasa Mills. The Mill Upgrade Programme, Madam Speaker, a programme funded by a loan from EXIM Bank of India was not fully completed and did not achieve the desired modernisation

efficiency in the three Mills. Instead, due to poor engineering design, overall project management and supervision engineering works, the factories were left inefficient and not being able to operate to full capacity.

Significant expenditure has been required to carry out corrective engineering and enhancement works on the plant and equipment supplied under the Mill Upgrade Programme, which is still not delivering the intended return, Madam Speaker.

Madam Speaker, despite the failure of the number of STM projects, FSC has been able to focus on improving the efficiency of the Mills during the 2017 crushing season. Mill performance has improved significantly, compared to last year, Madam Speaker.

Of course, Madam Speaker, everyone in this august House knows that the sugar industry plays a pivotal role in the Fijian economy. It directly or indirectly supports the livelihood of over 200,000 Fijians. Of course, however, it has been riddled with a plethora of issues and challenges for a very long period of time, including things like expiring land leases, poor mill management, unwarranted political bickering, the erosion of preferential market access, to name a few.

Madam Speaker, a number of initiatives have, of course, rolled out under the Bainimarama-led Government and now, under the FijiFirst Government, to stabilise FSC's financial position, to ensure the sustainability of the company and more importantly, the industry as a whole. To ensure the success of Government's initiative, all the stakeholders need to put the interest of the industry ahead of sectional interest or political interest, historical mistrust and rivalry, et cetera, that have been enunciated in this Parliament also, Madam Speaker.

FSC, Madam Speaker, is embarking on a new strategic direction. As Parliament would recall, just a few sittings ago we approved the new guarantee of \$202 million to FSC, to be able to rectify some of the problems to the STM Programme, to upgrade the mills, upgrade the railway system and, of course, the other areas that need to be addressed, including the new transportation arrangements. As we know, Madam Speaker, FSC has been embarking on new modes of operation, including mechanical harvesting, trying to aim at strengthening its future.

Madam Speaker, as you know, earlier on we talked about FDB. Many of the new cane harvesters now, of course, are facilitated through the FDB loan. One-third or about \$90,000 of approximately \$300,000 cane harvester cost is given by way of a grant by Government to all of those co-operatives that have been set up, and the rest of the funding is been provided by FDB, to ensure that we gain these cane harvesters to improve efficiency, Madam Speaker, and also to address issues, like shortage of cane cutters. Not many people want to cut cane now, there is a shortage and we know that we have used people who are guests of the Fiji Corrections Service. So we use their services to cut cane also which they also get paid for, Madam Speaker.

To rejuvenate our sugar industry, Madam Speaker, this Guarantee extension is critical. FSC's financial status is also quite volatile and we need to focus the position of the company to meet its working capital needs.

Madam Speaker, the extension will allow FSC to have gained that level of confidence and stability to be able to go out into the market, knowing it has got a guarantee until then and gives confidence to its various stakeholders and other interested parties that will help FSC to help with its projects which are in the pipeline, the overall rejuvenation of FSC itself. Of course, *TC Winston* did its damage too, including the Penang Mill and not Rarawai, Honourable Radrodro, because these Mills have suffered a lot of damage in that respect.

Madam Speaker, the Corporation's financial performance has been a downward trajectory since 2000. To make matters worse, the capital injection by FSC into the Mills, including this borrowing from the Indian Government did not achieve the desired modernisation, some of their remnants you can see that. I was in Labasa Mill and the people who live in Vanua Levu know this a lot better, you can see some of the structures are incomplete. That was carried out in 2004, 2005, 2006 and, of course, FSC had incurred additional expenditure to rectify and carry out some of their corrective works, Madam Speaker.

FSC's operating performance for the financial year 2015-2016, the company recorded a net loss of \$31.7 million and \$53.4 million respectively, underpinned by a reduction in the export price of sugar in 2015; financial and repayment loss associated with *TC Winston* for the financial Year 2016.

Madam Speaker, FSC expects a slight turnaround for the 2018 financial year but it is projected that FSC's net loss for the 2018 financial year will be significantly reduced, with a positive indication likely. This is projected to improve the financial position of FSC, compared to where it was a few years back, but, of course, it still remains what one may call a 'precarious financial position'.

On the production front, Madam Speaker, there is a marked recovery for the 2016 season and only 1.39 million tonnes of cane was harvested and 139,500 tonnes of sugar was manufactured.

For this current season, 1.12 million tonnes of cane has already been harvested which is 15 percent more than the same period in the 2016 harvesting season, notwithstanding the effects of *TC Winston* and the drought, Madam Speaker. Over 130,000 tonnes of sugar has already been manufactured this year, Madam Speaker, which is 20 percent more than what was manufactured in 2016 for the same period.

Madam Speaker, as I am required to state the reason for this, the extension will ease cashflow challenges and will enable FSC to focus on its Investment Recovery Programme, which is earmarked to increase sugarcane production, improve and enhance mill efficiency, and establishing new and better markets for the sugar with Fiji brand, Madam Speaker.

In addition, Madam Speaker, extending the loan period and moratorium period will provide the needed buffer for FSC to manage its debt obligations, stabilise its financial position and meet its working capital requirements.

Madam Speaker, I have highlighted the Government's debt position in respect to this contingent liability. The Government Guarantees provided to FSC is F\$322 million for local borrowing and US\$50.4 million for the EXIM Bank of India loan, which is what we are talking about.

As at the end of July, 2017, Madam Speaker, total borrowings against these Guarantees stood at \$178.2 million, and this represents utilisation of 44 percent by FSC of these guarantees. So, Madam Speaker, really the point here is that sometimes when we do give a guarantee for a particular loan amount, it does not mean that that entire amount gets utilised immediately by that particular enterprise. So in this particular instance, only 44 percent of it has been utilised, Madam Speaker, as far as the overall debt exposure of FSC is concerned.

Again, Madam Speaker, I wish to reiterate that this Guarantee will not have any additional impact on Government's overall contingent liability exposure.

Madam Speaker, also with the management of FSC, we have the CEO there sitting in the gallery, we have proposed that the Government Guarantee extension will be contingent on the Fijian Government monitoring the FSC's borrowing programme for the next five years, and FSC to:

1. provide a quarterly report on the status of the Government Guarantee utilisation;
2. closely with the Ministry of Sugar Industry to carry out necessary reforms; and
3. explore opportunities abroad to broaden markets for the sugars of Fiji brand.

With those few words, Madam Speaker, I commend this motion before Parliament.

HON. SPEAKER.- The motion is now up for debate and I invite input, if any.

Honourable Gavoka?

HON. V.R. GAVOKA.- Madam Speaker, I rise to contribute to this motion but just before I start, Madam Speaker, did I hear the Honourable Acting Prime Minister say that the FDB is regulated by the RBF?

HON. MEMBER.- (Inaudible)

HON. V.R. GAVOKA.- It is not; RBF does not regulate the FDB, it supervises the work of the FDB in accordance with the request made by the Honourable Minister of Finance back in 2003, so I think we need to be clear on that.

Madam Speaker, on the Guarantee for FSC, yes, we fully support it. We like what we are hearing, it is just back to basics, such as growing more cane and we believe we will begin to see some positive changes for the industry.

Just our concern, Madam Speaker, in terms of EXIM loans, sometimes the lender dictates how it is done. They even bring in their own people to come and do the work in Fiji. We just hope that the company can engage with the lender and grow our own technicians and engineers in terms of mill upgrading.

When you go to Labasa, Madam Speaker, the work in there has been truly remarkable. We have a case where very old equipment was interfaced to one of the latest equipment that was brought in, and that is the work of engineers who were brought in through the EXIM loan, but I just wish, through the Management, that we also grow our own crop of engineers to work hand in hand with those from India. That, to me, would be very critical because these are highly specialised machinery and we do have the capacity here, given the right exposure that in time, we will be capable running the Mills going forward.

Again, I say, we fully support the way it is going, the faith we have there now with the new team, but we would like our own people to start growing on the job also and take the industry forward.

Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. Before we move on, I would like to welcome the CEO of the Fiji Sugar Industry, who is here with us today, thank you for your attendance.

I now give the floor to the Honourable Professor Biman Prasad.

HON. PROF. B.C. PRASAD.- Madam Speaker, I rise to support the Guarantee. I guess we have no option but to do so, however, I want to say that the plight of the sugar industry today is largely the responsibility of the Bainimarama-led Government and the FijiFirst Government. They need to take some responsibility for where we are and here, Madam Speaker, I want to say that during the Roadshow for Bill No. 19 and Bill No. 20, the Honourable Prime Minister actually claimed that the SDL Government bungled the \$85 million loan from the EXIM Bank of India.

In fact, Madam Speaker, I think if you look at the turn of events after that, you will see that a lot of the \$80 million expenditure, probably more than 50 percent, actually happened under the Bainimarama-led Government. So some of the responsibility, if it was bungled, should lie on the Government now and the previous Government.

It is very clear in the FSC's 2007 Annual Report, the then Chairman who was appointed just two months after the *coup*, actually said that \$28 million worth of equipment was required for the Mill Upgrading Project. He said, and I quote: "This project will be implemented over the next two years", which meant that that project would be completed in 2008 and 2009, and clearly at that time, the Bainimarama-led Government was in charge. So, really, I think it would require some honesty on the part of the Government to admit that not much happened since the Military *coup* in 2007 and we are not only bungled part of what the EXIM Bank loan was and how we managed and the Honourable Attorney-General and the Minister for Economy is right that some of the work that was done was not done properly and perhaps that is the responsibility that they should also take.

Madam Speaker, the 2015 Annual Report on Borrowing from Export-/Import Bank of India, EXIM Bank states and I quote:

"The corporation entered into a contract with the Export- Import Bank of India on 7th November, 2005 by way of dollar line of credit of US\$50.4 million which amounted to FJ\$85 million for the upgrade of its sugar mill. The loan is secured by the Government guarantee and the principal amount was repayable in successive half yearly equal instalments over a 10-year period with an initial moratorium of two years which was subsequently extended to five years. A further extension to moratorium period was granted by three years to a total of eight years. Interest is payable at the rate of London Interbank Offered Rate (LIBOR) plus 0.5 percent. Accordingly, the loan repayment for the cooperation has commenced from February, 2015."

Therefore, Madam Speaker, it will be interesting to find out how much of this loan uplifted by the Bainimarama-led Government has been paid in the last two years. So the loan was for a period of 10 years at a low interest rate. Loan repayment started in 2015, according to the FSC's Annual Report of 2015, so years from 2007 right up to 2014, Madam Speaker, would be lost.

So, again, Madam Speaker, it is not right for the Honourable Prime Minister to claim that all the loans from EXIM Bank was bungled by the former Government. I think it is appropriate, if he arrives to approve this guarantee whether loan uplifted in 2007 at a nominal interest rate will now be paid in 2028; 21 years later or 13 years from when the first repayment is supposed to have been made for a 10-year repayment. So these are issues that needs to be highlighted and understood because otherwise we will keep talking about the responsibility that this Government should take as to what happened to the sugar industry over the last several years.

Again, Madam Speaker, I want to say that we really have no option but to support this guarantee, and I hope, as said by the Honourable Minister for Economy that FSC will adhere to the requirements that he has outlined and that we will see better management and better progress in terms

of the infrastructure of FS C that has been a very, very serious issue for the sugar industry and for the farmers. Thank you, Madam Speaker.

HON. SPEAKER.- There being no other input, I now give the floor to the Honourable Acting Prime Minister to speak in reply.

HON. A. SAYED-KHAIYUM.- Thank you, Madam Speaker. Madam Speaker, I would like to thank the Honourable Members who have spoken in respect of this and I thank them for their support for the motion.

Madam Speaker, just a couple of points, we seemed to be going about FDB, to get that technically right, FDB is not regulated by RBF but FDB does the supervision to ensure credential lending so that is the position.

In respect of the localisation, Madam Speaker, I am sure the elderly members in this Parliament would know that FSC used to be the premium organisation to join. To join FSC, to work there as an engineer was a big deal and they used to get paid in a very good rates. Over a number of decades, in particular, after 1987 of course we saw a huge brain drain, not just in FSC but overall in Fiji but a lot of good engineers left for overseas. Of course, previous prime ministers have remarked that brain drain is just a fact of life, actually it should not be a fact of life, we need to be able to retain our people.

One of the issues we have actually discussed with FSC from a planning economic perspective, we have said to them about how we need to look at the rate of attractiveness for employees of FSC and the new CEO of FSC is actually working on that to be able to look at the rates. We have had a lot of attrition from FSC even locally, a lot of good engineers from FSC have gone off, for example, to FEA, they have gone to other bigger plants like Tropik Wood, et cetera. In fact, that new Korean plant that was opened between Nadi and Sigatoka, the young man who is the manager of that mill actually came from FSC. So he was poached from FSC and there is obviously a need to build up the cadre. The CEO, FSC has also assured us that they will be looking also at their overall terms and conditions of employment including the remuneration rate and it is already met up with our people who are carrying out the Civil Service Reforms. So, there is good news on that front too.

However, in respect of the project, in response to Honourable Gavoka I have also been informed that the projects that will be implemented will be scrutinised by a Steering Committee which is locally run and Fijian engineers will also play a lead role to have them built their capacity. Where they cannot play a lead role, of course, they will be given the opportunity to participate and learn, Madam Speaker.

Madam Speaker, the other issue, of course, is in respect of what Honourable Professor Biman Prasad has said. I have been also informed that all appointments and projects selection of project equipment and project leads was done prior to 2006 for this STM upgrade. It took the Government until 2010 to stabilise the disasters that arose from many of the selection of the equipment. A lot of the equipment, Madam Speaker, that were selected prior to 2006 was of substandard quality. It did not fit in, for example, with the existing infrastructure.

So, Madam Speaker, there are some of the issues, of course, that FSC had to grapple with. Of course, the mills started deteriorating much prior to that. Prior to 2006, round about in the early 2000, many people would know the mills much better than some of us would tell you that that is how mills were way back then because there is very little investment done in those mills at that point in time.

However, I would urge the Honourable Member of NFP to stop, trying to have social amnesia. Many of the ills of the sugar industry, Madam Speaker, arose from many of the effectors that were prior to that. If he simply goes and looks at the statistics back in the late 1990s when the leases started expiring, obviously the cane production went down because most leases were not renewed. Cane production in Labasa, Vanua Levu halved because so many of the leases were not renewed. So, obviously when the input of the cane going into a particularly mill, be it any mill, whether sugarcane or any mill, the production levels will go down.

Madam Speaker, so these are some of the contributing factors. Social issues of people moving from one sector to the other, the issue that I highlighted.

HON. PROF. B.C. PRASAD.- (Inaudible)

HON. A. SAYED-KHAIYUM.- Of course, it is a substantial factor, Madam Speaker. If you do not have land to plant your cane on, what do you mean to say one factor? It is one factor, Madam Speaker, very significant, including when the Government came in, the Honourable Minister for Agriculture has highlighted earlier on, we introduced CBUL where we paid landowners 4 percent more than the 6 percent they were getting, to increase it to 10 percent of UCV. So these are some of the issues that I want to undertake, Madam Speaker.

Of course, it would be silly of us to say that everything was hunky dory within FSC. Now, I am sure when the mill used to breakdown in FSC in 1978, or in 1995 or 2001 because some engineer did something wrong, the Government was not blamed for that. The FSC Managers were blamed for that, the Operation's side was blamed for that, Madam Speaker. This is supposedly his political wicket, he needs to move away from that. When we are actually talking about this specifically, let us look at it honestly, Madam Speaker. We have the ability to say, yes, not everything has been hunky dory, we accept certain things that went wrong under the operations of FSC.

HON. PROF. B.C. PRASAD.- (Inaudible)

HON. A. SAYED-KHAIYUM.- The Managers may have been wrong, Madam Speaker. When Honourable Professor Biman Prasad starts yelling and screaming, he knows his on a very soft ground.

(Laughter)

The point is, Madam Speaker, I am just trying to highlight (it is like, you know, when someone starts falling in quicksand and reaches out), but Madam Speaker, in all seriousness, the extension of this loan is very important for FSC. The extension of this loan will give stability to the new management. We are very happy with the new management, they have got a good team that will bring about a lot of changes, both internal and external. They will bring a particular level of expertise that hitherto has not been available and this will give surety also, Madam Speaker, ultimately to the farmers and to the general Fijian population to know that this industry can be brought back and revived. Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. Parliament will now vote.

Question put.

The question is:

For the purposes of Section 145(1) of the Constitution of the Republic of Fiji, and pursuant to Standing Order 131(1) that Parliament approves –

1. the extension of the Government guarantee period for the EXIM Bank of India loan from 19 September 2019 to 31 December 2028; and
2. that the Fiji Sugar Corporation (FSC) be exempted from paying the guaranteed fee.

Does any Member oppose the motion?

(Chorus of Noes)

HON. SPEAKER.- There being no opposition, the motion is agreed to.

Motion agreed to.

I now call on the Honourable Acting Prime Minister and Attorney-General to speak on his motion on the Bills. These have been tabled and seconded.

HON. A. SAYED-KHAIYUM.- Madam Speaker, we need a seconder for the Second Reading.

HON. SPEAKER.- No, it has been seconded.

HON. A. SAYED-KHAIYUM.- So now I speak on it. Sorry, my apologies.

HON. SPEAKER.- We are moving on from where we left off.

LAND TRANSPORT (AMENDMENT) (NO. 3) BILL 2017

HON. A. SAYED-KHAIYUM.- Madam Speaker, I would like to now first speak on the Land Transport (Amendment) (No. 3) Bill 2017, I assume that, that is what we are going to do.

Madam Speaker, the Members have received the Bill, as we can see, Madam Speaker, in actual effect there are only four clauses that seeks to be amended and essentially, the Bill as explained as can be seen, the Minister responsible for Transport to be able to make regulations, in respect of the areas that have actually been amended, Madam Speaker.

A lot of these, Madam Speaker, is a course to provide a much friendlier framework of Land Transportation Regulations and legal framework for the users of land transportation and various stakeholders, Madam Speaker. So, Madam Speaker, for example there are various TIN procedures of traffic infringement procedures that ensures that such procedures are adaptable, practical and capable of fluidly responding to attempts and manipulating or evading the provisions of the law, Madam Speaker.

Madam Speaker, by way of background, as we know that we have already discussed in Parliament how Land Transport Authority (LTA), because of the various regulations and legal provisions that were in place, a lot of the people who were, for example, given Traffic Infringement Notices failed to comply with the law. However, they failed to comply with the law because of the fact that LTA did not necessarily do its job administratively in complying with the law itself by themselves.

As a consequence, many ordinary Fijians actually had suffered because of the inability of LTA to do the right thing, Madam Speaker. We have also other cases, Madam Speaker, in respect of overloading, it is a huge problem in Fiji at the moment. You see that a lot of good roads are being broken up. We have companies, for example, who are constant breakers of the law so to speak, and they constantly are being recalcitrant. Their penalties being imposed, they however use other trucks, so there is a need obviously to ensure that when the Minister approve these regulations, a company that constantly carries out these infringements also gets penalised with the company.

So for example, at the moment, Madam Speaker, we need to be able to get the companies to pay; the idea is for the company to pay the extra penalties before the renewal of other licenses of this can actually take place. And that is very critical for us to do, Madam Speaker, because what they do, they tend to just delay it through the Court system, as we have got the new procedures, and they continue to break the law and because the dollar value drives them very quickly. So Madam Speaker, if we are going to invest huge amounts of money, we have got four lane roads, you can see some of the nice roads we have built after a period of time, you see the waves are taking place, which is purely because of overloading.

If you see some of the trucks at night, they only drive at night, some of the developments taking place in Nadi. Honourable Singh is nodding his head in agreement, these trucks only run at night. And so we have, as we have highlighted, the Chief Executive Officer of LTA actually recently met with the Minister for Lands to have weigh bridges permanently put along the highways and various strategic points to have compulsory weighing of these trucks.

And this is done throughout the world, in Australia and New Zealand, and various other parts of the world. We need to protect our verily financially driven infrastructure, the investment we make inroads. So, Madam Speaker, what this does essentially, I am sure the Minister for Transport will want to speak a little about this Madam Speaker, just by way Clause 1 of the Bill provides the Short Title, of course. It amends the Act in Clause 3 by deleting the subsidiary section 92. The new section empowers the Minister to make regulations provided through proceedings in relation to Traffic Infringement Notices. Madam Speaker, some of these truck companies I can tell you by way of background, they have enormous fines to their names. They constantly evade these fines, they constantly get new trucks to drive and they are just simply evading the law.

So the Minister, of course, it gives him the ability to get a lot of people up to speed, we have, for example, in the past given people amnesty to pay the fines but not necessarily on the penalties we had had so they can clear the books and then, after the amnesty period everyone needs to ensure that they comply with the law. So, the amendment, Madam Speaker, essentially gives the Minister the ability to make regulations and not have them enshrined within the Act itself. Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. The motion is now up for debate and I invite input, if any.

Honourable Semesa Karavaki, you have the floor.

HON. S.D. KARAVAKI.- Thank you, Madam Speaker. I realise how difficult it is, Madam Speaker, to properly look at the issues because of the time given to us. Anyway, Madam Speaker, the Bill itself appears, our issue is on the objective of the Bill is to remove the considerations of the issue of traffic infringements away from the House, from consideration by Members to give it to one person and that is the Minister responsible for Land Transport Authority (LTA). That is the objective of the Bill; to remove the considerations of Traffic Infringement Notice of consideration, which is now in the Land Transport Act and to give it and give the power to make laws in that area to the Minister responsible for LTA by way of making regulations.

If I probably have a copy of the laws of Fiji, in relations to the LTA which is not being updated, because when I look at it, Madam Speaker, I cannot really correlate it with the amendment being sought over here because the wording in the principal law that I have, which is Volume 16 of the New Laws of Fiji, and I say again, maybe I have a copy that has not been amended. There are probably amendments that are not here but I am referring to this copy as it is.

The Bill says that Section 82 (2) (b) of the Principal Act is amended by deleting “Under Section 92 (3) & (4). When I look at Section 82(2)(b), it has no reference at all to Section (92) (3) & (4), instead it has reference to Section 92(2). That is my predicament. I hope we were given time to look at this properly. If that is so, Madam Speaker, then there is a clear defect in this Bill. I say again and I stand to be corrected on this, “And substituting in accordance with regulations provided for under Section 92.”

So that is the new part that is to be brought into Section 82. That is the first issue that I would like to raise. What is being proposed over here does not match with what is in Section 82. And also, Madam Speaker, the Bill, sought to remove totally the existing Section 92 and bring in a new Section 92. Section 92, Madam Speaker, talks about the process of the issuing of Traffic Infringement Notice. The first requirement is, if someone is issued with a Traffic Infringement Notice, the officer who issued the Traffic Infringement Notice is given 7 days to file that in Court. The second one, the person that is issued with a Traffic Infringement Notice has 28 days to appear but within 28 days, he must act within the 21 days to either accept the offence by paying the prescribed fees or inform the Court that he has pleaded guilty to that. That is the process under Section 92, now we are removing it under this Bill.

To remove that and bring in basically a provision which gives power to the Minister to put in laws that he thinks is suitable in relation to that issue. Now, my concern here, Madam Speaker, that these are very serious issues, the issues that you are affecting the right of citizens of this country about their choice when there is a proposed offence being put against them.

Important issues like these are not given to be regulated in the regulations by one person. Important issues like these are meant to be brought into this House and my submission, Madam Speaker, is that this Bill should not attempt to do that; to vary what is already in the Act now. It should not attempt to do that. That should be left as it is because whatever changes that need to be done has to be brought into this House, so that we can look at the changes that are being proposed, so that we can make a decision. This touches on very important issues of the rights of citizens of this country and therefore should not be left to one person to make law on that.

That is my contribution, Madam Speaker, and because of that, it is a very serious defect and it should not be allowed to be brought into the House in this way in the first place. I do not support this Bill, Madam Speaker. Thank you.

HON. SPEAKER.- There being no other input, I will now give the floor to the Honourable Acting Prime Minister to speak in reply.

HON. A. SAYED-KHAIYUM.- Thank you, Madam Speaker. Madam Speaker, for the Honourable Karavaki the red book, *The Revised Laws of Fiji* was effective from 9th December, 2016. As the Honourable would know that since then there have actually been two amendments to that particular substantive law and that is why you have not been able to get it, but the gazettes are there which you can check as a lawyer. You know that, you have been doing that. Since 1985 laws, you had to go and check all the gazettes, they have never been updated since 1985.

Madam Speaker, the reality is this, that these do not in any way provide any additional burden to ordinary Fijians. In fact, on the contrary, to make it easier, the amendments that were carried out earlier this year, we actually gave them the opportunity of a longer period, we gave them one year now to be able to challenge these matters. We gave them 90 days to pay, as opposed to 28 days. Sometimes they would get that notice on the 27th day and pay the next day.

They had to, if they, for example, were driving between Sigatoka and Ba, if they got a Traffic Infringement Notice between Lautoka and Ba, even though they lived in Sigatoka, they have to go to Ba Court; it was ridiculous, preposterous, Madam Speaker. We have already brought it to the House, it has already been done, Madam Speaker. I would urge the Honourable Member being a current lawyer that he looks at the laws constantly as he has been doing since 1985.

So, Madam Speaker, again the Honourable Minister for Transport, as seen publically in the media recently was at a meeting with the truck haulage companies. They are having a lot of stakeholder meetings, they are meeting with bus operators. So all of this is being done in consultation, but again, as the Honourable Minister for Agriculture has reminded me, it also brings about a lot of efficiencies. The Honourable Professor Prasad keeps on talking about the ease of doing business. It is all to do with the ease of doing business also, not just the World Bank Certification but ease of doing business, Madam Speaker, is a very practical level too.

Honourable Chand I am sure will testify that many of the processes within the LTA itself is very cumbersome, very bureaucratic. The other day someone said to me that the LTA required them to carry out a test on motorcycle test, but they did not have anyone there within LTA qualified to do the motor cycle testing. Defensive Driving, they said he must defensive driving, you must attend a defensive driving course on motorcycling, but they did not have one.

So, these are the many practical issues we need to rectify. We cannot bring it to Parliament every time to do this; Defensive Driving Course. In the same way, the by-laws for Municipal Councils, when they are amended, they are not brought here. It would be very silly, Madam Speaker, to bring that. By-laws, et cetera are dealt with by the Municipal Councils and the Minister responsible for Local Government. If any laws, whether it is a regulation, where it is a subsidiary legislation, if it is in any way in breach of the Constitutional provisions of the country which affects the individual rights of any individual Fijian, they can challenge it. That is the safeguard.

The safeguard is the Constitution. Honourable Karavaki would know. He talks about individual rights; individual rights are guaranteed in this. So, even the Honourable Minister cannot make any regulations nor can LTA make any subsidiary laws that will in anyway affect the individual rights of the Fijians citizens. So, the Honourable Member can be rest assured that this is actually to in fact create better efficiency within the system. It is to ensure that more rights are accorded.

For example, Madam Speaker, the Honourable Minister for Infrastructure and Transport will tell you. Some of these transport companies have been given enormous fines. They say we accept it but if you give us a period to pay this off, we need maybe two months to pay it off. The Honourable Minister is talking to them to get some provisions for that. The law currently, if we do not agree to this, does not allow LTA nor the Honourable Minister to allow the small businesses to be able to pay their fines over a period of time. This will give the Honourable Minister the opportunity to be able to give them the period of time and amnesty period or whatever you may call it, so these businesses can be up and running. We do not want to shut down these companies purely because there is no legal provision to provide them that facility. It is very logical.

Some person who may be in Naitasiri may have got a contract with some of the logging companies, he is starting up his business. If they have a penalty, now if they may get a fine of \$5,000

because it is \$1,000 per tonne. So, if you for example have 5 tonnes more than what you are supposed to carry, you get a \$5,000 fine. So, if that small business who may be thriving and he says “alright, I accept it, but can you give me time to pay this \$5,000?” At the moment the law does not allow for that. By way of regulation the Honourable Minister can actually do that. What is wrong with that?

HON. MEMBER.- (Inaudible)

HON. A. SAYED-KHAIYUM.- Madam Speaker, this is precisely the point, we had so much inefficiency. This is not in any way derogating from the rights of the individual citizens, it is giving them an opportunity. You want to in the meantime suppress them by saying “no, no, we got to go through Parliament, we got to go through Committee”.

HON. S.D. KARAVAKI.- (Inaudible)

HON. A. SAYED-KHAIYUM.- Madam Speaker, that is what it is. We want to go through Parliament, so in the meantime, those small businesses will shut down.

(Honourable Members interject)

HON. A. SAYED-KHAIYUM.- Those small businesses will shut down. The Honourable Minister obviously will do the right thing. If he does the wrong thing, you can take him to court.

(Chorus of interjections)

HON. A. SAYED-KHAIYUM.- But, Madam Speaker, this is the guidance that he is going to base his regulations on. Thank you, Madam Speaker, I urge all Members of Parliament to support this amendment. Thank you.

(Honourable Members interject)

HON. A. SAYED-KHAIYUM.- You do not have the powers to waive, that is what I am trying to tell you. Yes, that is what I am trying to tell you, put it in the regulation. You cannot waive it all the time. You need to have a structured approach to it.

HON. SPEAKER.- Honourable Members, we have two other Bills pertaining to the Land Transport and considering time, we can have all the debate and all the Bills together and then we will vote for the three at the same time, just to minimise time.

FIJI REVENUE AND CUSTOMS SERVICE (AMENDMENT) (NO.2) BILL 2017

HON. A. SAYED-KHAIYUM.- Thank you, Madam Speaker. Madam Speaker, I would now like to speak on the Fiji Revenue and Customs Service (Amendment) (No. 2) Bill 2017.

Madam Speaker, I do not want to take too much of your time, however, we all know the economy is going rapidly. We also know, Madam Speaker, that there was a report also by the World Bank that there is still a large portion of the economy, nearly a third that is in the black. There are a lot of people who are actually under the radar. So, essentially, Madam Speaker, what we need to do is to be able to ensure that many of the taxpayers involved in the black economy and where the tax evaders continuously, systematically and dishonestly exploit Fiji's taxation system, we need to be able to provide various measures, legal provisions, to ensure that they stop doing that.

Madam Speaker, one of the ways, of course we do have stringent laws, stringent penalty provisions, greater compliance within FRCS, as we call them now. There also you would have seen some advertisements, the Board of FRCS is actually seeking some outside assistance to be able to do some specific targeting of businesses in high net taxpayers who actually are evading the laws.

For example, at the moment, the FRCS does not have a very sophisticated approach of looking for example, people's lifestyles. There are some people if you look at their lifestyle and if you look at the level of income that they are declaring as a taxpayer, it does not actually sync. Some of them actually are owners of large shares in listed companies but they show their annual income as \$25,000. They pay their maids and servants more than that in a year. It is actually a fact.

So, Madam Speaker, FRCS need to develop their level of sophistication, but part of that also is what is generally known in the taxation regime as "name and shame" to publically publish the names of these tax evaders publically in order to bring them into compliance with tax obligations. A lot of them used to do with corporations, Madam Speaker.

Madam Speaker, name and shame is not something peculiar. It has been adopted in countries such as United Kingdom, in Australia and South Africa. They also have name and shame provisions.

To further elaborate, Madam Speaker, in the United Kingdom, Section 94 the Finance Act 2009 allows to the relevant tax authority, which is Her Majesty's Revenue and Customs, to publish details of taxpayers who deliberately make errors in their tax returns and deliberately fail to comply with tax obligations. There have similar provisions.

In Australia, Section 3(6) of the Australian Taxation Administration Act 1953 requires the Commissioner of Taxation to publish information about a corporate entity with the reported total income of \$100 million or more. This law requires the name of the business to be published, the taxable income or net income, and the income tax payable. This is part of Australia's income tax transparency measures designed amongst other things to discourage aggressive tax minimisation were large multinational businesses.

Madam Speaker, in South Africa, Section 74 of the Tax Administration Act 2011 allows the Commissioner for the South African Revenue Service to publish general information about the particulars relating to a tax offence committed by a person. Basically, Madam Speaker, the ideas to expose these entities in public in order to shame them into compliance and in turn deter and discourage others from engaging similar services.

It also means, Madam Speaker, as seen in some of the other jurisdictions, if a supermarket has been continuously, for example, ripping off from the system or about a habit we call "reverse in transfer pricing", the Fijians can also say if this supermarket chain is doing this, we will not shop here, we will go to other supermarkets because these people are inflating price, et cetera because of perhaps reverse in transfer pricing, Madam Speaker.

Naming and shaming of course, Madam Speaker, can destroy a company's reputation and influence the decision of customers, suppliers, financiers and other stakeholders. Recently, we have seen that one of the banks in Fiji recently when a particular company was given a tax assessment and penalty in excess of \$50 million, we understand that that particular banker had said to them "We no longer want you as our customer because we want to have credible customers because our reputation is at stake."

We want more of that culture to develop in our financial and business sector. It is very critically important, Madam Speaker, we cannot continuously just stand up here and speak about

collecting tax, et cetera. We need to have a culture of honesty and we need to have these various stakeholders within the economy, all bind in to this mind-set.

Madam Speaker, that will mean more revenue for the country, more revenue for Government and when we have more revenue for Government, it means we borrow less, it means we have better pricing for ordinary Fijians too, Madam Speaker.

So, Madam Speaker, based on this international experience, we have through this Bill introducing the legislative provisions to publically identify and publish the names of persons, of companies who intentionally avoid paying the right taxes due. Madam Speaker, however we have certain restrictions. It is not going to be targeting ordinary Ram Prasad, or Pauliasi or whoever else, if there is actually going to be a threshold. So, if your gross turnover is more than \$1.5 million only then and only then, Madam Speaker, also it depends on the as seen in the particular provision and the explanatory note actually sets all these out, only then will you be able to fall under this particular provision.

So, Madam Speaker, the Bill sets out the CEO of first actually can as a reminder circulate these information and publish these information if someone actually fails to comply with the law. What this particular provision does it carries out the amendment to allow FRCS, to be able to carry out the naming and shaming of these entities subject to them having a gross turnover of exceeding \$1.5 million in tax year and is a member of a prescribed group of businesses. So we will start off slowly so we may say all businesses, the gross turnover of more than \$1.5 million who are running supermarkets, \$1.5 million doing pharmacies, \$1.5 million bus companies, whatever the case maybe, so all of these, Madam Speaker, will prescribe and they will be set out in a schedule subsequent to this law actually being approved, because obviously we recognise that FRCS has limited resources too so they can target specific areas as we progressively move along.

We have taken a similar approach too, Madam Speaker, as you know that we now have the VAT machines that all have to be in place by December of this year but we started off firstly with the supermarkets and then we are going to have the pharmacies.

Then we will move along to other business entities. So, Madam Speaker, I would ask all Honourable Members of Parliament to actually support this because this is very critical in our ability as the legislative authority to ensure that we have greater compliance with our tax laws and that we as a country collect more revenue and the right revenue, but at the same time those taxpayers who are actually paying the right taxes are actually unfair on them if the others are not paying their taxes. If there are more sophisticated companies that are helping deal with them and help them evade tax so, Madam Speaker, this is part of this process too.

Madam Speaker, the other point that I would like to make, it also captures tax agents and others who file returns or customs agents

There is one particular case we found, Madam Speaker, where a particular company was identified in breaching the law, they had to pay a penalty. Now, they were paying a penalty over a period of time, what the accounting firm did for them, because as we know a penalty payable is not a claimable expense and if you are going to pay a penalty to FRCS, it is not a claimable expense. What the accounting firm did, they showed their expense as something else that was claimable. That is the amount of rigging that was done and this is done by an accounting firm - part of the Top 4 Accounting Firms in Fiji.

We cannot have accounting firms that act as tax agents or other tax agents be complicit with these companies to break our laws, and as I have said, tax agents should not become the lackeys of

their clients. They have a fiduciary duty to their country. If they are an accountant, they have to be able to say to their clients “Look, this is a taxable income, you have to pay this tax.” Not bend over backwards and say, “Look I will help you do whatever to evade tax.”

You know countries like Singapore, it is not just the businesses that actually pay their taxes, the accountants and the professions there say to the businesses, their clients “look this is a taxable income, you have to pay this, you have to comply with the law.”

Well, in Fiji, there has been a culture, where certain accounting firms, including tax agents do whatever they want and whatever they like just to please their clients. So the law of the country become subservient to the interest of these individual businesses and its accountants. So, if you look at, Madam Speaker, clause 2, sub-clause 2, it also says “where tax or customs agents made an error in the submission of the documentation information, we will also publish their names”. So, we will make sure those accounting firms actually comply with the laws.

With those introductory remarks, Madam Speaker, I would please, urge Parliament to support this because this is good for our tax compliance and it will also be good for the ordinary Fijians that everyone pays the right tax amount. Thank you.

HON. SPEAKER.- Thank you.

The motion is now up for debate and I invite input on this Fiji Revenue and Customs Service (Amendment) Bill 2017. I invite input.

HON. PROF. B.C. PRASAD.- Are we talking about both Bills?

HON. A. SAYED-KHAIYUM.- No.

HON. PROF. B.C. PRASAD.- Thank you.

Thank you, Madam Speaker, I actually have no disagreement with the objective and the rationale of laws that allow us as a Parliament, as a Government, as a country, to collect taxes. I would also say that those who can and afford to pay taxes should pay taxes. Absolutely no disagreement there.

The only issue I have, Madam Speaker, as I said earlier and that is why I would be reluctant to rush into supporting this Bill is, I know there have been some public statements by the CEO of FRCS about this matter. I think we really cannot compare the Australian economy, the South African economy and the UK economy - these are very large economies. The potential for tax evasion or tax avoidance potential for black economy is probably bigger, I am not saying that we do not have black economy here in Fiji.

HON. A. SAYED-KHAIYUM.- One-third.

HON. PROF. B.C. PRASAD.- It is there.

HON. A. SAYED-KHAIYUM.- One-third.

HON. PROF. B.C. PRASAD.- One-third, all right.

However, I am not sure, Madam Speaker, whether doing this is going to change the attitude or change the way in which taxpayers deal with the tax authorities. My view would have been that

this probably needed a lot more discussion and that discussion could have been part of the process, where Government would have used the opportunity to tell all those who fall into this category that this is a legislation that we could bring, if we find that tax agents, accounting firms, and those who are supposed to pay taxes are not playing by the rules of the game.

The other issue, Madam Speaker, even if we have this, the name and shame as stated there, name and shame can actually destroy businesses and duties very quickly. It has the potential and now it is a good lever for anyone to use that, I mean I agree. But, Madam Speaker, I also think that perhaps it may not be the best thing to do now until such time where we have used opportunities to implore on and make sure that those who are in that category are actually paying the taxes.

I agree with the Honourable Attorney-General that FRCS does not have all the capacity, maybe we need to concentrate on that, see how we can deal with all these devious ways in which people might be evading taxes and have appropriate penalties, appropriate laws that can deal with that. Even if we have the name and shame, Madam Speaker, if we do not have the capacity within FRCS, this is not going to solve the problem because people would still, I mean you have the penalty if they are doing it with the penalty, with the laws there, having this additional law may not necessarily heal the desired outcomes that we want. So, perhaps we need to go and look at the processes, the compliance mechanisms and what Government is trying to do to get those people to get the income.

I also think, Madam Speaker, there are honest taxpayers in this country as well and I do not know how there have always been this difficulty about deliberate omissions, deliberate acts of error or it could have very genuine errors. You know accounting firms may protect agents - money making.

So, my view is, Madam Speaker, that before we need a bit more discussion, public discourse on this in various forums and that is why I thought that maybe this Bill should have gone to the Committee at least for a week or so, to be able to give the opportunity to those who are going to be affected by this or those who fall within the category and perhaps hear from some of them as to why this is necessary. I think that would create a much bigger discussion and perhaps the objective of achieving what is in this law or proposed law could also be achieved within the existing law.

The last point I want to make, Madam Speaker, is, we need to understand that we do not make laws that we might start killing the golden goose. We need to understand that as well. Laws can go only so far to deal with, and I think there are other ways of education, persuasion, moral suasion to get taxpayers to understand the culture that is required. I mean the Reserve Bank of Fiji is the moral suasion, Madam Speaker, so it is an important element of ensuring that the taxpayers do meet the obligations.

So, I think we probably should, and I would urge the Honourable Attorney-General to reconsider this. Put these two Bills, the compliance one, I am happy to support the LTA Bill, but the tax administration and Bills No. 40 and 41, perhaps need to be referred to the Standing Committee and perhaps we should bring it back in February.

Madam Speaker, I would be happy to support the Bill after that process, if necessary. Thank you, Madam Speaker.

HON. SPEAKER. - Thank you. Do we now have any other input on this particular Bill, the Fiji Revenue and Customs Service (Amendment) (No. 2) Bill, 2017? Any other input? There being none, I will now give the floor to the Honourable Acting Prime Minister to speak in reply on this particular Bill.

HON. A. SAYED-KHAIYUM. - Thank you Madam Speaker. Madam Speaker, I really do not know what the Honourable Prasad was on about. So, bumbling around, talking about the accounting firm, et cetera, and moral persuasion. The reality is, we are not....

HON. PROF. B.C. PRASAD.- (inaudible)

HON. A. SAYED-KHAIYUM. - No. No. Madam Speaker, maybe you are talking to the wrong people. You are talking to the wrong people, Honourable Prasad. Madam Speaker, the reality is this. Taxation rates in Fiji now is 20 percent for companies, one of the lowest in the Southern Hemisphere. If you have listed companies, 10 percent. Personal Income tax, you remove dividend tax too, so the true rate of taxation is actually 20 percent itself. One of the lowest rates. Again, Madam Speaker, income tax threshold has been increased, Madam Speaker.

All we are simply saying to these companies is that you need to be complaint. All we are simply saying to these accounting firms is that you need to do the right thing. We have been persuading them since 2007. Many of them actually have been given amnesties. Many of them actually have short bills to pay following a period of time and a number of them continue to break the law because there is a culture of greed. There is a culture of accounting firms doing whatever they want for their clients. We absolutely agree. Most taxpayers in Fiji are compliant. They want to do the right thing. This is precisely the reason why we need this law because it is unfair on them, when a handful of them who have the bulk of taxable income are not paying the right tax and small people, small businesses, and mums' and dads' shops, small enterprises, they go around, they want to be compliant with the law. They do their VAT returns on time, some law firms they are not even doing their VAT returns on time.

Accounting firms have been breaching the laws also, Madam Speaker. Big businesses have been getting away with murder in most instances, I do not mean literally, I am talking figuratively. Their lifestyles do not match their income levels that they show as taxable income. We have given two amnesties and now the Opposition actually questions that. Now the Opposition is saying, we should talk to them, cajole them, and persuade them. *Areh!* How many times we are going to do it? We have given them two loads of amnesty.

(Chorus of interjections)

HON. A. SAYED-KHAIYUM.- Madam Speaker, so the reality is this. They have been given enough time and also we have set aside and we said that the list of businesses will be actually listed, if not, free for all, it is targeted. And that is precisely the reason why we have said because we need to do the capacity, I highlighted in the introduction of the Bill that FRCS is actually looking at getting resources from outside. In fact the Chairman has also mentioned that they are looking at something from Australia, firms that actually use in this type of work. We need to put these businesses on notice. We want them to make money. Please go and make lots of money but pay the taxes. Invest in Fiji, given the right opportunity. This is the time to do it because investment levels are very high. We want people to know, also foreign businesses that come into Fiji. We want them to know, you can come into Fiji but do not try to evade our laws. We play by the rules and the same rule applies to everyone. We are simply setting the standards, Madam Speaker, and I would urge the Members of Parliament to actually support this Bill. Thank you, Madam Speaker.

TAX ADMINISTRATION (AMENDMENT) (NO. 2) BILL 2017

HON. SPEAKER. - Thank you. We will now move on to the Tax Administration Amendment (No.2) Bill 2017, and I now invite the Honourable Acting Prime Minister to speak on this Bill.

HON. A. SAYED-KHAIYUM. - Thank you Madam Speaker. Madam Speaker, again this is the in-alignment with the policy of Government and there is again to tighten the provisions regarding tax compliance. Madam Speaker, of course, we have had enormous threats of increasing tax scams and tax evading cases around the world and of course in Fiji.

The reality is, Madam Speaker, that it is something that is of course not just peculiar to Fiji, but the detrimental impact on a country like Fiji is more significant. If you have, because our GDP is much smaller than Australia or New Zealand, we are not able to soak in these losses as much as these bigger economies can do. That is why Honourable Prasad should understand that as an economist.

If the pie is much bigger and the percentage of those people are in compliant with the law, the ability for the pie to soak in that deterrence from the law is a lot more easier, a lot better, whereas our pie is smaller, so therefore, we need to ensure that far less people will take a stop, that they do not breach the law. More the reason why we need to do it in our country.

There are many countries in the world, they have smaller economies but they are strict compliance with the laws which helps the economy, the financial system to be lot more buoyant.

Madam Speaker, what we are introducing here is again, where at the moment as the law stands, if for example, you are found to be in breach, you have evaded tax, et cetera, and FRCS actually finds out and they impose penalties on you, they cannot then prosecute you. If they go ahead and prosecute you, you do not pay the penalty. In fact if FRCS has taken the penalty, they have to refund it. So it is either, or.

Taxation Law, Madam Speaker is again demonstrated in countries like New Zealand, like Australia, like South Africa. Madam Speaker, in New Zealand, it says the taxpayer who is non-compliant with his or her tax obligations can also be either administratively penalised or taken to court, or subject to both.

Section 149(1) of the Tax Administration Act of New Zealand states that, "each time a taxpayer breaches the tax obligation, the taxpayer may be liable to a civil penalty or a conviction to a criminal penalty, or to both."

In Australia, Madam Speaker, the law also allows for the prosecution of the person and the imposition of the administration penalty for the same offence.

Under Section 8 (w) of the Tax Administration Act 1953 of Australia, where a taxpayer is in breach of and is non-compliant with his or her obligations under Australia's Tax Laws, the court may in addition to imposing a penalty for that offence also order the convicted person to pay the Commission of Taxation and the amount prescribed by law as in administrative penalty.

In South Africa, Madam Speaker, under Section 76 of the Income Tax Act 1962, where a taxpayer defaults in rendering a return or omits from the returns an amount which should have been included in the returns or makes an incorrect statement, he or she may be required by the Commissioner of the South African Revenue Service to pay an amount in addition to the total tax due. In South Africa, the additional tax due can equate up to 200 percent of the normal tax payable on the income tax payable in question, Madam Speaker.

Furthermore, the Commissioner of the South African Revenue Service may after issuing an additional penalty of tax also institute proceedings for the recovery of the same penalties. Furthermore, Madam Speaker, where a taxpayer was issued both an additional penalty and also prosecuted in court can get both.

At the moment, what some companies have been doing, Madam Speaker, in Fiji, at the moment, it is actually one or the other. It is only one or the other. So, in order again to be able to impose that we are able to get more deterrence in this area, we can say that FRCS can do both of them – criminally prosecute and also give the penalties too.

Madam Speaker, this law, where you or may call a double jeopardy actually has been tested in the South African courts. There has actually been a constitutional case, where the tax courts decided in favour of the South African Revenue Service. The court ruled that where the South African Revenue Service impose the additional tax, this is not a criminal charge, it could result in conviction criminal record. The court therefore concluded that additional tax is an administrative penalty which may only be recovered by means of a civil process, Madam Speaker.

Madam Speaker, what the Bill does today, it proposes to amend section 48 of the Act, to allow the Fiji Revenue and Customs Service (FRCS) to issue the administrative penalty and also at their discretion, institute prosecution against a taxpayer who is in breach of or is non-compliant with any provisions of any tax law.

Again, Madam Speaker, if you look at the amendments that we are proposing in this, we are again putting in place a threshold, so it is not a carte blanche approach. We put in place a threshold of a gross turnover equal or exceeding \$1.5 million in the tax year. If the person operates a business, there is a member of the prescribed group of businesses. So, again, this will be published. Again, he will be targeted in different sectors and FRCS can move along and address different sectors at different times, Madam Speaker.

Madam Speaker, again I urge Honourable Members of Parliament to actually support both these two Bills regarding taxation, of course, the LTA Bill, but in particular regarding taxation. We, as a Parliament, as a legislative authority in this country must send a strong message to all these companies and businesses that have been, for such a long period of time, evading taxes in Fiji and we must say to them; “We are here to help you to grow your business, we are here to help you, to provide the various incentives for you which we have done through the previous Budgets. But please, you must comply with the tax laws of this country. There are other small businesses, other individuals in this country who actually and greatly respect the law. They are complying with the law, bulk of the people in Fiji, but for those of you who are actually evading the laws, you must actually suffer the consequences if you do not comply with the laws in Fiji.”

Madam Speaker, that also sends a very strong message to some foreign investors. We know that there are certain foreign investors in Fiji, who think because we are a developing country, they can come and do whatever they like, whether it is environmental laws or municipal council provisions or land provisions or lease conditions or tax laws, we need to send a very strong message to all investors both, domestic and foreign; “Come and invest in Fiji, grow our economy, partner with us but comply with the laws.” And this is what we discuss, Madam Speaker.

Thank you, Madam Speaker.

HON. SPEAKER.- Thank you. This Bill is now open for debate and I invite input, if any?

(Silence)

There being no input, I now give the floor to the Honourable Acting Prime Minister for his Right of Reply.

HON. A. SAYED-KHAIYUM.- Madam Speaker, I think enough has been said in respect of these Bills but I urge Parliament to vote on these.

HON. SPEAKER.- Thank you. Parliament will now vote.

Question put.

The question is:

That pursuant to the Resolution of Parliament passed today:

1. That the:
 - i) Land Transport (Amendment) (No. 3) Bill 2017;
 - ii) Fiji Revenue and Customs Service (Amendment) (No. 2) Bill 2017; and
 - iii) Tax Administration (Amendment) (No. 2) Bill 2017,be considered by Parliament without delay;
2. That the Bills must pass through one stage at a single sitting of Parliament;
3. That the Bills must not be referred to a Standing Committee or other Committee of Parliament; and
4. That the Bills must be debated and voted upon by Parliament on Friday, 15th September, 2017, but that one hour be given to debate the Bills, with the Right of Reply given to the Member moving this motion.

Does any Member oppose the motion?

(Chorus of Ayes and Noes)

HON. SPEAKER.- There being opposition, Parliament will now vote on the motion.

Votes cast:

Ayes	-	28
Noes	-	9
Not voted	-	13

HON. SPEAKER.- There being 28 Ayes, 9 Noes, 13 Not Voted, the motion is agreed to.

Motion agreed to.

Bill read a second time.

HON. SPEAKER.- For the information of Honourable Members, we are now going on to the Third Reading. I now call upon the Honourable Acting Prime Minister and Attorney-General to move his motion.

HON. A. SAYED-KHAIYUM.- Madam Speaker, pursuant to the Resolution Parliament just passed, I move:

That the:

- i) Land Transport (Amendment) (No. 3) Bill 2017;
- ii) Fiji Revenue and Customs Service (Amendment) (No. 2) Bill 2017; and
- iii) Tax Administration (Amendment) (No. 2) Bill 2017,

be debated, voted upon and be passed;

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

HON. SPEAKER.- For the information of Honourable Members, the motion was brought in pursuant to Standing Order 51 and the Resolution was passed by Parliament. The terms of the Resolution now requires the House to debate it in Third Reading. Additionally, Standing Order 88 provides that the debate must only be on whether the Bill should pass and not the content.

I now call on the Honourable Acting Prime Minister and Attorney-General to speak on the motion.

HON. A. SAYED-KHAIYUM.- Madam Speaker, I think quite a lot was actually discussed in the contents of the Bill itself in the introduction of the motion and suffice to say that this Government believes that these amendments are quite critical and they are quite simple amendments, it should be approved by Parliament in order for us to create the deficiency first in the Land and Transport space and also as far as compliance with our tax laws are concerned.

Thank you, Madam Speaker, and I ask Parliament to vote for these amendments.

HON. SPEAKER.- Thank you. The motion is now open for debate and the debate must only be on whether the Bill should pass and not the content. I invite input, if any?

I take it that there is no input, so I give the floor to the Honourable Acting Prime Minister for is Right of Reply.

HON. A. SAYED-KHAIYUM.- Thank you, Madam Speaker. I will ask Parliament to vote on these three Bills.

HON. SPEAKER.- Thank you. Parliament will now vote.

Question put.

The question is:

That pursuant to the Resolution of Parliament passed today:

That the:

- i) Land Transport (Amendment) (No. 3) Bill 2017;
- ii) Fiji Revenue and Customs Service (Amendment) (No. 2) Bill 2017; and
- iii) Tax Administration (Amendment) (No. 2) Bill 2017,

be debated, voted upon and be passed.

Does any Member oppose the motion?

(Chorus of Ayes and Noes)

HON. SPEAKER.- There being opposition, Parliament will now vote on the motion.

Votes cast:

Ayes	-	28
Noes	-	11
Not voted	-	11

HON. SPEAKER.- There being 28 Ayes, 11 Noes and 11 Not Voted, the motion is agreed to.

Motion agreed to.

Bill reported without amendment, read a third time and passed.

[A Bill for an Act to amend the:

- i) Land Transport Act, 1998 (Bill No. 39/2017);
- ii) Fiji Revenue and Customs Service Act 1998 (Bill No. 40/2017); and
- iii) Tax Administration Act 2009 (Bill No. 41/2017)

enacted by the Parliament of the Republic of Fiji. (Act Nos.of 2017)]

HON. SPEAKER.- Honourable Members, although it was not in the Order Paper, the Secretariat has received another written response by the Minister for Local Government, Housing and Environment, Infrastructure and Transport pursuant to Standing Order 45(5). This is the response to Written Question No. 147/2017 by the Honourable Salote Radrodoro.

For the information of Honourable Members, this will be provided to the Honourable Salote Radrodoro and also uploaded on the Parliament website.

I now call on the Leader of the Government in Parliament to move his motion.

ADJOURNMENT

HON. LT. COL. I.B. SERUIRATU.- Madam Speaker, I move:

That Parliament adjourns until Monday, 19th February, 2018 at 9.30 a.m. And I wish everyone a Merry Christmas and all the success in the *bilibili* race. *Moce mada.*

HON. A. SUDHAKAR.- Madam Speaker, I second the motion.

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

Question put.

Motion agreed to.

I thank all the Honourable Members for your contributions to this year's Parliamentary Business and debates. The upcoming months will be very important months for Fiji. Let us continue to uphold our Honourable Prime Minister in prayers as he leads the COP23.

Since this is our final Sitting until February next year, it does not mean that there will be no Parliamentary Business for the next four months. Pending Bills have been reinstated and Standing Committees will be deliberating on these Bills, to enable them to table their Reports in the February Sitting in 2018.

I wish to take this time to thank all the Honourable Members, members of the public in the gallery and those watching on television and the internet and listening on the radio, wishing you a blessed Fiji Day, a Happy Diwali, Merry Christmas and a prosperous New Year. May God bless you all and May God Continue to bless our beloved country of Fiji.

I now declare Parliament adjourned until Monday, 19th February, 2018 at 9.30 a.m.

The Parliament adjourned at 2.23 p.m.