

# **PARLIAMENT OF THE REPUBLIC OF FIJI**



## **PARLIAMENTARY DEBATES**

### **DAILY HANSARD**

**MONDAY, 10TH JULY, 2017**

**[CORRECTED COPY]**



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## **MONDAY, 10TH JULY, 2017**

The Parliament met at 9.31 a.m., pursuant to adjournment.

HONOURABLE SPEAKER took the Chair and read the Prayer.

### **PRESENT**

All the Honourable Members were present, except the Honourable Assistant Minister for Agriculture and the Honourable Ratu S.V. Nanovo.

### **MINUTES**

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

That the Minutes of the sitting of Parliament held on Thursday, 29th June, 2017 as previously circulated, be taken as read and be confirmed.

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

Question put.

Motion agreed to.

### **COMMUNICATIONS FROM THE CHAIR**

#### Welcome

I welcome all Honourable Members to the first day of Budget Debates as the Budget process is an integral role of any Parliament.

I also welcome the members of the Rewa Educational Group that are here with us today – welcome to Parliament.

And I also welcome the members of the public joining us in the gallery, and those watching proceedings on television and the internet and listening to the radio. Thank you for taking interest in your Parliament.

As is convention, the Leader of the Government in Parliament will move a procedural suspension motion pursuant to Standing Order 6(2). I am allowing this without further notice as I consider it necessary for the proper conduct of the business of Parliament.

I now call upon the Leader of the Government in Parliament.

### **SUSPENSION OF STANDING ORDERS**

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Madam Speaker, I beg to move under Standing Order 6:

That so much of Standing Orders 23, 34 and 46 be suspended, to allow the following during the sitting period beginning Monday, 10th July, 2017 and ending Friday, 14th July, 2017:

- a) Parliament to sit beyond ordinary sitting times;
- b) Limiting breaks, including lunch to be determined by the Speaker so as not to unduly interrupt debate; and
- c) In the event that the business for any given day is concluded earlier than anticipated, for business to be brought forward from the following sitting day.

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

HON. SPEAKER.- I now call upon the Honourable Leader of Government in Parliament to speak on his motion.

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Madam Speaker, as you have alluded to earlier, this motion is purely procedural and has been agreed to in principle by the Business Committee and the Party Whips, and is necessary to enable us to complete the business before the House for the entire week.

I, therefore, commend this motion to the House, Madam Speaker. Thank you.

HON. SPEAKER.- The motion is before the House and I invite any input from Honourable Members, if any.

There being none, Honourable Leader of Government in Parliament, would you like to make concluding statements?

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- No, Madam Speaker, thank you.

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

Question put.

The Question is:

That under Standing Order 6, so much of Standing Orders 23, 34 and 46 be suspended, to allow the following during the sitting period beginning Monday, 10th July, 2017 and ending Friday, 14th July, 2017:

- a) Parliament to sit beyond ordinary sitting times;
- b) Limiting breaks, including lunch to be determined by the Speaker so as not to unduly interrupt debate; and
- c) In the event that the business for any given day is concluded earlier than anticipated, for business to be brought forward from the following sitting day.

Does any Member oppose the motion?

(Chorus of Noes)

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

Motion agreed to.

I thank the Leader of the Government in Parliament for that procedural suspension motion. As Honourable Members are aware, there is a significant amount of business before us this week and the resolution of Parliament to suspend the ordinary sitting times is necessary because we are likely to go way beyond the ordinary adjournment times every day this week.

I would also like to thank the Party Whips for negotiating this agreement behind the scenes. The agreement encompasses the Batting Order, speaking times and the Heads to be debated each night during Committee of Supply. Without this, it would be difficult to get through the business for this important week, as we know that the approval and appropriation of the supply of Government finances is a fundamental role of any functional democracy.

I have been advised that there will be no consideration of additional Bills today.

I now call upon the Minister of Economy to move the second reading of the Bill.

### **DEBATE ON THE 2017-2018 APPROPRIATION BILL 2017**

HON. A. SAYED-KHAIYUM.- Madam Speaker, I beg to move:

That a Bill for an Act to appropriate a sum of Three Billion, Nine Hundred and Ninety-Six Million, Seven Hundred and Twenty-One Thousand and Twenty-Six Dollars for the ordinary services of Government for the financial year ending 31st July, 2018, Bill No. 15/2017, be now read a second time.

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

HON. SPEAKER.- I now call the Honourable Minister of Economy for his second reading speech, if any.

HON. A. SAYED-KHAIYUM.- Madam Speaker, as per tradition, I will not speak now, but will allow the Shadow Minister responsible for Economy from the other side to speak. Thank you.

HON. SPEAKER.- The floor is now open for debate and we will follow the Batting Order which has been agreed to by the Party Whips. We will start with the Shadow Minister of Economy, he may speak the same amount of time as taken by the Attorney-General and Minister for Economy during the first reading.

I now call upon the Shadow Minister for Economy.

HON. A.M. RADRODRO.- Thank you, Madam Speaker.,

Madam Speaker, after much apprehension and great expectations, our national Budget was delivered with the fanfare we knew was coming. It seemed the whole country was already talking about it. People were predicting a flurry of activities this year because next year is a special year. Their expectations turned out right, Madam Speaker, Father Christmas came early, indeed, this year, so no surprises there!

We have a budget of \$4.35 billion with a revenue of \$3.85 billion, and an estimated net deficit of \$499.5 million. Madam Speaker, I would like to take this opportunity to thank my colleagues; the Honourable Leader of Opposition, the SODELPA Party leadership and my fellow caucus members, for their faith in delegating me this task to present our response for the 2017-2018 Budget.

I also take this time to thank the Honourable Leader of the National Federation Party, the Honourable Professor Biman Prasad, for his mammoth task in the last three years in responding to the Budget addresses on behalf of the Opposition. We are indebted, Sir.

Madam Speaker, the Budget debate always draws attention from all segments of our community because it affects them, and this one is no exception. For every stakeholder in this nation of ours, the Budget plays an important role. It is equally important to the everyday citizen, whose food prices and bill costs is dictated by the policy of Government, and also important to the civil society partners who get donor funding from Government, or who rely on policy directions from Government to assist them in the kind of programmes they can establish for the benefit of civil society. It is important to the multi-billion dollar corporation and so to the small canteen operators, whose profit margins and survival depend on Government policy.

Madam Speaker, whilst everyone looks forward to see how the Budget announcement addresses their bread and butter issues, they are no longer illiterate to the requirements of a responsible government. People, especially individuals, now understand that for this Government, the Budget can just remain a beautiful plan.

They understand that those developments and hand-outs have to be met from somewhere. Our people in the rural areas are increasingly understanding, that whilst they appreciate receiving infrastructure developments, it is the responsibility of every government to provide these amenities to them. In fact, they are now asking, how does the Government meet all these expenditures? Where will the money come from? That is all they are asking. They refuse to be held responsible for putting our future generations into debt.

Madam Speaker, these are the practical issues we need to free Fiji from. Our people prefer to see how Government will empower them to be self-reliant rather than depending on handouts. They are intelligent, Madam Speaker, and we must give them credit for that. They now demand to see how long sustainable projects can be effected to ensure people's futures are secure. They will want to see guaranteed jobs, Madam Speaker. No doubt, they will embrace salary increments but they will be more concerned on whether they will still have a job next month, after their salary increase and bonus is received. Already, many are being threatened to sign their contracts or not receive any salary increments. How shameful, Madam Speaker!

Madam Speaker, our people are concerned on their ability to continue to live decent lives, which includes finding affordable accommodation and putting decent meals on their dinner tables. There will be expectations with varied needs and priorities. However, any government of the day has the responsibility to ensure equitable service provisions for the nation and the maximisation of Government resources, as these services or developments will be met by taxpayers and this is not reflected in this Budget. However it will be interesting to see who will benefit the most from this Budget. Will all the people of Fiji embrace the Budget or only a select few?

Madam Speaker, economists always argue that convention economies go through a cyclical phase. As a layman, I see our economy like a roller coaster in slow motion. There are periods of up-swing and times of down-turns.

The Reserve Bank of Fiji (RBF) announced earlier last week that inflation has dropped. This

is due to the improvement in the supply of vegetables and root-crops in our domestic market following *TC Winston*. Government claims that we have recovered from the cyclone. They attributed the supposed improvement in Fiji's economic environment to their popular policies, assuring a climate of stability.

Madam Speaker, we on this side of the House disagree. We are of the view that a lot of people are weary to open resistance because Government uses its hound dogs to keep people in check. To echo Dr. Vijay Naidu's comments, Government must also acknowledge that the Opposition has openly encouraged the maintaining of peace without confrontation. We have preferred to dialogue and engage professionally in debates, Madam Speaker.

Madam Speaker, some burning issues that I will focus on today, will include:

1. High debt level;
2. growth is not inclusive;
3. minimum wages increase;
4. TELS Scholarship;
5. Public Service Reform; and
6. infrastructure issues

My colleagues will then delve into various sectoral allocations in detail.

Madam Speaker, from the outset, we have some general comments to make for this 2017-2018 Budget. Since the Budget of 2015, this side of the House cannot help but comment on the inequity of the budget allocation. This Budget seems to favour the FijiFirst Government's biggest beneficiaries, an elite grouping of people who continue to earn the most and enjoy the biggest slice of the economic pie.

They are mostly made up of businesses, overseas contractors and consultants, and those who have lent their support to the Government of the day since that fateful day in 2006. They have flourished overnight from openly courting the powers that be. Sadly, Madam Speaker, everywhere we turn, this is the case to-date, and there is no escaping that Fiji now has two divides; those who are known as either pro-government or anti-government. How they are treated clearly demarcates who they are. Those who favour Government would get jobs, and those who do not agree with their draconian actions and policies, lose theirs.

We need, Madam Speaker, to free Fiji from this. On that note, as political commentators usually say, this is a Budget for big businesses over battlers. This Budget fails the test of fiscal responsibility. It has failed to pursue the appropriate level of Government spending and taxation which are necessary for sustainable public finances. It fails to aid the optimal rate of economic growth, despite huge Government investments, subsidies and policies. It has also failed to maintain appropriate levels of public investments.

Madam Speaker, the FijiFirst Government is collecting more tax than any other time in Fiji's history. They first hit the billion dollar mark in 2014, and have raised a consistent tax level since. Yet, they have added \$5.2 billion to Fiji's national debt, and no other government has ever carried Fiji to a precarious level of indebtedness. What this Budget is trying to do, Madam Speaker, is make Government remain popular. Subsequently, prudent financial policies that would otherwise be an attribute of a responsible Government have been overlooked.

Madam Speaker, at a time of declining living standards, this Budget promises fewer jobs and

lower growth. It is not redistributive of wealth and income, and does not change the structure of society or move towards a more equitable and empowering one. It is rather a desperate Budget, aimed at winning the hearts and minds of vulnerable people who are eager with promises of something better for their lives. In reality, Madam Speaker, this Budget is just a whole load of hogwash.

When we look at the Military budget of \$175.9 million, Madam Speaker, and contrast that with the productive sectors, like agriculture which received \$86.3 million and the Ministry of Sugar which was allocated \$60 million, the real picture of where the FijiFirst Government priority lies, is very, very clear. This is a Budget aimed at political survival.

More than ever, Madam Speaker, we must be honest about what our Budget can truly afford. This is why we demand the FijiFirst Government to start treating the Fijian people with respect. They must be frank and upfront about their plans, and not lead us based on the *ad hoc* decisions based on the last person that whispers sweet nothing into their ears. That is very, very dangerous, Madam Speaker.

To turn around the lives of our people and bring back faith in our economy, we must bolster economic growth, create local jobs, increase foreign exports and entice value-for-money foreign investments into the economy.

Madam Speaker, the disappointing trend of the FijiFirst Government in failed project implementation, now stands as a stark reminder. The Waila City and One Hundred Sands casino project have all become nothing but events of grandstanding with nothing to show for it today. *Sa vaka walega na titiro ena iloilo buwawa.*

Madam Speaker, this Budget simply makes family budgeting impossible to plan. We need a budget that ensures we are building a stronger economy, without hurting the things that help it grow. Madam Speaker, I have to sound the warning that we may have a rigged economy, one in which we suspect figures have been inflated to project a positive outlook. We should learn from the Asian financial countries that experienced a recession because of inflation figures. Madam Speaker, 20 years later, they are still reeling from its effects.

On our vulnerability position, Madam Speaker, our economy is narrow-based and dependant on few primary export commodities with price volatility. It is driven by high consumption, a high importation of food and high inflow of personal remittances. With this kind of expenditure budget, if we were to have another massive disaster with the scale or bigger than *TC Winston*, the question is; do we have the ability to cope with this kind of budget? Madam Speaker, we must always be conservative in our approach of economic management and this budget, again, is not reflective of that.

Madam Speaker, we cannot help but state that this Budget is again another exercise of inflating revenue estimates. This is nothing unusual from the past practices of this Government. Revenue collections have consistently been lower whereby in 2014, the actual revenue collected was \$2.4 billion against the Budget estimate of \$2.7 Billion. This is a shortfall of \$300 million.

In 2016, Madam Speaker, the fiscal year for Government was changed. This has effectively distorted what I am sure would have been a continued decline in actual revenue collections. Again, this Budget gives an estimate of \$3.85 billion. Only time will tell the actual revenue we will collect.

Madam Speaker, on expenditure, if you look at the expenditure trend since 2012, our total

expenditure has increased from \$1.96 billion to an estimate of \$4.4 billion. This is an increase of over 100 percent in total expenditure.

Madam Speaker, it is interesting to note that the total expenditure is estimated to be around \$4.4 billion whilst an estimate of total revenue is \$3.9 billion. Out of the total estimate, Capital Expenditure is estimated to be around \$1.8 billion and \$2.5 billion on Operating Expenditure with \$62.5 million of VAT and a Net Deficit of 4.5 percent of GDP.

Compared to the 2016-2017 Budget whose total expenditure was \$3.6 billion, Madam Speaker, this is an increase of \$800 million. The total operating expenditure increases from \$2.138 billion to \$2.5 billion in the 2017-2018 Budget, an increase of \$377 million. Madam Speaker, the 2015-2016 Budget Expenditure Estimate was \$2.8 billion whilst the actual spending was \$3.2 billion. This is an over-expenditure of around \$400 million.

Madam Speaker, the fiscal year for Government changed in mid-2016. I do not recall the Honourable Minister for Economy regularising his over-expenditure in this House as required under the 2013 Constitution. It should be noted that Government must work within budgeted amounts allocated. The message, Madam Speaker, is that, with such variation, both in revenue and expenditure, our deficit figures become totally distorted when comparisons are made on the 2015-2016 period. At that time, the fiscal year for Government was still following the calendar year. That is why, Madam Speaker, we are suggesting that this Budget is full of deception.

Madam Speaker, we note that our average domestic debts hovers around 71.56 percent of GDP while the average foreign debt has increased from 23 percent to 31 percent of GDP. We feel this is on a high end. What is disconcerting, Madam Speaker, is that debt repayment takes first priority as required under the Constitution.

Why is it that Government is borrowing at higher interest rates from banks, like the Bank of Malaysia, Madam Speaker? A lot of offshore banks, like the World Bank, offers lower interest rates at around 2 percent. Is this because Fiji is not complying with the loan conditions set by those Banks offering lower interest rates, conditions that require guaranteed media freedom and free speech, prudent financial management, human rights protection, et cetera?

Madam Speaker, why is it that Government continues to borrow when it is showing a Government savings over the period, including \$896 million in this year's Budget? Are, we, the taxpayers being overtaxed? What is Government's fixation on this?

Madam Speaker, on inflation, the Budget suggests that our average inflation rate will be hovering around 3 percent at the end of 2017. The information provided by the RBF suggests that the surge in inflation is due to increase in the price of vegetables, *dalo*, *yaqona*, food and non-alcoholic beverages, alcoholic beverages, tobacco and narcotics and other domestic items. This trend is quite alarming. With a bullish Budget of high expenditure, this will surely push inflation further if not properly managed.

Madam Speaker, it is interesting to note that the liquidity in our banking system continues to rise. The RBF Report in May 2017 indicates that our liquidity is hovering around \$735.8 million. Again in June, it is said to increase further, and the current indicator suggests that it will continue to rise. Whilst liquidity is increasing, Madam Speaker, the weighted average lending rate has declined to 5.8 percent. The question is; despite the low interest rate from the banks, why are people not borrowing?

Madam Speaker, with the kind of inconsistent policies this Budget presents, it is no wonder that investors will have less confidence in investing in our economy. One classic example of such inconsistencies is the Water Resource Tax which is expected to collect \$70 million revenue. This expected revenue collection will surpass all other sectors, including the tourism industry, which becomes very discriminatory.

No wonder, Madam Speaker, there is less borrowing. Perhaps, investors are going elsewhere where the business environment is more supportive. Similarly, investment in residential homes by civil servants may be an issue in the future, now that they are only given contractual terms which is far much lesser than the normal housing loan terms of 20 years.

Madam Speaker, on the issue of taxation, it is common knowledge that the bulk of Government revenue is derived through taxation. All developments are paid through tax collected from ordinary citizens and businesses, and in this respect, we commend that Government has introduced the new \$30,000 taxation bracket, which is a sizeable increase from the previous bracket of \$16,000. We are happy for that, Madam Speaker, and believe it would assist mitigate increasing high cost of living which this Budget has failed to address.

Madam Speaker, it seems the 2017-2018 Budget is in an accommodative mood. Government needs votes for next year, and the revision of the taxation bracket is intended to help them get those votes. However, the sad reality is, they are deceiving the rest of our people who make up the majority of our workforce and who are our ordinary farmers, our roadside vendors, our casual workers, our taxi drivers, our housemaids, et cetera. How do they benefit? The tax bracket only benefits those on a consistent salary. How do they adjust to the continued high cost of living?

Madam Speaker, the reduction in the tax bracket has repercussions on our revenue. This will mean a loss of about \$26 million on average in revenue collection. How does Government intend to replace that loss which our economy badly needs to carry out developments and ensure service provisions? I will talk on some proposed revenue amendments in line as highlighted by the Budget.

Madam Speaker, on the Capital Gains Tax, on average we collect around \$24.8 million on Capital Gains Tax in the last three years. It is estimated that in the 2017-2018 Budget, we are going to collect \$29.8 million. This is much lower than the original announcement made by the Honourable Minister for Economy that we will earn more than \$50 million annually from Capital Gains Tax. This may be an indication that this Capital Gains Tax is not working, thus discouraging investment, for example, to home owners.

Madam Speaker, it is also noted that on time bound prosecution on tax offences, this will be amended under the new tax law to remove the seven years' time limit. It is by convention that the barred period is normally seven years. The Honourable Minister for Economy needs to explain to this House the rationale behind this change. Is it consistent with other existing legislations?

On the 10 cents plastic bag, Madam Speaker, I appreciate the rationale that we all need to minimise the use of non-degradable plastic in the country. Is this the best way of addressing the issue? How can we implement this tax efficiently and how will the collection of this revenue be administered from point of sale?

On Fridge Benefit Tax, in particular health insurance provided by employers, it seems this exception is to encourage employers who provide covers for their employees through medical to again do so. We know that employees will jump at this and it is obviously a naked attempt to gain popularity because many employees in Government run institutions had these benefits removed just

a few years ago. How sad though for those who have since left employment and now miss out on this opportunity, Madam Speaker!

Madam Speaker, on the new tax machines that FRCA will soon introduce into supermarkets; why is Government jumping the gun on this and has not tried to pilot the project for trial run first? Such expensive ventures will, no doubt, have teething problems, just as we note in the bus e-ticketing programme. We truly need to get our act together when we are dealing with mechanised technologies, Madam Speaker.

Government is going to continue to lose time and money, not to mention becoming the brunt of jokes if systems are not corrected first prior to jumping into projects. They say, Madam Speaker, that the love of money is the root of all evil, and can even make the wisest person become vulnerable because of greed. So slow down, get the ground work tested first before you make grand pronouncements!

On the issue of tax amnesty, Madam Speaker; why is Government continuing to extend tax amnesty? Government should have closed it and moved on, or prosecute tax evaders. The question that arises is; for whose benefit is the amnesty extended for when it is continuously extended? It will be crucial for the Honourable Minister for Economy to put a sunset to this amnesty.

On bus concessions, Madam Speaker, we respect Government's continued assistance over the years to the industry. We note that in this Budget, they have again been allocated \$20 million in the free bus fare grant. Likewise, many of us will recall that just a few years back, the bus fare stages were adjusted, resulting in substantial increases in bus fares.

Madam Speaker, it is evident now on how much assistance bus companies have been receiving when they have been able to re-fleet their companies with new beautiful buses. But please, Madam Speaker, we have to direct the same assistance to other transport modes, in particular to inter-island franchise services serving uneconomical routes. Already shipping fares are controlled by the Commerce Commission, so it would be only fair that the companies currently engaged in this service and are currently struggling to do so, be assisted to have zero rating on VAT, and be given fuel concessions, likewise. They should also have their franchise doubled or even tripled to assist them meet their operational costs.

Madam Speaker, there has to be a meaningful and equitable assistance to all our stakeholders, especially when taxpayers are footing all these bills in the form of concessions or subsidies and grants given out to respective industries.

Madam Speaker, the uneconomical routes covered under the shipping franchise service cater for people who live in the fringes of society and who are almost always forgotten. The franchise payments being received from Government and paid on a periodic basis does very little to assist in the cash flow for vessel owners.

Lastly, on taxation issues, Madam Speaker, Government has now given additional powers to tax officials to conduct raids through search warrants. It seems that the tax office has been given the freedom to become draconian, just as FICAC and other similar entities created by this Government, and is now a source of fear for many.

Madam Speaker, does Government enjoy operating in a climate of fear mongering? If the reason for these raids is tax compliance, then the way to go about is to build meaningful lasting relationships with businesses based on trust, not unwarranted threats. These kinds of attitude drive

away investors, not to mention creating an unstable environment for business growth.

Madam Speaker, when SODELPA will be in government, we will ensure we treat everyone equally, and such vindictive and selective actions will never be condoned.

Madam Speaker, briefly on investment, although Government is boasting about the increase in registration figures, we would like to request Government for the success rate of the actual implementation of these investments.

We also noted that the allocation given to Investment Fiji is around \$2.6 million and last year, they engaged in a couple of trade missions. The question is; how many business opportunities and partnerships have been secured through these trade missions, resulting in business exports?

Madam Speaker, on the effects of *TC Winston* and its rehabilitation, we understand that more than 50 percent of our population were affected by *TC Winston* when it struck Fiji in 2016. It is almost two years now, and those affected have not fully recovered.

Based on the Government's Post-Disaster Report prepared with UNDP, a total of 540,414 people were directly affected. Today, Madam Speaker, most of those people who were affected are still living in tents and education facilities have not been fully improved.

Madam Speaker, whilst the victims of *TC Winston* are still suffering, we question Government; why are they placing a priority on marketing Fiji abroad with an increased budget allocation, and not tend to our own backyard first? The sheer arrogance and ignorance of the FijiFirst Government, Madam Speaker, lies bare for the world to see. They are gallivanting around the world to champion climate change, yet our own victims still struggle to make ends meet. Also, those who have been assisted, some are now facing prosecution, Government might not as well help them in the first place.

Madam Speaker, tourism is one of Fiji's main GDP contributors and is also one of the backbones of our economy, but it is a volatile industry which is susceptible to external and internal shocks, like natural disasters, political instability and global financial meltdowns. It is an industry that must be protected and cushioned as much as possible. Madam Speaker, I know my colleagues will further elaborate on the taxes this industry now has to bear and its encompassing environmental challenges, but I just want to briefly highlight the plight of backpackers closing down which has been brought to my attention by aggrieved locals, who have lost their jobs and businesses as a result.

Madam Speaker, we understand that from the 42 backpackers opened in Yasawas under the SDL Government start up assistance for local business participation, only 12 remain open today. The tax office has effectively closed down the rest of the 30. To name a few of the backpackers that have also been forced to close recently, are the:

- Coconut Bay Resort in Naviti;
- Otto and Family in Tavewa owned by locals who have been forced to sell to the Americans; and
- David's Place in Tavewa which was the first backpacker in Northern Yasawa

Madam Speaker, we need to be supporting our local entrepreneurs. They contribute immensely to our economy through foreign earnings and much needed employment opportunities for our people. The Opposition has always pressed for an equitable share of the Government assistance for all our people and in this respect, we urge Government to consider assisting our backpackers with grants, just as they have done to sugar. A SODELPA Government, Madam Speaker, is going to review all

these support incentives and business assistance policies. We will ensure equal participation in business of all communities and not just a select few.

On basic minimum wage, Madam Speaker, democracy is an amazing venture. It enables anyone who feels they can contribute to nation building, get into the House of Representatives or Parliament. As a result, over the years, we have had a mixture of representatives. We have had accountants, lawyers, businessmen, teachers, doctors, economists and soldiers as well as farmers representing our people.

I do not mean to be condescending, Madam Speaker, but we accept that not everyone is professionally qualified. Sometimes, qualifications, in fact, do not matter when we have experienced people who have the passion to serve or work. History has proven that some of our best contributors are these unskilled people.

On the increase of basic minimum wage by 36 cents from \$2.32, this is simply hypocrisy of the FijiFirst Government when we draw an analogy on equality, particularly when we imagine what our Cabinet, who has some farmers amongst them, pays itself. They earn high salaries of around \$36 an hour on average against the new proposed \$2.68 an hour for wage earners. Just a side comment, even with that hourly rate, Honourable Members on that side of the House did not even contribute to the *TC Winston* appeal, unlike Honourable Members on this side of the House.

Madam Speaker, the question is; how much difference will an additional 36 cents an hour make in an unskilled worker's life? With this increase, they are after-all going home with just over \$100 a week as their take-home pay. When you talk about empowerment of people, you do not empower workers by paying them \$2.68 an hour. That is just token empowerment, not real terms!

Madam Speaker, I would now like to address the public service salary increments as offered by the 2017-2018 Budget announcement. This is a very important component of the whole package of Public Sector Reform. Despite the claim by the FijiFirst Government of the successful implementation of the Public Service Reforms, the recent major increases in staff remuneration indicates that the reforms concept for maximum accountability and productivity has been shelved in this Budget. Taking its place is politics of desperation.

Civil servants have over recent years been exposed to bullying, high amount of non-renewal of contracts, unfair promotion, nepotism, and favouritism, to name a few. These actions by Government have led to an overall environment of mistrust for Government. But, Madam Speaker, let me not be a party-pooper though.

Any salary increases overall must be commended when it is long overdue. After all, in civil service life, they work on a sense of patriotism and pride. Their comparative salaries are often less than that earned by the private sector. Civil servants have the institutional memory of the Service, which is a crucial part of government servitude. They are the ones that have a sense of responsibility, unlike fly-by-night expatriate workers and favoured civil servants, who have recently ascended to positions of authority.

Civil servants deserve to be remunerated appropriately. We also commend that the nurses are finally getting some well-deserved rises which our side of the House have consistently raised in this House in the last three years.

We applaud as well the increments announced for the Fiji Police, teachers and generally most civil servants. We note that Government is now implementing 15 new salary bands to replace the 31 occupational scales of all jobs in the Civil Service. Government has categorized them into three

tranches with civil servants now being coaxed into moving into these bands from July, August and September of this year.

For the Ministry of Infrastructure, Madam Speaker, I have been informed that staff were offered to sign their contracts last Thursday, but most of them have not done so, good on them! They felt the announcement of 15.8 percent increment for civil servants in the common cadre band, for example, during the Budget was deceptive. If we take a person, for example, sitting on just over \$19,000, with a salary increase of 15.8 percent, they should have gone to a little over \$22,000, but in reality, they have been offered just a little over \$20,000. That is quite disappointing for staff, Madam Speaker.

There are so many examples of similar distortions. Clerical officers in the same Ministry, Madam Speaker, sitting at a band of \$12,679, after these salary adjustments have moved up to \$14,095. But the confusing issue is that, those sitting on salaries of \$13,191 moved up to the same level of \$14,095. Instead, they should have received \$14,682 and \$15,275.00 respectively. Madam Speaker, such grand pronouncements, has nothing real to show for it, just more deception by the FijiFirst Government!

A \$10.4 million allocation has been allocated for salary adjustments, Madam Speaker. This is to accommodate these increments being given to the whole of the Civil Service. How can that be? It will certainly cost more than that. So what happens to the balance of what is needed? Will some have to lose their jobs further to accommodate the increase for others, Madam Speaker? Is that why contracts are being advertised so people naturally get weaned off?

Just last week, Madam Speaker, we noted that in another Ministry, a memorandum came out and is now forcing its staff to sign their contracts or lose out on the new salary band that comes with a pay increase. This is not only draconian, Madam Speaker. Their contracts have been offered, but is intimidation and against general labour laws.

In the Ministry of Justice, contracts have been offered for just one year. What is with the inconsistency, Madam Speaker? You do not enforce your will on your human capital! You negotiate reasonable conditions of a contract that does not victimise workers and you get their buy in! This is what SODELPA Government would have done. That is what we will do!

Madam Speaker, whatever government does, is often reflected in Government-funded institutions. In FNU, it effected increments a fortnight ago, Government had allocated a grant of \$9 million for this exercise after evidence-based evaluation by PricewaterhouseCoopers. Following the Job Evaluation, almost one-third or 700 staff got no increment at all, whilst only two-thirds got to share the \$12 million budget. FNU provided the extra \$3 million to complement the \$9 million grant by Government.

Staff of FNU, I understand, were very hurt and frustrated when some people got to enjoy thousands in back-pay, whilst many others got nothing at all. Like I said, Madam Speaker, we get to look up to Government for guidance and if they are messing up contracts for workers, you can imagine where the private sector and Government-funded or assisted institutions will start taking their cue from.

In this 2017-2018 Budget, Madam Speaker, \$56.1 million has been allocated to FNU and \$30.1 million to USP and University of Fiji has been allocated \$3.4 million. These are taxpayer's money, Madam Speaker, and require accountability and transparency. So we strongly urge that the Government auditors (Office of the Auditor-General) be also allowed to audit how these grants are

utilised in these Institutions.

The double standards occurring in these tertiary institutions are questionable, it is like a cartel for some. One University of the South Pacific Director and Head of School or with so many roles, had recently got USP staff to pay for rental increase, despite the rental freeze by Government. If the argument is that, it is a regional institution so the Fiji law does not apply to them, this cannot be allowed. Fiji is the host country and the laws of this country are applicable to those who work here, unless they are on diplomatic immunity. The SODELPA Government will never allow such practices to thrive. We will conduct a performance audit in these institutions to ensure optimal value for money and fairness for our children's education and the staff welfare.

(Hon. Member interjects)

HON. SPEAKER.- Honourable Member, if further disruption is delaying the time, we will give you extra time.

HON. A.M. RADRODRO.- Madam Speaker, taxpayers of this nation continue to fund commercial institutions, like Fiji Airways. They continue to receive an allocation of \$18 million. Also the Public Service Broadcast with an allocation of \$11 million. Despite not bringing their annual reports to this House as earlier requested, Madam Speaker, they still receive these funding. Why? Where is the transparency?

Back to reforms in general, Madam Speaker, being championed by Government, you will agree with me that the Public Service Reform also being conducted through PwC and Strategic Pay Ltd, New Zealand, has to be about efficiency and effectiveness. It has to be focussed on service delivery based on merit and at a reasonable cost. As long as the distortion experienced by FNU and becoming prevalent in the Civil Service Reform needs to be checked, someone has to authenticate the work of this so-called reform agents, Madam Speaker, and not just take their word for it.

On that note, I urge our Government leaders to refrain from interfering in the day to day running of Ministries and entities. Whilst we appreciate that the role of Ministers is to interfere and oversight the daily operations of workers is now in the 2013 Constitution, we will caution that generally, such actions are not advisable. The democratic principle of separation of powers is advocated strongly, to ensure the non-politicisation of government service delivery.

Madam Speaker, SODELPA Government is going to do away with the current contractual system of government. We will reintroduce our policy of permanent status up-to 60 years for all civil servants, and we will ensure investment sectors are supported and grown to accommodate employment opportunities for our younger graduates. There is so much opportunity in this country to be realised, but the restrictive climate of fear is what is holding us back. We must Free Fiji again!

Madam Speaker, every month end, more than 54,000 of our people redeem their personal dignity and cue up at various outlets around the country. They do so to access their social welfare assistance, whether for child protection allowance, social pension scheme, food voucher or poverty benefit.

The increase is acknowledged. We acknowledge the increase in their allowances, it is much needed, but not many of our people should forgo their dignity for such assistance. This is the social cost we have to experience because of the forced 55 years retirement age directed by the FijiFirst Government, for example. This is also because of the drastic and illegal changes to the FNPF pension scheme. The numbers do not have to be so high. It will be a wonder for Government to investigate

how many of our former civil servants are on these social pensions, Madam Speaker, people who have been robbed of their dignity because of the unfair policies suddenly forced upon them.

The social breakdown signs of our nation are evident when we have about 75 percent of our youth, make up the total number of prisoners in goals around the country. This is close to 1,700 of our youth, Madam Speaker, languishing away in prison at the prime of their lives, majority of them I-Taukei, Madam Speaker. Why is prison the first option in our justice system? Are we about rehabilitating offenders or simply punishing them and creating a cycle of re-offending?

Madam Speaker, in the sugar industry, the budget for sugar has been doubled from \$27 million to \$60 million. Perhaps, this increase comes at the back of increased displeasure by farmers, especially those with sentimental ties to the industry, those who expressed concerns and anger at the closure of the Rarawai Mill.

You will agree, Madam Speaker that more than 200,000 of our population depend on the sugar industry for livelihood. I think it is important that the people of Fiji should know the truth of how the industry has evolved in the last decade and why we continue to fail today.

(Chorus of interjections)

HON. A.M. RADRODRO.- Madam Speaker, the loss of preferential price had been on the table for, at least, the last 20 years.

(Chorus of interjections)

HON. SPEAKER.- Order!

HON. A.M. RADRODRO.- The previous Government fully recognised the severity in the loss of the preferential price agreement...

HON. SPEAKER.- Order! Again, the interjections are getting too loud and are getting disruptive, please we want to hear the speaker.

You may carry on, Honourable Member.

HON. A.M. RADRODRO.- ... with the European Union (EU). Therefore, the SDL Government through the visionary leadership of Mr. Qarase did consultation with all stakeholders, including civil society organisations. They initiated programmes to ensure the industry continues to be competitive and relevant after the expiry of the preferential price agreement. A well thought out package and systemic approach was put into place to minimise the risk of the adjustments that needed to be implemented.

First, Madam Speaker, was the Alternative Livelihood Project (ALP) with the total cost of \$104.3 million which was supported by the Asian Development Bank (ADB). The Bank agreed to pay 93 percent, and the balance is shared amongst all stakeholders. To complement this loan, the EU provided \$350 million grant to support its adaptation strategies which was aligned to the ALP. In addition, Madam Speaker, export strategies was also developed and the revitalisation of the sugar industry was given priority. It was agreed for an annual allocation to be determined based on the gap and need.

To complement the ALP, Madam Speaker, the Rural and Outer Island (ROI) project was also

developed and approved in 2005. This was for a five-year period costing around \$229.1 million to support the diversification, away from the sugar industry with a multi-sectoral approach. Out of this total amount, \$34 million was allocated for rural infrastructure alone.

All those efforts, Madam Speaker, were thrown out the window by the Bainimarama-led Government. The ALP was cancelled and the ROI project was shelved. Instead, the Bainimarama-led Government engaged *Deloitte* at the cost of \$1 million, to prepare a restructuring programme of the sugar industry. Recommendations by *Deloitte* were much, much similar to the ALP which was implemented on piecemeal basis.

Madam Speaker, on that note, we cannot overlook Government's injection of over \$400 million into the Fiji Sugar Corporation (FSC) in the last 10 years as alluded to by the Chairman of FSC. Out of this amount, \$240 million was spent on cane growers. The result, Madam Speaker, is appalling. Despite the substantial injection into the industry, the performance of the industry continues to decline.

In 2006, Madam Speaker, we had 18,636 active growers, compared to only 12,872 in 2016, and this trend will continue. In terms of cane crushed, it has declined from 1.38 million tonnes in 2016, compared to 3.226 million tonnes in 2006. In terms of sugar production, it declined from 310,140 tonnes in 2006 to 139,502 tonnes in 2016. Madam Speaker, who is to be blamed?

Madam Speaker, earlier this year, the leader of the National Federation Party put forth a motion in this august House. It recommended a bipartisan approach to address the declining performance of our sugar industry but sadly, this was rejected by Government. Problems and challenges faced by the sugar industry today, Madam Speaker, was not caused by the previous Government, it was directly due to the lack of direction and vision of the FijiFirst Government, who should have taken a more holistic approach through dialogue and consultation with those stakeholders, who know the industry better than them.

Madam Speaker, on non-sugar agriculture, there is no doubt that the contribution of the agricultural sector to GDP continues to decline while other sectors are emerging. Agriculture's contribution had declined from 15 percent in 2005 to only around 6 percent today. However, it will continue to be a major backbone of our economy and remain very important for food security, acting as a safety net and buffer for majority of our population, Madam Speaker.

Whilst there is a rapid decline in the contribution of the sugar industry in the economy, non-sugar agriculture continues to increase. It continues to provide employment opportunities, foreign exchange earnings, and remains a constant reliable source of survival for us all. But the Budget allocation given for it does not reflect this, compared to the injection in the sugar industry.

We note that whilst the allocation for the sugar industry is mostly capital grant and has continued to increase, the allocation for non-sugar sector, however, has remained flat for the last three years. This year, for example, this crucial sector only received a mere increase of about \$9 million from its budget of \$74 million last year. This is another example of lip service to the non-sugar industry sector, despite the fact that 70 percent of our employment is provided by the non-sugar sector in our rural areas.

It becomes questionable, Madam Speaker, when important products like cocoa, vanilla, *dalo*, ginger and *yaqona* that can be alternative crops to sugarcane, have been granted a measly \$12.3 million. Government:

- needs to secure importers and markets for non-sugar products at a volume that will ensure growth and sustainability;
- has a responsibility to offer incentives and assistance packages for genuine participation in this industry; and
- needs to make available necessary capital to boost participation in this sector but this is not in this Budget.

Madam Speaker, when subsidies provided are not equitable for respective sectors, it can suggest bias on the part of decision makers. Following *TC Winston*, for example, *dalo*, ginger, cocoa, *yaqona*, *kumala* and other cash crops equally faced damages on their farms. They did not receive the kind of assistance and subsidies or loan write-offs as sugarcane farmers received. Why could the fertilizer subsidy be not also extended to other farmers in general? Why a discriminatory policy, Madam Speaker? We assure you that a SODELPA Government is going to provide equal assistance and equitable subsidies to all sectors and products and not just a selected few.

Madam Speaker, another issue that Government has failed to address is the inconsistency in price of alternative crops, like *dalo*, cocoa, *yaqona* and ginger, *kumala*, for example. These crops will continue to face challenges with farmers often being disillusioned because the prices of these products continue to fall without warning and are not set by Government to cushion fluctuation in prices. For example, on good days, price of *dalo* is usually \$5 per kilogramme. On bad days, it fetches a price of \$1.20 only per kilogramme. Government has not seen it fit to provide non sugar farmers with a set product price that is attractive enough to encourage more sustainable commercial farmers. Sugarcane has a set price by Government, so why can you not do it for non-sugar?

Madam Speaker, I also wish to speak briefly on the issue of agricultural road accesses. As stated earlier, despite this sector employing 70 percent of our rural workers, road access provision in the Budget received only \$2.5 million whilst sugarcane access roads got twice what was allocated last year, amounting to \$6 million. You cannot expect improvement when what farmers used to experience 30 years ago, is still experienced today.

There has to be equity, Madam Speaker, in the allocation of Government resources. All taxpayers equally, fund Government's coffers. Government is fond of bragging that their policies will not leave any Fijian behind. They must walk the talk and not just provide lip service. If the 2017-2018 Ministry of Sugar budget got over 100 percent increase, give the same to non-sugar.

Madam Speaker, on dairy, let me also point out that in the non-sugar industry, we also have our dairy farmers. This industry needs to be reflected in this Budget as a key area, but it is not. The 2017-2018 Budget allocation for dairy development received only \$800,000. Our dairy farmers have been receiving a gate price of around 80 cents per litre of milk and the high-handed requirements now mandated by Milk Chilling Centres are causing a loss to many dairy farmers. Their milk gets turned away with no proper explanations. This is an industry with sentimental value to many farmers. Treat them like the important economic contributors they are!

Madam Speaker, I would like to give a brief history of some concessionary measures given to this industry, so that it gives us an idea of where we are. Madam Speaker, in 2012, the import duty regime on dairy imports were as follows:

- 15 percent duty on imports by resellers of milk powder;
- 7.7 percent import duty on imports by approved re-packers of milk powder, butter, ghee, and;
- other dairy products all had 15 percent import duty.

Rewa Dairy Co-operative Ltd paid zero percent import duty to protect the dairy industry. It should be noted that the differential in duty rates between Rewa's zero percent rated duty was necessary to boost its production at the time. It should also be noted that the total market for dairy in Fiji was 75 million litres of milk, and local production was 13 million litres. The difference is imported.

From November, 2012, Madam Speaker, as per the Budget announcement for 2013, those import duties above were raised to 32 percent after 80 percent of Rewa Dairy Co-operative Ltd was sold to Southern Cross Foods, the company being called Fiji Dairy Limited (FDL). The other 20 percent of Fiji Dairy Limited remained with Rewa Dairy Co-operative Ltd.

Some questions to determine will include:

- the conditions of Agreement between Southern Cross Foods and Fiji Dairy;
- how much commission on sales are charged by Southern Cross;
- how much management fees is charged by Southern Cross Foods to Fiji Dairy as marketing fees; and
- how much dividend has been paid to Rewa Co-operative to-date?

No one knows all those, Madam Speaker, unless the Agreement is tabled for the sake of transparency.

An urgent audit also needs to be carried out to determine this very suspicious arrangement, Madam Speaker. It should be noted that the 2009 Budget announcement stated that the duty concessions to Rewa Dairy Co-operative Ltd will phase out in two years. What happened? That was supposed to occur in 2011, if we have to believe in what was announced, so who is favouring who?

Since Fiji Dairy Ltd was formed in 2012 and controlled by Southern Cross Foods, local production of milk has dropped from 13 million litres to less than 8 million litres. It seems FDL is more interested in importing milk powder, UHT milk, butter, et cetera, and reselling them instead of investing in practices to increase local production of fresh milk when they acquired 80 percent of FDL. Currently all importers of milk powder, UHT milk and butter are subject to stringent price control by the Fijian Commerce Commission, whilst FDL is exempt from wholesale price control. This is daylight robbery, Madam Speaker. It is protectionism but unwarranted because the entities involved are not totally all State owned. Why does FDL have to specially benefit from continued concessions?

Madam Speaker, with the inflated price of dairy products in retail outlets, these profits need to trickle down to the farmers. It would be fair for Government to consider giving dairy farmers an increase in milk gate price of, at least, \$1.50 per litre. Imagine, Madam Speaker, this nation is being held to ransom by a commercially owned private company at the expense of consumers and hardworking dairy farmers. How sick is this, Madam Speaker!

I will focus a little, Madam Speaker, on my other shadow portfolio which is infrastructure and transport. On Fiji Roads Authority (FRA), Madam Speaker, we could not easily ignore the quiet and fast exit of the FRA CEO recently. It is laughable that three years ago in this very House, I had highlighted that these expatriate consultants were chewing up a good chunk of the FRA budget and their assumption of responsibility was always going to be questionable.

FRA continues to receive big budget allocations and this year is no different with \$527 million. What is of concern is that, a similar amount was captured as their allocation in the 2016-

2017 Budget which was later revised to \$461 million in the 2017-2018 Budget Book.

Madam Speaker, I have already stated earlier that this Government has a habit of making grand pronouncements when in reality, it is a different story. No wonder, our roads are in deplorable conditions and development is concentrated where the eyes can see daily. Sadly, for most of our people who still have broken bridges and damaged roads, the out-of-sight and out-of-mind platform is obviously at play. There is an urgent need to review the current outsourcing arrangements in FRA and conduct a value for money audit of the entity.

Madam Speaker, with a SODELPA Government, we will do away with the outsourcing arrangements currently practiced by FRA, who use re-contracting through third party contracts to carry out works. We will heighten the training of our locals to better manage our road networks.

On the issue of FEA subsidies, Madam Speaker, the Budget announcement failed to elaborate whether the 100 kilowatt subsidy that has been announced will benefit cash power consumers as well. Most of our rural areas are energised through cash power and they are the ones who also often face the bulk of the challenges of everyday living. We are hopeful that they will not continuously be discriminated against.

On the announcement of the lifting in the Public Service Vehicles Permit freeze, I am simply concerned that opening up the market again at present, without first determining what the need is in the community, can lead to the current service providers losing business to the added competition. It is not a secret that many have questioned the fairness of Government application of the freeze since 2011, especially when certain permits continued to be granted to a certain group of people, whilst the ordinary person walking off the streets into LTA were not able to obtain the same favour. Veivueti taxis, for example opened in 2013 by the Honourable Prime Minister, Coastline Transport Limited in Sigatoka, and other minivans whom we have taken note of, were favoured despite the freeze.

On the number of permits an individual can have once the freeze is lifted, we are optimistic that Government will make the conditions known publicly to address confusion. Recently, I officially corresponded to my Honourable colleague, the Honourable line Minister, raising some of these concerns. Perhaps, my correspondence has urged Government to lift the PSV freezes and if so, then we are grateful that Government does take note of the Opposition's contributions.

Madam Speaker, on the proposed change for the third party insurance policy to be managed by LTA, the question is; if there is capacity in LTA to carry out this function? It will be interesting to know how much revenue will be earned from this arrangement. The current average third party rate, Madam Speaker, is around \$70 for average private motor vehicles. It is not clear from the budget presentation, how much it will now cost vehicle owners.

Still on that, Madam Speaker, we wonder whether the Honourable Minister for Economy genuinely consulted the various insurance companies involved in third party insurance. Has Government considered their loss of property and possible unemployment to their staff, as a result of this regulatory change? Is Government ready to pay out compensation to the insurance companies for their expected loss under Section 27 of the 2013 Constitution, and if so, how much is this likely to cost taxpayers? If this was a SODELPA Government, we would have conducted genuine consultations.

Madam Speaker, we have spoken about an increased expected workload for staff. On that note, we see that Government grants being provided for LTA is \$23 million for operations and \$5.6 million for capital. We are optimistic that within this provision and in acknowledgement of the

revenue returns LTA has paid out to Government, staff will also be able to benefit from a salary increment.

On Tertiary Education Loans Scheme (TELS), we have noted a major increase in allowances for students of \$50 million under TELS. A SODELPA Government will not burden our young people with debts, even before they have had a chance to get jobs.

This loans scheme, Madam Speaker, is very dangerous, and the sooner our young people realise this, the better. The truth of the matter is that, this Scheme has created a low income economy in last few years which will see our children stuck in a certain low income bracket because of loan repayments. For example, a graduate teacher salary is \$12,000 upon entry into the workforce. If they owe \$12,000 loan, that means they will be paying that amount back with interest for a certain period. This means that for a number of years, they can expect to receive just a certain amount of money.

Professor Colvin of the USP, recently commented that the loans scheme for students was always going to be a concern. He suggested that the system should be reviewed properly for similar practices internationally, like in Australia and New Zealand, has revealed high amounts of debts from unrecoverable student loans, not to mention the absence of a real correlation between the same level of funds loaned to students to commensurate into graduates for the workforce. In fact, Madam Speaker, it would be in our collective interest to find out from our tertiary institutions the percentage of graduates they are churning out into our employment, sector who benefitted from TELS.

Madam Speaker, I do not know whether many have realised that in this Budget, FRCA has been given additional responsibilities. They will now also be the loans debt recovery point for TELS. This is a shift from the tax office's primary role as tax collectors. We have to ask whether this policy expansion means the loans by our children under this Scheme is now classified as a tax burden on them individually.

Not only that, Madam Speaker, we have to bring in the guarantors into this picture. If we are to allow our imaginations to run wild, this seems to be getting more horrific, as we know avoidance of tax has its own laws that can even mean prosecution. Already, there have been many instances where our young people have been turned away from travelling abroad at our airports because they failed to obtain travel approval by TELS. Is this going to be an extension of their misery?

Madam Speaker, we will now urge all our young people to be very cautious as they make their choices in next year's election, given these kind of draconian laws. Madam Speaker, a SODELPA Government believes our children should not be saddled with debts that many will not be able to ever repay. Global examples of similar loans programmes have shown how they have failed in many instances. So a SODELPA Government is committed to removing the current TELS programme and we will offer an attractive package that does not burden them with debt and instead, incentivises our children to actually work hard and get into employment.

Madam Speaker, on the casino licence granted to FNPF, the question to ask the Honourable Minister is; what has happened to One Hundred Sands? How much have they paid to Fiji's RBF? Did they pay anything at all? How much is it costing us now to take them to court? This Government is so fond of jumping into everything and yet, they do not take the time to widely consult on it to determine the general feeling of people on this sensitive subject that has contributed both, positively and negatively to many international markets.

Madam Speaker, I now wish to briefly speak on the village bylaw consultations that has been allocated \$100,000 in this 2017-2018 Budget. Firstly, SODELPA hopes that the FijiFirst

Government is aware that these village bylaws have always been there. Our question is; why do we have to enforce it now? Whose idea is it to do this? Does Government realise it cannot inflict its will unnecessarily on a group of people? If this were any other ethnic community, would we dictate to them how to dress and when to meet or go to church?

Of course not, Madam Speaker, that would be the height of insensitivity! What is Government's fixation on controlling people and dictating their lives? The reactions from various villagers and youth groups during consultations were that, more time was needed for them to consider the presentations. That should be an indication that all is not well, that our villagers are weary and are not happy.

Madam Speaker, on that note, Government has announced a 15 percent increase in allowances for *Turaga-ni-Koro* and District Advisory Councillors. Government is even dictating that they all need to perform. For the *Turaga-ni-Koro*, they have been allocated \$1.6 million in allowances. For the *Mata-ni-Tikina*, their allocation is \$429,000. However, the *Mata-ni-Tikinas* have not been given an increase in their allowances, as far as the budget is concerned. For the District Advisory Councillors, their allocation is \$740,000 for allowances.

Overall, Madam Speaker, we have to say that this increase in allowances is questionable. It seems that *Turaga-ni-Koros* and Advisory Councillors, as well as *Mata-ni-Tikinas* have a fulltime role now. They might as well be civil servants, Madam Speaker! In that case, if they become civil servants, Government should pay their FNPF as well and receive fortnightly pay. If you must use people, then accord them full recognition, not just piecemeal support!

Madam Speaker, may we now look at Head 50 - Miscellaneous Services. A total of \$628.1 million has been allocated under this Head which is \$19.3 million for capital construction, \$44.7 million for capital purchase and \$442.1 million for capital grants and transfers.

Madam Speaker, my limited understanding is that, funds that are allocated to Head 50 are those that require additional scrutiny for disbursement and stringent monitoring procedures. Most importantly, funds for contingency purposes, like natural disasters are placed under this Head. All the allocation is under the authority of the Honourable Minister for Economy.

It is interesting to note that the total allocation has increased from \$133.4 million in 2012 to \$628.1 million in the 2017-2018 Budget, a five-fold increase of about 300 percent. This allocation even represents 14 percent of the total expenditure budget of \$4.4 billion for the 2017-2018 Budget. This does not include the other portfolios of the Honourable Minister and the funds that are under requisition in other Ministries and which, according to Government Financial Regulation, will require his approval for disbursement. So if you add all these up, Madam Speaker, the Honourable Minister for Economy is probably personally in control of around 35 percent of Fiji's Government Budget. This is a clear indication of too much power in the hands of one person and perhaps, lends credence to what the former FijiFirst Member of Parliament, Lt. Col Pio Tikoduadua, and Diplomat Robin Nair, had recently revealed that in Government, power is concentrated in the hands of two.

Madam Speaker, to conclude, by contrast, this Budget favours the rich and the elite. It punishes people who cannot afford it. Worse than that, Madam Speaker, it speaks of a lack of vision, a lack of compassion and a lack of understanding of what makes this country great. It shows that the FijiFirst Government is wrong about wanting to leave no Fijian behind. They are already doing it. Hundreds of people are losing their jobs and being exposed to harsh conditions overnight, and are crying.

Madam Speaker, Fijians deserve so much better than this. They deserve a government that will ensure real stability and freedom, and not one patrolled by the defence forces and draconian tax laws or FICAC laws. They deserve a government that truly ensures equal participation in nation building, and an equal and equitable share of the cake, a government that forges understanding between the major races in Fiji, and fosters national reconciliation and healing; a government that allows businesses to run without constant interferences and allows civil servants and the ordinary workers of this country not to constantly look over their shoulder when they want to talk about job security and better remuneration packages.

Madam Speaker, Team SODELPA will do all that! We will Free Fiji! And May God Bless us all. Thank you.

HON. SPEAKER.- I now call upon the Minister for Health and Medical Services to have the floor.

HON. R.S. AKBAR.- Thank you, Madam Speaker. Honourable Prime Minister, Members of the august House, our visitors in the gallery; *ni sa bula vinaka* and a very good morning to you all.

Madam Speaker, I rise today in support of the 2017-2018 Budget in this august House. Madam Speaker the Budget that was presented by the Honourable Minister for Economy on Thursday, 29th June, 2017 is indeed a people's budget, forward thinking, forward looking, all inclusive and not leaving any Fijian behind. Like the Honourable Shadow Minister for Economy said, "Father Christmas came early". It is good to note that the Honourable Aseri Radrodro agrees that Christmas came early through this Budget. Christmas, Madam Speaker, is a time of sharing joy and brings good tidings to the people. So I thank the Honourable Aseri Radrodro for saying that – the budget did bring job and good tidings to all the Fijians and indeed a time to celebrate. I am excited, Madam Speaker.

Madam Speaker, on another note the Honourable Aseri Radrodro did mention a few things which I would like to draw the attention of the House before I move onto my contribution. He mentioned something about the sugar industry on the Rarawai Sugar Mill, Ba. Madam Speaker, I come from a farming district and I also own a cane farm so I can tell the Honourable Members on the other side, "Rarawai Mill is in Ba and it is fully operational and the mill in question is Penang." So if the Opposition cannot get the name of the mill right, Madam Speaker, with an economist, cane farmer and the Shadow Minister for Economy on the other side, one can only wonder what they will get right.

Madam Speaker, as expected from the Opposition, the Honourable Shadow Minister for Economy's speech has nothing positive to say about this budget. It is simply an ongoing case of lost logic for the Honourable Members on this side of the House.

Madam Speaker, coming to the Ministry of Health and Medical Services, as a Minister I warmly welcome the budget and I thank the Honourable Minister for Economy for our Ministry's allocation for 2017 and 2018.

Madam Speaker, the Fijian Constitution enshrines health as a fundamental right for all our citizens. Consequently, my Ministry, the Ministry of Health and Medical Services is responsible for ensuring that all Fijians have access to reliable, quality health and medical services, regardless of where they reside in Fiji.

I am pleased to report to the Honourable Members of the House that through the 2017-2018 Budget, the FijiFirst Government has delivered an increase of over FJ\$77.2 million, or almost one third in the Ministry of Health and Medical Services' budget. The total budget for the Ministry of Health and Medical Services is \$321.2 million, comprising of \$251.6 million for operating expenditure, \$56.7 million for capital expenditure and \$13 million in respect of VAT.

In addition, a total of \$66.5 million is being provided by the Ministry of Civil Service to fund doctors' salaries, gratuities and training. That means an overall health sector budget of \$387.7 million.

Madam Speaker, I know that when we talk about health care, we often focus on the work that our doctors and nurses do every day in hospitals, health centres and nursing stations throughout Fiji. But we must not overlook the vital contribution that Ministry staff also make in keeping people well and out of hospital.

In that context, I draw Honourable Members' attention to the fact that Fiji now has child immunisation coverage rates that are among the best in the world – as high as 98 percent according to one recent survey. Madam Speaker, what that means is our children are protected against deadly and disabling diseases.

Our maternal mortality rate – mothers dying during childbirth – was lower in 2016 than at any time during the current century.

The rate of amputations for diabetic foot ulcers reduced by more than two-thirds between 2011 and 2016 – a reflection of better care and support for people affected by diabetes.

Five out of every six girls in Year 8 are now immunised against the Human Papilloma Virus which is a major cause of cervical cancer – itself one of the major killers of women in our country. Madam Speaker, our smoking rate among both males and females is lower than that of most other Pacific countries.

Madam Speaker, the Ministry's work in protecting Fijians against disease, supporting them in their efforts to lead healthy lifestyles and seeking to eliminate the risks of unhealthy environments is all too rarely acknowledged but it is indeed vital work – and work with this Budget will enable us to sustain and grow.

The total sum allocated to Public Health Services in the 2017-18 Budget is FJ\$8 million – a one third increase on the equivalent sum in 2016-2017. Madam Speaker, these funds will support the work in many programme areas including just to highlight three – enforcement of tobacco control , HIV/AIDS prevention and control and adolescent reproductive health.

Our efforts to build healthier Fiji will also be helped by the 15 percent increase in excise tax on cigarettes, tobacco, alcohol and sweetened and carbonated drinks. That is the most welcome move from a health perspective and underlines our efforts to encourage everyone to take more responsibility for their own health and wellbeing. Needless to say, Madam Speaker, much attention will continue to focus on the work that is done every day in our hospitals and other health care facilities.

Madam Speaker, for the information of the House, the Ministry of Health & Medical Services is responsible for the operation across Fiji of:

- three main Divisional Hospitals;

- two Specialist Hospitals (St Giles and Tamavua Twomey);
- 18 Sub-divisional Hospitals;
- more than 80 Health Centres; and
- almost 100 Nursing Stations.

I cannot deny that we continue to face challenges in ensuring that all Fijians can have convenient and timely access to the high-quality outpatient and inpatient services that they are entitled to expect in today's world. But, Madam Speaker, we are making progress and this budget will enable us to accelerate the pace of positive change.

Madam Speaker, the Budget provides ongoing funding for the Ministry's Customer Care Centre which was launched last month. The whole rationale behind this Customer Care Centre is to listen to our people. This new service, Madam Speaker, can be accessed by any Fijian free of charge by phoning or texting on 157, or by email, and will help us to build a better understanding of what we do well and where we need to do better.

I am pleased to report that, in its first few weeks of operation, the Customer Care Centre has received more calls from people wanting to give us positive feedback on the service they had received than people who sought to complain about staff attitudes and who consider the treatment to have been unsatisfactory.

Madam Speaker, our national network of hospitals, health centres and nursing stations is a valuable asset but not all of my visits to those facilities have been entirely satisfactory. In some instances, I have been disappointed by the poor state of buildings where we expect our staff to work and our patients to be treated. I have made no secret of my wish to tackle the backlog of repairs and maintenance in buildings and equipment. With that in mind, I am pleased to note that the Budget provides the Ministry with almost \$4 million to support the upgrade and maintenance of urban hospitals and institutional quarters such as our staff housing.

In addition, the Budget provides a further:

- \$4.8 million for maintenance of sub-divisional hospitals, health centres and nursing stations;
- \$1 million for ongoing rehabilitation of health facilities following *TC Winston*; and
- \$2.5 million for divisional development projects.

Madam Speaker, that is a total of more than \$12½ million earmarked for improvements to existing facilities. Much of that will be used to ensure our facilities are better able to withstand the emerging risks posed by climate change.

Madam Speaker, the Budget also provides additional funding for biomedical equipment, hospital beds and furniture and fittings in our health facilities.

We know that the population in some parts of our country is growing rapidly and health services need to keep up with those changes. The busy Suva-Nausori corridor is perhaps the most familiar example. In other places, older facilities are no longer fit-for-purpose. That is why the Budget provides funds totalling more than \$27 million for new or extended hospitals and health centres namely Makoi, Ba, Navosa, Nakasi and Rotuma together with extension of the Maternity Unit in Suva's CWM Hospital. These investments will reduce congestion in waiting areas and provide facilities that local communities can be proud of. Of course, buildings are only a part of what is needed to deliver health care to our people. We also need the doctors, nurses and other health professionals who are available to work in those buildings and provide the services our people need

Madam Speaker, the 2017-2018 Budget provides funding for an additional 150 doctors and 200 nurses which will greatly improve our doctor-population and nurse-population ratios. As they take up their posts, we will see a greater range of services becoming available in our smaller, rural communities and improved access to services in our major divisional hospitals.

Recruitment of additional staff means we will also be able to offer extended opening hours in some of our busier health centres, beginning with the Health Centre in Valelevu which is set to start operating on a 24/7 basis before the end of this year. While recruitment of doctors is underway, Madam Speaker, we will continue to use locum doctors to ensure continuity of services during peak periods in selected health facilities.

Madam Speaker, people living in remote locations should not be denied access to essential services when they need them. With that in mind, the budget provides \$2.2million to meet the cost of charter flights and other transports needed for emergency evacuations. There will, of course, be some highly specialist services which cannot practically be offered locally. For patients who need those services, the Budget provides \$1.3million for Overseas Treatment.

Madam Speaker, I shall now move on to the issue of pharmaceuticals and consumables - essential supplies that our health professionals need to do their jobs effectively.

I am on record as acknowledging that we have, at times, struggled to ensure that all our facilities have reliable access to drugs and consumable items. I have explained that the situation is not new. It is one I inherited and one which had beset our health system for many many years before I took up my current role

The Budget provides a significant boost by allocating a total of \$27.7 million for consumables, medicines and medical appliances – an increase of \$3.7 million. Increased funding for drugs and other supplies will enable us to hold more stock in-country and help to reduce the risks of stock-outs occurring due to the long lead times we often face when importing items from overseas. In addition, our plans to increase the use of digital X-ray technology mean we will be less reliant on obtaining regular supplies of the chemicals from overseas that are needed to process older style X-ray films.

Madam Speaker, the Budget also provides additional funding to support updating our IT system and our pharmaceutical supply system and, coupled with planned changes to senior staffing arrangements. I am optimistic and hopeful that we are starting the long journey of improvement. At the same time, Madam Speaker, the Government's Free Medicine Programme will continue to ensure that those who are in most need are not denied access to essential drugs.

Madam Speaker, it would be remiss of me not to highlight two further aspects of this most exciting health budget.

First, I am very pleased to note the significant increase in salaries for our nurses, midwives and nurse practitioners. They are the true backbone of our health system. Their caring and dedication is an inspiration to us all. Through this Budget, nurses' and midwives' salaries will rise by an average of 14 percent. There will be bigger increases for our specialist nurses and our expert nurse practitioners will receive up to 74 percent more in their pay packets. Of course, this indeed boosted the moral of our staff and I received many positive feedbacks about how the level of service delivery will increase with this boosted moral.

My second highlight is the allocation of \$1 million to set up a new National Kidney Research and Treatment Centre in Suva. This will be a state-of-the art facility that will offer at least 10 dialysis chairs, a peritoneal dialysis training unit which means that patients with kidney failure can treat themselves at home, outpatient clinics and a kidney disease research unit.

Madam Speaker, on that note I fully support the Civil Service Reform as the civil servants will be remunerated on merit and performance.

Details of the plans for the dialysis centre will be developed in the coming months. As far as dialysis services are concerned, it is expected to operate along similar lines to the service that is provided in Labasa and, by offering greater choice and competition, should see a reduction in fees charged to patients.

Needless to say, Madam Speaker, I am very much pleased the new centre is being established and I must again repeat my words of caution that dialysis is not a cure for kidney disease. It is not a life-saving intervention but rather it is a life-extending intervention. A recent study which looked at patients undergoing dialysis in Australia and New Zealand found that just over 6 percent died within six months of starting treatment.

Dialysis is not a lifestyle option. It is costly, time consuming and unpleasant. We need to emphasise to all Fijians the importance of avoiding NCDs especially diabetes or, if they are already affected, they need to comply with the treatment regime to avoid their conditions deteriorating. It is possible to live for many years with well-managed diabetes without the need for dialysis.

Madam Speaker, in conclusion, I must say that I am privileged to be responsible for our health system and I am honoured that the Government has seen it fit to support my efforts and those of the many hardworking staff in the Ministry of Health & Medical Services by providing such a substantial increase in the resources at our disposal.

Fiji faces many health challenges. We shoulder what is often termed a double burden of disease. We still face the constant threat of communicable diseases which many wealthier countries have eliminated or reduced in significance. At the same time, we are facing a growing epidemic of non-communicable diseases, sometimes called ‘lifestyle diseases’, which stem from changes in our diets, our exercise habits and our use of tobacco and alcohol. It has been claimed that in some countries, the growth of NCDs will mean the steady increases in the life expectancy which we have enjoyed for many generations could be reversed. For the first time ever, the average child may die younger than her or his parents and that is truly a disturbing prospect.

The threat posed by NCDs in Fiji is real and present. It cannot be ignored. Our health system can play its part and the resources allocated in the Budget will make a real difference, but doctors and nurses, medicines and X-rays can only do so much. We need to get the message out to all our people that they must play their part by making healthy choices – cutting down on fatty, sugary and salty foods, drinking alcohol in moderation - if at all, quitting smoking and ensuring they get at least 30 minutes of exercise every day.

Madam Speaker, the Sustainable Development Goals set out clear objectives that we must strive to meet by the year 2030. SDG 3 focuses on ‘Good health and Wellbeing’ and commits us to several specific targets. One of those is to reduce premature deaths from NCDs by one-third. That is an ambitious target but it is one we can, and must, achieve. The health sector is here to help. Of course, we all need to do our part.

Madam Speaker, we also acknowledge and thank the many development partners whose contributions play a vital role in supporting our health system. I also wish to put on record my appreciation for the work done by the volunteers and charitable organisations here in Fiji and overseas who are so generous in their gift of time, skills and other resources to deliver or fund much-needed services.

Madam Speaker, a strong and effective health system requires collective effort from Government, staff and a diverse range of stakeholders and for that I thank everyone involved in this.

The 2017-2018 Budget, Madam Speaker, will equip us to work together and do much more. But we also need the community to work with us and alongside us as we strive to build a healthier, happier Fiji. That is a goal, Madam Speaker, and Honourable Members we all must share.

With that I commend the Budget to the House.

HON. SPEAKER.- Thank you, Honourable Members. We will now take a break to have refreshments. We will suspend the sitting until 11.30 a.m.

The Parliament adjourned at 11.05 a.m.

The Parliament resumed at 11.30 a.m.

HON. SPEAKER.- Thank you Honourable Members, you may be seated. I now call upon the Honourable Prime Minister and Minister for iTaukei Affairs, Sugar Industry and Foreign Affairs to have the floor.

HON. J.V. BAINIMARAMA.- Thank you Madam Speaker. Madam Speaker, I rise to make my own response to the 2017-2018 Budget and I do so with great pride because the FijiFirst Government has kept its promise to the Fijian people, to govern in the interests of everyone, to manage the economy responsibly. And as I also shared with the people of Kadavu last week, as the economy grows, to share the benefits as widely as possible and especially with those who need them most.

With this Budget, Madam Speaker, we have again kept the faith with our people - every Fijian worker and especially the young, the elderly and the vulnerable.

We have produced a blueprint that is in their interest above all else. And I want to pay tribute to the Honourable Attorney-General and Minister for Economy and his hardworking team for their dedication and commitment; thank you very much, Madam Speaker, because I think the 2017-2018 Budget is not just imaginative. It is brilliant, it is a brilliant Budget and because so many people are telling me the same thing, I know that much of the nation shares that view.

Madam Speaker, before I continue, I especially want to congratulate the Honourable Attorney-General and his wife, Ella, on the arrival on Friday of a new member of their family - a baby girl called Iman. It is obviously the happiest of times for the entire family and I am sure that every Member of Parliament joins me in wishing them well.

That family of course, Madam Speaker, includes the new baby's grandfather on the other side, the Honourable Viliame Gavoka, who has an even bigger grin on his face this morning than usual.

(Applause)

Hopefully, Madam Speaker, his excitement will mean that his own contribution to the Budget debate will be a lot more positive than usual.

(Chorus of interjections)

HON. J.V. BAINIMARAMA.- But also, Madam Speaker, we also want to wish him Happy Birthday! He celebrated his birthday last Saturday morning, so congratulations!

(Applause)

I understand, Madam Speaker, the Attorney-General was full of celebration because of the two events.

Madam Speaker, our political opponents are saying that this is an Elections budget, but Madam Speaker, every Budget is an Elections budget ...

(Chorus of interjections)

HON. J.V. BAINIMARAMA.- ...because, Madam Speaker, we govern at the behest of the Fijian people and we are in the business of being re-elected to continue the transformation of our beloved nation to take its rightful place in the world.

(Chorus of interjections)

HON. J.V. BAINIMARAMA.- Everyone knows Fiji required true transformation and this transformation must continue.

Madam Speaker, our people are already standing tall and proud in the knowledge that their living standards are better than those of their forebears and they want this transformation to continue so they can be sure that the living standards of their children and grandchildren will be better than theirs.

This is not on the back of one budget, Madam Speaker, but successive budgets over the past decade. Each of them, building blocks that we are putting in place year by year to achieve our vision of eventually becoming a fully-fledged modern nation state. You see, Madam Speaker, we have a vision. The other side of the House do not have one.

(Honourable Members interject)

HON. J.V. BAINIMARAMA.- We have a vision for our country and the direction we should take to become a fully-fledged modern state. The other side has no vision at all. If they have one, Madam Speaker, it is only at the end of their noises because their vision is just to move from there to here and when they get here, Madam Speaker, only God will help us.

We are not fixated on short-term political gain like those opposite, except of course those on the opposite right corner there. We have a plan to place Fiji in the best possible position to achieve greatness, and we have been doing that.

One nation, one people, moving forward together and leaving no-one behind and I will again be going to the next Elections with the Attorney-General and Minister for Economy by my side with the rest of the 49 candidates, asking the Fijian people to enable us to continue to lead that journey.

It is the same successful team that has produced the transformation of the past decade. Stability, confidence, consistency, innovation, genuine progress and empowerment. And, of course, our success in managing the economy will be a cornerstone of that campaign.

(Honourable Members interject)

HON. J.V. BAINIMARAMA. – Madam Speaker, when the Fijian people put their trust in us again in 2018, it will be because each year the budget has built on the achievements of the last.

(Honourable Members interject)

HON. J.V. BAINIMARAMA. – And they can look back over the past decade and see that the Government's reforms have made a real difference to their lives; the lives of their families and the life of our nation.

Madam Speaker, we have now had eight successive years of economic growth in spite of the natural disasters that have cost so much heartbreak for ordinary Fijians. Eight years in which the

national pie has grown steadily bigger so that we can give everyone a larger slice. We are set to grow the economy this year by 3.8 percent and we are on track for a record decade of growth. Something that has never happened before in the post Independent Fijian history, but that can only happen if FijiFirst wins the next Elections.

(Honourable Members interject)

HON. J.V. BAINIMARAMA.- Oh yes, Madam Speaker, when that Elections eventually come around, I will be going to the Fijian people saying: “Don’t take my word for it. Look at the facts”.

(Laughter)

The evidence is all around you and decide for yourselves when you cast your vote, who is best placed to ensure your future economic security? Who is best placed to guarantee a viable future for our nation in an uncertain world? Who is best placed to move Fiji forward?

Madam Speaker, we have united our country after decades of uncertainty and turmoil. We have given everyone a common identity, a sense of belonging. We have guaranteed the rights of everyone under a Constitution that is a model for other nations.

(Honourable Member interjects)

HON. J.V. BAINIMARAMA.- We are empowering more Fijians than ever before, building a more inclusive society.

(Honourable Members interject)

HON. J.V. BAINIMARAMA.- We have provided free schooling and scholarships and tertiary loans for our young people to achieve their full potential. We have strengthened the safety net for the disadvantaged, the sick, the disabled, our pensioners, our women, our children and our youth. For the first time, Madam Speaker, individual *iTaukei* landowners are assisted to develop their own land.

(Honourable Members interject)

HON. J.V. BAINIMARAMA.- Madam Speaker, we are transforming our infrastructure – our roads, our ports and airports. Access to electricity and water systems has increased exponentially. We have enhanced our *mana* in the world and are leading the fight to save our oceans and the campaign of global action on climate change.

(Honourable Members interject)

HON. J.V. BAINIMARAMA. – And underpinning all of this is the responsible management of our economy. Because as Bill Clinton - the former US President - once said when someone asked him about the key to political success: “it’s the economy, stupid”.

(Laughter)

Without sound economic management, without economic empowerment of individual citizens, no nation can function properly and achieve its full potential. And the main reason Fiji is

functioning better now than in the entire period since independence is that this Government has the economic settings right!

Madam Speaker, we understand how a modern economy works. We understand finance. We understand commercial potential and realities. And we are eager to draw on the best possible advice of others. Because global conditions are changing all the time and small nations can be very vulnerable to those changes. So we are also working closely with all our development partners. And they have endorsed our general economic direction, including the level of our national debt.

Our opponents say that debt is too high. Well, it is not – very simple - and this is also according to many, including the World Bank, the Asian Development Bank and the ratings agency, Moody's. These are, Madam Speaker, experts in such matters, not those from the opposite side (or the *Fiji Times*, the Opposition Times) as it is called now.

Madam Speaker, unlike previous governments in Fiji, we are only borrowing to build for the future.

(Honourable Members interject)

HON. J.V. BAINIMARAMA.- We are borrowing to invest in new infrastructure or improve the infrastructure we already have. And all over the world, targeted infrastructure spending is acknowledged as a key generator of economic growth.

Madam Speaker, I will leave it to the AG and my other Ministers and Parliamentarians to respond in detail to the Opposition's sniping at aspects of the Budget. The inconsistencies in their arguments, the irrelevancy of their arguments. Their unrelentingly negative approach. But as I have witnessed the responses of opposition figures over the past nine days, I have come to realise that they just do not get it. They have no idea how a modern economy works.

(Honourable Members interject)

HON. J.V. BAINIMARAMA. – All they can do is home in on the inconsequential with no appreciation for the bigger picture. Picking out small things to quibble with instead of viewing the Budget as a whole. And understanding how every moving part relates to the other and contributes to the effectiveness of one big machine moving our nation forward.

Madam Speaker, it is a bit like someone who looks at a beautiful baby girl and says “oh her left eyebrow is crooked”. So what? She is still a beautiful little baby. These critics pick at the margins and contribute nothing in the way of constructive input about how our economy could be managed better, no alternatives. And instead of examining their own abysmal records as economic managers or their proposed economic policies, their supporters in the media and I have heard on the blogs slavishly parrot their complaints.

That is all right, Madam Speaker that is democracy. You really cannot legislate against stupidity.

(Laughter)

But all I ask the Fijian people to do is to examine our record. Examine the facts. I have said it before and I say it again. Unlike my political opponents, I have a fundamental respect for the intelligence and common sense of the Fijian people. I do not lie to them. I do not spread false rumours or prey on their fears. I do not seek to divide and rule. I trust their judgment, and I know that when it

comes to choosing who is best to govern them next year, they will exercise that judgment and make the right choice.

When they read the details of this Budget or have it explained to them honestly, they can form their own opinion. But the one thing I respectfully ask them to ask themselves is this: Am I better off now than when I was 10 years ago?

(Chorus of interjections)

Do I have more opportunity now than I had 10 years ago? Do my children have more opportunity now than 10 years ago? Is Fiji in a better position now than 10 years ago? Are we all being treated equally and with dignity? And I believe the resulting answer to that is a big yes.

(Chorus of interjections)

HON. J.V. BAINIMARAMA.- Madam Speaker, there are so many positive aspects in this Budget but let me concentrate on a few. What we have done as a Government is to directly improve the lives of ordinary Fijian people. The hardworking men and women who are the backbone of our nation as well as their children; the many tens of thousands of bright eyed young people striving to reach their own potential and in whom the hopes of all of us rest for a better Fiji.

Madam Speaker with this Budget, we have put more money into the pockets of ordinary Fijians - ordinary households than at any other time in our history. And we have done it by raising the tax threshold, the point at which people pay any income tax at all - from \$16,000 a year to \$30,000 a year.

This, almost doubling of the tax threshold, dramatically improves the disposal income and consequently the living standards of our lower income-earners. I do not know if they understand that, Madam Speaker. It means that the single income household can keep every cent of any amount up to \$30,000 that the bread winner earns. And in two income families, every cent up to \$60,000. No tax - all yours.

More money in peoples' pocket to spend as they choose. And as they use that spending power to buy more goods and services, the positive effect multiplies. The demand they generate, generates more power in the wider economy. More demand, more growth, more wealth. More small to medium businesses, which also means more people leaping over the income tax threshold, contributing to the nations coffers and enabling us to expand our social programmes to assist those who are most in need.

Madam Speaker, to meet our social obligations, we require greater social responsibility on the part of some of those higher incomes. So we are saying to those who earn more than \$30,000 a year and especially our top earners that we expect you to meet your tax obligations to enable us to fund our programmes. Very simple!

Whether you are an individual or a business, you must pay your rightful share and if you want to rip off your fellow Fijians - whether by avoiding tax or charging more than you should with the items you sell, we intend to hold you to account, which is why I am especially proud of those measures in the Budget that are designed to protect ordinary consumers from the predatory practices of selfish and dishonest business owners.

When a supermarket chain is penalised for \$53 million for tax evasion, it says a lot about

some people's values. But it also says a lot about this Government's values when those people are bought to account for ripping off their fellow Fijians because above all, Madam Speaker, we believe in fairness. A fair go for every Fijian, no matter who they are, or where they come from and at every level, we are striving for fairness in the system so that people are not ripped off. They are not disadvantaged.

Madam Speaker, no-one would like to see the basic hourly pay rate for unskilled workers rise more than me. In this Budget, we have taken it from \$2.32 an hour to \$2.68 an hour. The sectoral wages in other areas have also been increased. These figures, Madam Speaker, have been arrived at after widespread public consultations, the input of professionals and taking into account the numerous types of direct and indirect assistance my Government provides to low income-earners. These minimum rates are what we can afford as a nation at our current stage of development.

Madam Speaker, raising the minimum wage too much would actually result in loss of jobs, as well as higher inflation. Many people might not be able to afford domestic help, for example, and small businesses may not be able to retain staff, let alone hire new ones.

It would also drive up costs for many self-employed people and the 130,000 Fijians in the informal economy - those who drive taxis, own micro-enterprises, sell goods in the markets or sell coconuts and other produce by the roadsides. They have no way to offset those costs and raising the minimum wage too much would actually do them great harm.

Madam Speaker, a responsible government must be concerned with the effects of a wage rise on everyone in society and try to do what benefits the most people and disadvantages the fewest. And that is what we have done.

Again, ordinary Fijians understand this even if some of the opposition parties do not. Ordinary Fijians also know that many are now paid way above the minimum wages in the different sectors due to the high demand, for example, in the construction sector. And they can also see the great things this Government has also provided to relieve some of the cost of living pressures on ordinary people - the free schooling, increased subsidised electricity tariffs, free water, the free medicine, the subsidised bus fares and all those things that were not there when this Government took office, but that people now take for granted.

Even if they have not had the benefit of a proper education as their children have been able to get for the first time, our unskilled workers have always had common sense and the ability to think for themselves. And they certainly know the difference between a hand-out and a leg-up. A hand-out that does not have a lasting impact and a leg-up that does. Your Government providing you and your family with opportunities to improve your living standard as well as encouraging you to capitalise on your own sense of enterprise. Your own hard work. This is the key to moving Fiji forward and we intend to continue this approach all the way to the next Elections and beyond.

It is the philosophical principle behind our Micro and Small Business Grants Programme that by giving many thousands of ordinary Fijians a leg-up to start their own businesses or improve the ones they already have, we are building an enterprise culture in Fiji.

(Honourable Member interjects)

HON. J.V. BAINIMARAMA.-We move away from the idea that Government exists to provide hand-outs and replace it with the notion that government exists to help people help themselves.

(Honourable Member interjects)

HON. J.V. BAINIMARAMA.- And having lit that flame of enterprise with these grants, Madam Speaker, ordinary men and women all over Fiji are responding. Eager, with the assistance of government, to work as hard as they can to improve their lives and those of their families and contribute to the growth of the Fijian economy.

Madam Speaker, I am very proud that in this Budget, we extend that leg-up to our emerging young people, with the \$2-million allocated to assist enterprising young Fijians with their businesses. Yes, or the Young Entrepreneurship Scheme will offer grants up to a maximum of \$20,000 to Fijians between the ages of 18 and 30 to develop or expand innovative business ideas.

These applications will be determined by a panel headed by the CEO of the ANZ Bank and I am very pleased to see the private sector partner with us in this venture. As the Honourable Attorney-General says, we want young Fijians to be job creators not just job seekers. And this is yet another example of the Government empowering our young people, as we have also done in this Budget with our Commercial Agricultural Scholarships and the recruiting of youth community workers through the Ministry of Youth and Sports.

Madam Speaker, another breakthrough I want to highlight are the pay increases for civil servants. Some of them very significant that are part of our Civil Service Reforms. We are increasing the pay of civil servants because we want to make a career in government service an attractive option for a lot more gifted Fijians. That is the whole reason for this. Those who might otherwise go into the private sector or to civil society, where pay scales have often been more attractive.

And Madam Speaker, it is also about lifting the performance standards of civil servants so that they serve the public better. Now that we have the base salary and the structure sorted out going forward, pay rises will be dependent on individual performance-based assessments. Anyone on the public payroll will have to demonstrate that they deserve that. They need to be able to behave professionally to perform their duties to the highest possible standard. Non-performance will not be tolerated.

Madam Speaker, we want those who commit themselves to Government service to be treated with the best possible remuneration and with respect. We want them to have a conducive environment to perform to the maximum of their capacity and develop themselves individually through access to increased training and technology. But we are insisting that in return, they must treat the public with more efficiency and respect as they carry out their duties as servants of the Fijian people, as required by the Constitution.

And so, Madam Speaker, those are some of the values of the FijiFirst Government that underpins this Budget. Above all, the teamwork that we have brought to the governance of our nation, including the great partnership I forged a decade ago with the architect of the Budget, the Honourable Attorney General and Minister for Economy, whose own commitment and professionalism I salute, along with that of my entire team. Just as we passionately believe in fair play as a nation, on the sporting field the Government passionately believes in fair play in our national life.

Madam Speaker, above all, this Budget is fair. It balances the needs of everyone. It empowers all Fijians than ever before and it builds on the achievements of previous years, setting us on a path of renewed growth in 2018 and beyond. So by the time the 50th anniversary of Independence comes

around in 2020, Fiji will not only have enjoyed an unprecedeted period of disability, but of prosperity and a fairer deal for all.

I commend this Budget to the House, Madam Speaker, thank you very much.

HON. SPEAKER.- Thank you. I now call upon the Assistant Minister for Women, Children and Poverty Alleviation to have the floor.

HON. V.K. BHATNAGAR.- Madam Speaker, the Honourable Prime Minister and Honourable Members of the House; a very good morning, *ni sa bula* and *namaste*.

At the outset, Madam Speaker, alluding to the sentiments aired by our Honourable Prime Minister, I must commend the Honourable Minister for Economy and his team for the formulation of a very well thought of and very well considered 2017-2018 National Budget. It, in my view, provides for the allocation of funds towards the various sectors of our country's needs, and is inclusive of both essential and areas of greater priority which will benefit every Fijian either directly or indirectly. This is, indeed, the people's budget and I stand before this august House today to register my full support.

Madam Speaker, I rise with pleasure to address this august House on the 2017-2018 budget allocated to the Ministry for Women, Children and Poverty Alleviation. The Ministry, with the visionary leadership of Honourable Minister Mereseini Vuniwaqa, has managed to gain several increases in the allocated budget for the next fiscal year, for which we will have an opportunity later today or tomorrow to hear from the Honourable Minister herself, as we have plans and related strategies in place to better our existing programmes and implement new ones.

Madam Speaker, in my capacity as Assistant Minister, I have been entrusted with the responsibility of progressing programmes related to persons living with disabilities in Fiji, and the 2017-2018 is the best ever for this vulnerable population of our nation. Madam Speaker, persons living with disabilities comprise an estimated population of one billion people globally of whom, 80 percent live in developing countries and are overrepresented among those living in absolute poverty. I wish all Honourable Members of this august House to note that 10 percent of the Fijian population is estimated to be made up of persons living with disabilities or more accurately, persons with special abilities. These persons are equally entitled to constitutional equality and human rights, and we are here as leaders of this country to ensure that they are not left behind while we take Fiji forward. As our Honourable Prime Minister says, I quote: "I intent to run an inclusive Government, I intend to leave no Fijian behind."

Madam Speaker, persons with disabilities often encounter discrimination and exclusion on a daily basis. This means, in particular, pervasive exclusion from development programmes, funds, education, employment, healthcare services, communication, information, infrastructure, economic empowerment programmes and transports services.

In addition, the effects of climate change such as natural disasters and food insecurity as well as conflicts situations make persons with disabilities disproportionately affected. But the good news is, Madam Speaker, this is changing for Fiji and this change is a result of the collaborative and concerted efforts of Government ,Civil Society Organisations, development partners and communities. For example, in older times, deaf persons would not have been able to watch the parliamentary sessions and debates and what we talk about and decide about them as Fijians in Parliament, but as of this year, this has become possible through an initiative of this Parliament as we realise the importance of inclusivity for all Fijians and provide sign language interpretation for deaf persons. The FijiFirst Government continues to support and promote the development of

persons with disabilities.

Madam Speaker, the 2017-2018 Budget has seen a great increase in the grant towards the Fiji National Council for Disabled Persons (FNCDP), which is tasked to reach out to people in rural areas and ensure that there is disability development in Fiji. Government has allocated \$1,189,356 to the FNCDP, which is an increment of over 183 percent. A priority area for the FNCDP is to put measures in place to address the needs of persons with disability in rural areas. Madam Speaker, the increased budget will not only better the administration and operations of the FNCDP, it will be utilised to improve the FNCDP Centres in the Central, Northern and Western Divisions.

Madam Speaker, for the first time ever, a separate Social Protection Programme providing for Disability Allowance has been approved by the FijiFirst Government. An allocation of \$7,974,736 which can cater for more than 7,000 eligible beneficiaries in a year has been made to the Ministry and is to be operationalised by the Department of Social Welfare.

Madam Speaker, there were many sighs of relief, happiness, smiles and tears of joy when this announcement was made by the Minister for Economy. This will ease the financial burden of low income earning families, who look after loved ones with disabilities but are challenged with the additional costs in catering for their special needs.

Madam Speaker, the \$90 per head allowance per month for those living with 100 percent disabilities may also be the only source of financial support to some, as they may not be in a position to support themselves due to their disabilities. The Ministry is extremely thankful for the political will of the FijiFirst Government shown through this allocation to improve the status of persons living with disability in Fiji.

Madam Speaker, it is no myth that governments cannot work in silos. We have always benefitted well from partnership with the civil society and the disability NGOs have been instrumental in lobbying for the rights and issues of people living with disabilities. The allocation of \$1.1 million grant to these organisations is to strengthen them in their operations and programmes, to provide greater service to Fijians living with disabilities and also adequately represent them in decision making. I cannot stress enough, Madam Speaker, that the alliance between Government and non-governmental sectors, including churches and the private sector is crucial, if we are to make good progress in creating a rights-based, fully inclusive and barrier-free society in Fiji.

Madam Speaker, a long overdue development for Fijians living with disabilities is the establishment of a residential institution that they can call home when they have no one to look after them.

Madam Speaker, one of the challenges that the Ministry faces is the growing number of mentally ill persons and persons with disabilities, who have been abandoned by their families or are referred to the Department of Social Welfare for care giving. Currently, such individuals are either accommodated at the old aged homes or placed with normal children at the residential institutions.

Those who are not assisted usually end up living in the streets with no one or no means to cater for their basic needs. The caregivers at the old age homes and the children's homes are not equipped or skilled to take care of persons living with disabilities or mental illness. Saint Giles Hospital also deals with patients for treatment and discharges them when they are fit to be released, given their lack of capacity to accommodate mentally ill individuals.

Madam Speaker, the allocation of \$25,000 towards the consultation for the establishment of

an institution for the psycho-socially challenged will allow the Ministry to carry out preparatory work in setting up an institution with proper facilities to take care of the psycho-socially challenged individuals.

Madam Speaker, it is an exciting time for us as we further embark on the Government's commitment to create a just and fair society for all Fijians. The national policy will continue to help all relevant stakeholders stay on par with this commitment and the Ministry stands in full arms to strengthen stakeholder partnerships, implement laws and policies promoting equality, and taking the essential services to the disadvantaged Fijians.

At this point, I wish to also mention that the REACH Project is also a key player in taking services to those who cannot come to us. This phenomenal outreach programme, especially useful for persons living with disabilities in rural communities and its operation has been supported by its own allocation from Government with the support of UNDP.

Madam Speaker, I would like to conclude with the assurance that the Ministry for Women, Children and Poverty Alleviation is at its best time to look after the welfare of Fijians living with disabilities as we are equipped and we are ready to take on new projects and bigger programmes meant to assist people living with disabilities, by alleviating poverty-stricken living and discrimination towards them. We will reach out to Fijians living with disabilities at the community levels to the best of our capacity, to ensure no one who qualifies for the assistance is deprived of it.

Madam Speaker, I commend the Budget to this august House. Thank you very much.

HON. SPEAKER.- I now give the floor to the Honourable Mosese Bulitavu.

HON. M.D. BULITAVU.- Madam Speaker, I rise to give my contribution to the 2017-2018 Appropriation Bill.

At the outset, I would like thank the staff of the Ministry of Economy for doing their best under the present and prevailing circumstances to prepare this 'feel good' budget or election budget. May I also express my sincere appreciation, Madam Speaker, to the Honourable Shadow Minister for Economy in his reply this morning, which offers an alternative to bail Fiji out from the current doldrums and put it back on the path of development, growth and prosperity.

Madam Speaker, I have been sitting here for the last three years, hearing the Honourable Minister for Economy deliver three Budgets and this Budget I can label as the most irresponsible and unimaginable Budget in the history of Fiji.

All the previous Ministers for Finance, Madam Speaker, were good cash-flow managers and public finance experts. We can see what is manifesting from the Budget that is before the House that we lack these experts in managing our economy, Madam Speaker.

Madam Speaker, let me begin by speaking on the GDP issue. Far too often we are lectured in this House and by the media sympathetic to this Government, on the issue of the increase in GDP. I have the following statements to make in that regard:

1. If indeed our GDP is as strong as sang to be, then why would this not translated into the creation of meaningful jobs, better pay and working conditions, services and ultimately into better quality of life and standard of living of our people? The fact of the matter is this; GDP increases have been a direct result of consumption-driven economy, as we say

in the *iTaukei* language, “*kana nikua, raica ni mataka*” which means, an economy devoid of any vision for sustainable development and growth.

2. Simple economics theory tells us what kind of animal GDP is. It does nothing more than to account for the production of goods and services in an economy on annual basis and for any given period of time. As such, it cannot be used as an indicator or rather as a correct or true indicator to ascertain the correct and true pace of economic development or growth. It is much open to argument as we have seen or heard year in and year out in this House and outside this House in the various budget forums addressed by men and women who are better qualified than this Government in matters of public administration, finance and economic management, and good governance who dispel the notion that GDP is a viable indicator for economic growth. Papua New Guinea had a 21 percent growth in its GDP because of mineral sales but it made no difference to lives of people. There were several other examples which I can cite, to rebut the point that I am making.
3. The GDP has its own limitations whereby it cannot be used as a measuring tape to ascertain the pace of correct and true economic development and growth. It does not account for those who are unemployed, doing volunteer work, people who are living in retirement or below the poverty line or bonded in acute poverty. These segments of the society are the most vulnerable who need a mention and priority of Government, not those elites with whom the Government is seen to be partying with in cocktails and massaging their cause, as shown by the way of many concessions that they continue to receive in everyday budget and the policy this Government has been devising.
4. In the final analysis, Madam Speaker, GDP is a myth to hype up the expectations of people that something good has happened or it is about to happen. It is a calculated move on the part of the Government and a staple feature of the Budget presentation since 2007, to generate the ‘feel good factor’ that Fiji is shining when it is declining. That is the basis on which the fundamentals of criticism against this Government and this Budget is established.

Having stated those reasons why GDP cannot be used as an indicator to measure the true economic growth, let me now put GDP under the microscope very briefly, and find out the causes of increase in GDP. It is by way of indirect tax, foreign receipts, sale of Government entities and primarily due to Fiji becoming a consumption-driven economy. It is a case of self-deception when we try to live in the myth of this kind of GDP that was 3.8 percent last year, projected to be 3 percent from 2017 to 2018, and then declined to 2.7 percent the year after. It is a case of what the late Member of the Suva West/Navua, the late Honourable Vijaya Parmanandam used to say; “You can fool some people some time, some people all the time but not all the people all the time.”

Madam Speaker, let me now move to my shadow portfolio in regards to the Republic of Fiji Military Forces (RFMF). The RFMF has been allocated \$96.7 million, Peacekeeping is allocated \$79.2 million, a total of \$175.9 million.

In Peacekeeping, Madam Speaker, the actual for 2016 was \$69.8 million, Operating was \$69.8 million and 90 percent of that is just for salary and allowance, 10 percent for travel and communication and to purchase goods and services.

For the RFMF, the actual for 2016 was \$91.2 million, Operating was \$82.17 million, Capital Projects was \$6.8 million, and 66.6 percent, Madam Speaker, is just for salary and allowance, Maintenance and Operations was only 4.3 percent.

Madam Speaker, as I have said, next year our Fijians are expecting to go into the polls. The elections are a democratic exercise in which people will express their will to bequeath a mandate to leaders of this land to govern Fiji. Let me throw a challenge to the Military on its commitment to safeguard the Fijian Constitution, to respect the outcome of the Election as the will of the people and allow the letter and the rule of law to prevail. If, indeed, it comes to pass, we shall be happy that we have passed the trial by fire that indeed there is fairness and justice under this Constitution and in the Military, that every party and person can aspire and can govern Fiji, and not only one party.

I say this, Madam Speaker, because we, in the Opposition, specifically and the nation generally are deeply disturbed and gravely concerned about the manner in which the Commander of the RFMF is silent or silenced, and the Chief of Staff of the RFMF is issuing media statements to threaten selected leaders, groups and people of Fiji.

(Honourable Members interject)

HON. M.D. BULITAVU.- It is disconcerting when the defence services of this country compromise their neutrality. Section 131(2) of the Constitution, Madam Speaker, does not give the RFMF a status to be a political referee of this nation. They are there only when the Police cannot maintain law and order and that is the time they should come in, not to play a proactive role and give political statement, Madam Speaker.

We deplore that bigotry in the strongest possible terms on the floor of this House. Those statements from the RFMF Chief of Staff are deliberately aimed at politicking and instilling fear. The Opposition will not be deterred.

(Honourable Member interjects)

HON. M.D. BULITAVU.- We will never bow to acts tantamounting to carnage of democracy, Madam Speaker, abuse of the human rights, making a mockery of law and succumbing to constitutional dictatorship.

HON. M.M.A. DEAN.- Talk on the Budget!

HON. M.D. BULITAVU.- I am speaking on the Budget given the right priority, the RFMF should be moving towards rather than participating in the politics of Fiji.

(Laughter)

Now moving to the other issues, Madam Speaker, why do we have to purchase the three Bushmasters from Australia? In the last sitting, the Honourable Minister for Defence stated that these Bushmasters will be located at the Black Rock Training Centre in Nadi. What were they doing in central Suva, Madam Speaker?

(Chorus of interjections)

HON. M.D. BULITAVU.- These are the issues that are inconsistent, that affects the democracy of our country.

Fiji is not a combat zone, we do not need such military-ware. Having said that, let me question the wisdom and rationale behind the purchase of these super military-wares. Is Fiji going to use them for international peacekeeping or is Fiji going to use them upon its own citizens?

(Chorus of interjections)

HON. M.D. BULITAVU.- We have heard leaders saying, and I quote, "I don't trust the people." There is an inkling on the part of Government that they fear any invasion or warfare in the Pacific Region? The Opposition demands the Government to come out clean....

HON. SPEAKER.- Order! Honourable Members, when you are speaking and if you think the interjections are too loud disrupting your speech, you can pause and we will give you extra time.

HON. M.D. BULITAVU.- Thank you, Madam Speaker.

Madam Speaker, peacekeeping is a major contribution made by the Fiji Military to gain foreign receipts to generate revenue and maintain peace and order in some of the most troubled parts of the world. It is probably these engagements overseas that has led the Military to expand and recruit more personnel in the recent past against the recommendations of a *Defence White Paper* published in the 1990s when the late Honourable Berenado Vunibobo was Minister for Home Affairs, and advocated the implementation of the said Paper.

Having said that, Madam Speaker, Fiji's fortune in so far as peacekeeping duties is concerned is dependent on the misfortune of the Middle East countries. There will surely come a time when these international disputes, among those featuring the war gallery of the United Nations will end and if it does, what will become of such a large Military Force that we have allowed to create over a span of the last one decade? It is probably time to think outside the box and diversify Military training with the other spheres of life so that there is alternative livelihood available to our military men and when they are needed on duty ...

(Honourable Member interjects)

HON. M.D. BULITAVU.- ... they are called for the same. This will reduce the Military budget and keep the Military's power intact, Madam Speaker.

Madam Speaker, let me now move to the Fiji Police Force allocation. The Fiji Police Force has been allocated \$148 million. There are five main functions of the Fiji Police Force. In the actual of 2016, the Fiji Police Force used \$131 million.

Madam Speaker, from the \$148 million in the 2017-2018 Budget, 79 percent which is about \$118 million is just for salary and allowance. \$11 million is for capital works and for special projects is about \$8 million. Most of them are under requisition. Only 10 percent from the \$148 million is for real police work, that is, operation and real crime prevention. If we divide that into the strength of the Police Force that we have at the moment of 4,300, by \$10 million and divide it by 365 days, only \$6.37 is available to every police officer to carry out police work, Madam Speaker, \$160,000, Madam Speaker, for crime prevention which is not enough to manage 89 police posts ...

(Honourable Member interjects)

HON. M.D. BULITAVU.- ... and 84 police stations. Criminals are now smarter and they are used to the sound of siren, they are not on the road anymore. Why keep on purchasing vehicles? We need more qualified and trained officers, who understand the law and know how to handle suspects when they come into custody, Madam Speaker.

In 2016, there were 1,694 crimes against public morality; 5,366 crimes against persons and 10,720 crimes against property. Madam Speaker, probably we need to relook into our priorities and see whether we should be buying vehicles or recruit or train more qualified police officers who will reduce the crime rate and will not allow policies that will benefit the car dealers.

Madam Speaker, let me now move into the other issue, let me take into consideration some revenue lines. Let me give my thoughts into the fish levy. Madam Speaker, this industry is vaporising. The current duty which now stands at \$450 a tonne, we are destroying the fish industry in Fiji and Fiji is no longer a friendly base for refuelling and re-rationing, Madam Speaker.

This industry actors have now moved to Kiribati, Solomon Islands and Samoa and we have lost those valuable income in regards to refuelling, re-rationing, entertainment, VAT, et cetera. They have now shifted elsewhere which are not draconian.

Let me now move into the besieged tourism industry, Madam Speaker. I think we should take a walk and not only allow ourselves to weigh this industry according to tourism arrivals, but let see the occupancy rates, Madam Speaker. The hoteliers will tell you what they are facing. There are two layers of tax introduced to drive down this industry. Although it looks exotic, high-ended, but Madam Speaker, Fiji has become a very expensive destination and there is no new player coming into this particular industry. There is a group that can probably afford the current trade within the industry, who are slowly buying into the assets of this particular industry.

Madam Speaker, those are some of the things that this economy rely on but the tourism industry is now being besieged due to the hoteliers and the over-expenses in which they are unable to make a profit margin.

Let me now move to the duty of removing pre-fabricated steel which most ordinary Fijians are willing. Why shift it to 32 percent and allow people to move into hardware and buy fabricated structures? Hardwares are benefiting, the middle men are benefiting, Madam Speaker, and this duty does not pass down to the end user so this reduction will never be felt by the end user.

Let me now move to tax amnesty. As already alluded to by the Shadow Minister for Economy, why do we keep on expanding this amnesty? Who are we waiting for? Is the Honourable Minister for Economy waiting for someone to come in, who has not declared his assets, Madam Speaker? We need to stop with the prosecution of those who have not declared their assets and income, Madam Speaker.

On general amnesty, why are we taking the lazy way out? Our tax officers need to go out and empower people and teach them the proper way to do tax. Why are we shifting our position on tax year after year?

Now, we have also provided rate powers in regards to search warrant and aiding to the power already with FRCA to enter premises, Madam Speaker, people are in fear. The tax office needs to build a relationship with the taxpayers so that they are not afraid or be forced by FRCA to run after them.

Let me go now to fringe benefit. It was already there, why did the Government removed it in 2013 and 2014? Why are you bringing this back at the eve of Elections? This is blatant vote buying, Madam Speaker, and I hope the public would not be bought in to this kind of lollies, because the civil servants in all those years were suffering when these benefits were removed.

Let me now go to ECAL, Madam Speaker, which has replaced the Super Yacht Levy. Why create another layer of compliance when we already have STT, now you are introducing ECAL, VAT, Income Tax and PAYE; who will be paying the compliance cost? It is the business people.

(Honourable Members interject)

HON. M.D. BULITAVU.- Who will be training them, Madam Speaker? Every time you introduce a new layer of tax, you have to change the SOP. The cost, we are changing year after year. Water Resource Tax, 5 percent on rock, gravel and aggregates. Madam Speaker, it is inconsistent with the Water Resource Tax which is at 18 cents if you produce 10 million litres. I think it is just an attack on Fiji Water which is producing these amount of litres and is paying this particular resource tax. How about the smaller operators in this field?

Madam Speaker, let me now move into the supermarket industry. Why are you charging 10 cents for plastic? Why not plastic bottles? Are you afraid of fizzy drinks companies? Are you afraid of plastic bottle companies?

(Honourable Members interject)

HON. M.D. BULITAVU.- Why penalise people when they come to the supermarkets? Why cannot you totally remove the plastic bags?

Madam Speaker, they have not even succeeded with the e-ticketing and they have not even started with the cash register. Now they want to introduce another thing that will be unsuccessful. These are some of the issues, Madam Speaker, probably the Government should consider which will affect our people.

Again, Madam Speaker, as I have said this Budget does not reflect and it will not bring prosperity to our people. It will make people pay the burden of things in the future. With that, Madam Speaker, I will say that I do not support the ....

HON. SPEAKER.- Thank you. I now call upon the Assistant Minister for Rural and Maritime Development, National Disaster Management to have the floor.

HON. CDR. J. R. CAWAKI.- Madam Speaker, I rise to respond to the Honourable Attorney-General and Minister for Economy's National Budget Address for the 2017-2018 fiscal year delivered in this august House on the eve of 29th June, 2017.

First, Madam Speaker, please allow me congratulate the Honourable Minister, the Government and the responsible citizens of this country from all walks of life who committedly responded to the national call and determined, passionate to participate and share their ideas, views and sentiments on a wide range of issues, life experiences, situations, gaps and needs which I firmly believe significantly reflected the outcome of the public consultations conducted nationwide for this Budget before and its first reading in Parliament as Appropriation Bill 2017.

Madam Speaker, as the Honourable Minister for Economy rightly stated, this Budget encapsulates our Government's focus which has always been to empower Fijians, raise our productivity capacity and unlock our true potentials ensuring that we all share the prosperity, empowering those of the margins of society, our youths, our women, our disabled persons, our senior citizens and every Fijian.

Madam Speaker, this Budget has its vision and impetus for sustainably long term development planning that is strategic and forward looking. It aims to progressively fulfil the FijiFirst Government's ultimate goal of transforming the Fijian economy, consistently making it stronger with the right policy mix in a given timeframe. Our Government continues to demonstrate strong, decisive and visionary leadership that is true to its words and accelerating our GDP growth, tripling our revenue since 2006, tightening foreign reserves to remarkable record high that is indicative of the quality and level of both domestic and international investor-confidence then continuously thriving and offering opportunities and space for all Fijians to stably live a life of their choice as well as taking control awaits.

Madam Speaker, the message is clear, the FijiFirst Government is determined and will continue to walk the talk of ensuring balanced development and economic empowerment by shifting its focus to the well-deserved to be assisted.

Madam Speaker, being assigned the portfolio of Government Assistant Minister for Rural and Maritime Development, I am elated to inform this House on the impact of the commitment shown by our Honourable Prime Minister, the Government Ministers, the Government Backbenchers who periodically or regularly paid visits and worked very hard with public servants to address or respond to the needs of deserving rural and maritime communities of Fiji.

The effort is tireless and clearly shows that we continue to reach out to all Fijians to equitably respond to divisions, to the provinces, to the districts, to the villages, to the settlements, to the families and to the individuals who genuinely needed the assistance of Government to improve their livelihoods.

Madam Speaker, I now wish to respectfully draw your attention to what the 2017-2018 Budget has in stake for further developing or advancing the standard of living and more so to continue to economically empower these communities by sustainably maximising the resources at their disposal.

Madam Speaker, in the Supplement for the 2017-2017 Budget, Government's unwavering commitment towards continuing to improve the living standard in the rural and maritime, outer islands of Fiji is evidence. Divisional priority projects with corresponding budgetary provisions allocated for the fiscal year 2017 and 2018 is also reflective of the integrated development approach fundamentally characterising effective, efficient and environmentally sustainable and climate resilience.

Madam Speaker, the multi-sectoral budget for developing the rural and maritime, outer islands is inclusive of the following key infrastructure:

- Agriculture and Food Security;
- Essential services; and
- Related economic empowerment programmes.

The rural electrification budget has an increase from \$14.9 million to \$33.8 million. The rural power grid extension budget increased from \$3.5 million to \$9 million; drain and flood protection has increased from \$5 million to \$7 million; the rural water supply has increased from \$7.5 million to \$27.3 million; rural housing assistance has increased from \$0.5 million to \$1 million; the budget for cane access roads for FSC has increased from \$3 million to \$6 million; and the rural postal services will continue to receive the budget of \$0.4 million and banking services for non-economic rural areas will receive a budget increase from \$0.3 million to \$0.4 million.

Madam Speaker, as I had mentioned before, the FijiFirst Government's integrated approach to rural and maritime development is key to how the Ministry and its officers will aspire in our public duties to effectively, efficiently and transparently deliver Government's promises together with other ministries and departments and our development partners for those we serve. Specifically, Madam Speaker, the Ministry of Rural and Maritime Development is allocated a Budget of \$20.5 million for the 2017-2018 fiscal year, with \$11.8 million from this total amount allocated for operating expenditure and \$8 million for capital programmes.

Madam Speaker, the Ministry is mandated by Government to implement Government's development strategies for equal access to essential services and opportunities for all Fijians residing in our remote and isolated rural and maritime regions so that they too have the same level of access enjoyed by Fijians living in urban, peri-urban and developed areas of the country.

Madam Speaker, the notable increase in the Ministry's Operating Budget for the new fiscal year is to be expected given the thorough rounds of consultations conducted between the officials of the Ministry and their counterparts from the Ministry of Economy. In the final analysis, Madam Speaker, the Ministry of Rural and Maritime Development's total budget allocation is need-based, reflecting identified work priorities against its capacity to deliver in accordance with the budget utilisation rate and also amidst overall output and productivity levels.

Madam Speaker, the Ministry will continue to pursue output-focussed budgeting in supporting Government to address community needs, raising living standards and quality of life through target public awareness and education in wide-ranging issues yet advocate holistic development in our rural and maritime population.

Madam Speaker, the Ministry cannot do this alone. It needs the support and therefore integrate more with both national and international development partners, our stakeholders and our civil society.

Madam Speaker, as always, the Ministry will continue with its work of implementing Government policies and programmes that generate economic growth ensuring equal access to opportunities and therefore approve the rights of every Fijian regardless of all occasion or socio economic background to access transportation networks, essential services and reliable infrastructure.

Madam Speaker, the FijiFirst Government remains and will continue to focus on building the capacity and addressing the development needs of this country so that there is no Fijian left behind or disadvantaged in having the means to gain equal access and economic empowerment, better opportunities to contribute in growing the national economy and raising their living standards.

Madam Speaker, I therefore support the National Appropriation Bill 2017 tabled before this august House by the Honourable Attorney-General and Minister for Economy. *Vinaka.*

HON. SPEAKER.- Thank you. I now give the floor to the Honourable Parmod Chand.

HON. P. CHAND.- Madam Speaker, thank you for allowing me to present my thoughts on the 2017-2018 Appropriation Bill specifically in response to the health budget and issues for the Northern Division.

Regretfully, Madam Speaker, I focus my comments on the state of our National Health Care

System and the budget allocations presented to us.

While the health budget is still centrally managed, the issues I will raise are magnified for the electorates in the Northern Division where I am from and where I live and undoubtedly similar for the West and the outer islands.

In the health budget, the current Government has presented to the people of Fiji unreal piecemeal solutions that will not cure our health and medical services delivery.

The increased allocation for projects are mere promises that have been untouched in the last three years under requisition. Every public servant knows that projects pegged under requisition have a small to nil chance of coming to fruition, in essence, it is aspirational or wishful.

HON. MEMBER.- Examples?

HON. P. CHAND.- There are no new projects for which funds have been actually committed, even the topped-up National Kidney Research and Treatment Centre to be managed by nephrologist, Dr. Amrish Krishnan, costing \$1 million is under requisition. Additionally, the Government should have allocated funds to provide free kidney dialysis to low income earners but the \$300,000 allocation has not changed despite pleading by kidney patients. This budget has made allocations for other things like hiring of consultants to improve Government's image, marketing grants, golfing and to the Fiji Broadcasting Commission, aid by donor partners factored in on page 142 of the Budget Estimates has largely technical support with an attached dollar value not addressing the true budgetary allocation *per se*.

Let us look at the ratios, Madam Speaker, for Health and Medical Services. The ratio of health to government expenditure to-date for Fiji is 9.4 percent. The World Health Organisation recommended ratio is 14.4 percent, while for low and medium-income countries, the average recommended ratio is 11.6 percent. Let us look at the 2017-2018 Budget then in terms of health to GDP ratios. Fiji's ratio is 4 percent, WHO recommends a 5 percent minimum ratio, the low and minimum income countries recommended ratio is at an average of 6.6 percent. Fiji's 2017-2018 Budget in terms of health to GDP ratio is 4 percent and again far below the recommended ratio.

I now turn to our health expenditure breakdown while the State bears the burden of 66 percent of health expenditure, the outer pocket cost borne by the taxpayer is 34 percent. This means that taxpayers are shouldering an additional burden on top of their taxes, 34 percent is for health expenses most of the time unplanned for that they pay out of their pockets.

Madam Speaker, for our vulnerable and poverty-stricken people getting sick meals, they are further entrenched in their darkness of poverty. For those in the middle class, it means they can dive into poverty. It means that houses become mortgaged and loans need to be taken just to ensure that their loved ones can undergo medical treatment. This is the sad, painful and unmistakable reality.

The state of our health care in Fiji right now means that if you become ill, if you have the means you have a fighting chance, if you are poor, the odds are heavily stacked against you.

Madam Speaker, turning on to our medical professionals, they announced recruitment of three tranches of specialists is wishful thinking, when the bold promise of 33 specialists in the first tranche was announced, this is on top of previous promises of additional medical personnel over the previous three budgets; so where are they? By now, Fiji should be teaming with these medical professionals, should it not?

We are aware that there is just one Ear Nose & Throat (ENT) specialist that was recruited in 2014. The lack of specialists is alarming. Our local medical personnel are being submerged at the expense of wholesale expatriate recruitment. The recruitment drive in India earlier this year, Madam Speaker, may help but we need to build on our local expertise as much as we can.

There are obviously 75 places for local recruitment at the ground level. These 75 internship level spots need to be filled every year but this number had just been met in 2015 to 2017. This means we are still playing catch-up in terms of health internship, manpower needs. There are batches of medical students from Cuba and other overseas destinations due here shortly to address the shortfall in numbers but the sudden urge to raise these numbers overnight is an exercise in futility.

Madam Speaker, the situation our Fijian-made medics returning from abroad are given a difficult time upon their return. They could add quality to our current setup in specialist areas but is not happening. Obtaining a full complement of additional doctors is not the total solution. What will the additional numbers mean when the Ministry cannot provide the appropriate beds, medication, technology, or consumables are out of stock? We understand that new specialist units such as the neurology, the cardiac team remains without medication and operative equipment, most are not fully operational, yet our Fijian-made medics have been trained locally and exposed internationally for those dethrones. Can we see the mismatch in these issues?

Health systems are not built on numbers alone, the building blocks of health care include:

- adequate and appropriate facilities and infrastructure;
- sufficient supplies of medicine and consumables, adequate health financing;
- improve health information and research, cross-cutting leadership and governance; and
- a content, inspired, compassionate and accountable workforce all working towards exemplary health-care service delivery.

Our medical graduates do not always move to green pastures on their own accord but are pushed out by poor administrators, planners and politicians. Evident now by this, he has fast-tracked amendment to the medical and dental practitioners, to our health care systems' demise, the push factor is greater than the pull factor, increasing the intake at medical schools, middle-level study in areas of clinical interest and provision of scholarships served to keep the locals on their own turf.

Madam Speaker, turning now to our nurses' pay rise. The much-loaded Civil Service Reforms seem to have been short-circuited with the pay rise for salary increases. Shockingly, the job evaluation questionnaires circulated by PwC to nurses as part of the Civil Service Reforms seem like generic, off the shelf templates that offered no appreciation for the complicated pressures, structures and often overlapping roles shouldered by our nurses, not the extra effort needed on top of the workload to complete this unnecessary and complicated details.

Shockingly, the job evaluation questionnaires circulated by PwC to nurses as part of the Civil Service response seem like generic, off-the-shelf template that offered no appreciation for the complicated pressures, structures and often overlapping roles shouldered by our nurses, not the extra effort needed on top of workloads to complete this unnecessary and complicated details. The nursing pay rise is a welcome relief but is at odds with the ratio of the pay rise given to doctors last year and which a cohesive and seamless job evaluation exercise would have addressed.

The nurse practitioners' salary increase by 75 percent is commendable but there are just under 40 nurse practitioners who will benefit from this. Our midwives in the maternity area are struggling and a 25 percent incentive would have been more appropriate. Again, a cohesive and seamless job

evaluation exercise would have addressed these disproportionate increases. But then, what of the state of the nursing cadre who have been weaved into the administrative services by way of career progression? Are they entitled to the 25 percent increase? What of the specialist nursing structures, should they be realigned? If the lack of realignment continues unaddressed, corrupt practices can emerge.

The nurses' salary increase of approximately 15 percent is acknowledged and appreciated but again a cohesive seamless job evaluation exercise would have addressed these disproportionate salary ratios.

The mid-level training of nurses needs urgent review. Birthing surges in the face of facility and infrastructure inadequacies creates adverse maternal and neonatal birth outcomes and midwifery training is absolutely essential. Madam Speaker, the shocking revelations of the spate of deaths of new born babies is still fresh on our minds and we expected more prioritisation of our neonatal unit.

This now brings me to the issue of our junior doctors who are made to work up to 32 hours at a stretch. Surely such stretched hours are a violation of labour standards in a profession where life and death are daily challenges. Is the Ministry actively monitoring this unrealistic and inhumane expectations of new entrants? When the work load was lighter in the past, it was fairly tenable but the new structure does not even address this.

(Honourable Member interjects)

HON. P. CHAND.- Madam Speaker, the supply of pharmaceuticals and medical consumables. The Budget announcement made a brief mention of the free medicine scheme, selectively labelling it as "medicine subsidies". That is because the schemes is completely dysfunctional. With the stated 140 plus items for release to the public in 2015, the retail pharmacists are still not provided with a list of what is to be dispensed after two years of waiting on this announcement.

HON. MEMBER.- That's wrong!

HON. P. CHAND.- Only about 20,000 people are registered for the scheme, when we know full well that 50 percent of the population are living below or around the poverty line.

(Chorus of interjections)

HON. P. CHAND.- If pharmaceutical supplies to our hospitals is inadequate, how is it logically possible for this scheme to still be allocated \$10 million and continues to remain largely unutilised in the last two years with the high wastage rate. Recall that for the past years except this year, free medicine has been under requisition.

This year's Budget allocation for Health addresses the purchase and maintenance of health related high end equipment. So the question is, are these important pieces of health-related equipment still without service contracts after the warranty period comes to an end? The allocation of \$1million has been put aside for this but it is our understanding that MRI, CAT scanners, radiology, general laboratory equipment, et cetera are not in working order as a result of invalid service agreements.

(Chorus of interjections)

HON. P. CHAND.- In a similar fashion, Madam Speaker, consumables such as laboratory

reagents and chemical reagents for x-rays are out of stock as well. It is our hope that the newly announced National Kidney Research and Treatment Centre will also look into renal transplantation with urgency. This will allow some patients to benefit from a one off surgical procedure and not suffer the three per week dialysis lifelong exercise, at great cost. Appropriate laws will have to be enacted.

Madam Speaker, there are other important health developments that this Budget document has failed to address. What is the progress in the developing of the Cancer Unit?

Furthermore, I understand that a senior health official had urged MPs of the threat of the oncoming NCD crisis at a Parliamentary workshop a couple of years ago, where even the Consumer Council and other experts made similar pleas. The presenters specifically requested MPs to put in place tax measures to alleviate the NCD crisis which has now reared its ugly head on a national scale.

We look forward to the development of a modern Mental Health Clinical, Training and Research Hospital which seems to have fallen off the radar. We are told that support for this establishment was available from a bilateral donor partner with a Memorandum of Agreement again sitting on someone's desk since 2013.

For our elders for whom we all owe our great measure of indebtedness, Madam Speaker, the state of the senior citizen's homes, the development of retirement villages, improved and wider in-depth training of caregivers including the professional cadre gerontologists/rehabilitation experts, specialist nurses, enrolled nurses, counsellors, field and community workers, palliative/public health nursing systems needs urgent reviews. Mahatma Gandhi once said and I quote: "It is health that is real wealth and not pieces of gold and silver."

Briefly Madam Speaker, let me quickly address the infrastructure needs for Vanua Levu if we are to transform it into a hub as a part of the Government's Look North ideas:

1. The Labasa Airport that is in Waiqele – this airport needs to be able to cater for night flights with some upgrades with lights installed for night landing while we are waiting for an international airport.
2. Road upgrades – Upgrading and tarsealing of roads are needed in the Northern Division especially the trunk roads around the island of Vanua Levu that is, the road from Coqeloa to Nacavanadi to open up land for resorts and hotels so that the economic situation will improve.
3. Secondly the cross-country roads – the road from Namuavoivoi to Cogea; from Nabouwalu to Nabalebale (that is in Wainunu); from Nayarabale Road Junction (Daramu) through to Vanuavou. It is important that these roads need to be done up quickly and so that people's travelling time will be saved.

But we do not see any specific budget for these particular roads.

(Chorus of interjections)

HON. P. CHAND.- It is only when the Honourable Prime Minister goes to visit then the roads are being graded and gravelled here and there.

Madam Speaker, Labasa badly needs a bypass road because the traffic congestion is getting very huge. We have a narrow one way road and it is very important that we need to understand that

our sugar mill is just past the Labasa Bridge, so it is very very important to consider building up a bypass road in Labasa.

There are many other roads which lie within 10 to 15 kilometers from the Labasa Town end and some of these roads were previously tarsealed but when the tarsealed have finished, these roads are gravelled again. So we need a specific budget for these roads. These roads were not done up properly because people now mostly move into urban and peri-urban areas, they are just close to town because people living in the rural areas do not have those facilities. Some of these roads are the Korotari/Vakaru Road, Nabekavu, Qelewaqa and Bocalevu Road, Vunicuicui and Waikisi Road, even the Boubale/Urata and Dreketilailai and Anuve Road. This is something that is very important. We need a specific budget for these roads, Madam Speaker and we do not see anything in the Budget so that is why I am raising it here. The problem is that when the Minister or the Government people go there, they always have these roads done.

HON. MEMBERS.- (Inaudible interjection)

HON. P. CHAND.- It is not only my bus route.

I am a bus operator but it is for the people. I am only part of it and I am providing a very good service to the people of Fiji.

Flooding, Madam Speaker, Siberia has been known for flooding every now and then and many times people are left behind and are unable to travel. So it is very important that Siberia, Vunimoli and also Vunivatu (near the Health Centre) which is often obstructed by flooding and this particular flooding is very very common.

Madam Speaker, we also request that some budgetary allocations be made for the people who are living in Taganikula and Wainikoro cross over to the Navualevu Health Center and also to the Navualevu Secondary School and College because there is no particular crossing. There were some boats and ferries transporting school children but they have all gone after *TC Winston* and the Commissioner Northern's Office or the Divisional Office has not been able to provide some funding and people are unable to do this. So, this should be a priority.

Shipping costs to Vanua Levu is very expensive and one of the reasons why the cost of service delivery and goods are going up is because there is no particular subsidy for spare part dealers, for supermarket dealers, and people who do manufacturing.

It is very, very important that we need to look at this particular issue and also on rural electrification. I know there is some increase in the budget but that budget is not sufficient because in the Northern Division, majority of the places the power lines are on grant roads but on the many side roads, people living in the interior do not have power supplies now. It is important if we want a knowledge-based society.

Madam Speaker, we need to give people power, water supply and the basic necessities of life. This is a very, very important. We cannot just go out and lend money here and there, but we need to make these things very, very easy for the people like Seaqaqa interior, Vunivere, Seva, the road past Dreketi through to Nabouwalu and also from Nacavanadi to Natewa Bay and Buca Bay.

(Chorus of interjections)

HON. P. CHAND.- It is very, very important, we need that power supply. It is no use for the

Honourable Prime Minister to go out in a dozen vehicles, big talk but no work.

(Laughter)

HON. P. CHAND.- We do not understand what the Honourable Prime Minister is trying to say, so it is very important, Madam Speaker.

Power supply to Navitia, Wavuwavu and Vunivutu and also from Uluidau School to Vunikabula. We want to give tablets to schools. How will they use it? Where is the power? We want our children to be knowledge-based, we need electricity for the IT users.

For sports, Madam Speaker, it is with some consternation that there is no public swimming pool for the Northerners and that is in Labasa and Savusavu, while we hear in the Budget announcement a specific swimming pool for this island, but for Vanua Levu, we do not have any. Our children also need to be able to learn to swim properly. The Northern Division is very, very neglected.

(Chorus of interjections)

HON. P. CHAND.- Madam Speaker, on the sugar industry, it is very important that the price of sugar, as the National Federation Party Leader had said, that the price of sugarcane should be a minimum guaranteed price of \$100, with a particular subsidy in the fertiliser. It will not do much because the sugar industry is lagging behind, just like we gave \$38 million to the tourism industry, for the Gold Tournament about \$9 million and \$18 million to Fiji Airways; why can we not give about \$15 million to the sugar industry to improve the industry? Does the Government have the guts to do that? No.

(Chorus of interjections)

HON. P. CHAND.- Madam Speaker, this is something very important. Our tramlines need to be improved....

Thank you Madam Speaker for the opportunity of contributing to the Budget.

(Applause)

HON. SPEAKER.- At this point, we will suspend the proceedings for lunch. Please note that lunch is provided for Honourable Members in the Big Committee Room. Also, I wish to remind the Business Committee Members of our meeting in the Small Committee Room.

We will resume proceedings at 2.00 p.m. Thank you.

The Parliament adjourned at 12.58 p.m.

The Parliament resumed at 2.30 p.m.

HON. SPEAKER.- Thank you, Honourable Members, you may be seated. I now call on the Honourable Mohammed Dean to have the floor.

HON. M.M.A. DEAN.- Thank you, Madam Speaker.

HON. SPEAKER.- Point of Order.

HON. RO T.V. KEPA.- Under Standing Order 16, Madam Speaker, we have had calls from some concerned viewers that the Shadow Minister's response this morning, they only heard a bit of it and the rest was cut off, that is TV, Madam Speaker. Then they saw the Honourable Prime Minister's time on the floor - 20 minutes, but the others they could not view it. So, that is our concern from this side, Madam Speaker, that our viewers are not seeing what is happening in Parliament. Thank you.

HON. SPEAKER.- Thank you, the rules under the Standing Order does not cover reliable media coverage, that is our own issue for the Parliament to take care of so we will be in touch with. We do not have much authority to have all the media if they are not able to cover it for technical reasons perhaps, but I do not have any rules in the Standing Orders to be able to make a firm ruling on that.

HON. RO T.V. KEPA.- The Minister for Communication, thank you, Madam Speaker.

HON. SPEAKER.- That is an issue for Parliament and the media, not really for the Minister for Communications.

Yes, I now have a note from them. The problem is with the TV stations and their transmission to the viewers. So we really have no power to have something to do with it. It is outside the jurisdiction of Parliament.

Thank you, I now give the call to the Honourable Mohammed Dean.

HON. M.M.A. DEAN.- Thank you, Madam Speaker. It is said that if you educate a child, you shall educate the nation.

Madam Speaker, the Honourable Prime Minister, Honourable Leader of Opposition, Honourable Ministers and Members of Parliament: I take this opportunity to acknowledge the FijiFirst Government for the incentives and the measures that I believe is one of the best allocations of the increase in the Bill; an increase which has been met with very overwhelming response from members of the public, especially our youths.

The FijiFirst Government, in the 2017-2018 Appropriation Bill, increased funding for tertiary education and loans scheme. This increase constitutes of an increase from \$42.5 million to \$159.1 million.

Madam Speaker, it is easy for Members from the Opposition side to stand up and try to have all sorts of ideas that this scholarship system is not good, but regardless of what they perceive and concur about the TELS system, it is and I repeat, Madam Speaker, it is the most fair and best system of scholarship allocation.

(Honourable Members interject)

HON. M.M.A. DEAN.- It is not discriminatory in nature. It is not based on deficit system and it tends to recognise the academic skills and qualities of students without any controversial conditions attached to it. As long as a student performs well, he or she is able to enter a tertiary institute. They do qualify for the TELS scholarship.

Madam Speaker, let me just on the outset give a brief introduction of what this scholarship is all about. Tertiary Education Scholarship Scheme is a fund that is intended to provide financing to Fijian students who have qualified for higher education in approved institutions of higher learning but they are unable to support themselves financially.

The Tertiary Scholarship and Loans Board were set up by the Fijian Government, in particular by the FijiFirst Government through the Tertiary Scholarship and Loans Decree in 2014 to oversee the scheme. The scheme provides student's loans to eligible citizens of Fiji to enable them to access higher education at affordable rates and increase equitable access to higher education in the country, in line with the FijiFirst Government's vision of Building a Smarter Fiji.

Madam Speaker, TELS Scholarship allocation does not only confine to students with good and quality academic background. It also aims to cater for those who have for some unfortunate reason missed out on high school education. The TELS Scholarship also aims to cater for students who wish to pursue further studies in non-formal fields such as the provision of scholarships to institutes as technical college of Fiji.

Madam Speaker, I have had the honour of being engaged in one of the technical colleges of Fiji and the response coming from students were always overwhelming. Therefore, TELS scholarship, Madam Speaker, ensures that the children of Fiji have all the opportunities to apply for a scholarship, irrespective of their fields of studies and academic background.

The TELS scholarship on the outset, I can say, encourages a more educated society for our nation and on this note, let me just share a few points on the investment on the importance of investing in our children's education by having such scholarship schemes. Madam Speaker, there are very few things in this world that may be more important to a society than the importance of investing in education with a very fair scholarship system such as TELS. It is unlikely that there ever a point in anyone's life where learning and furthering oneself becomes unimportant or unnecessary. There are many advantages for Fijian Government which encourages its people to keep learning and invest in their resources, in this case human resources, into making education more readily available to anyone who desires it without any conditions.

On a national level, Madam Speaker, the FijiFirst Government sees it essential that our nation puts as much as they can towards encouraging people to learn more. It is only through education and scholarship schemes that people are able to improve themselves. As a person begins to learn more and more, it helps him or her to move ahead in his or her life. One of the most important factors for helping in improving a nation from social conditions such as poverty is education, Madam Speaker. When a person is willing to learn, it not only gives them more knowledge of the world around them, it also equips them with the tools necessary to get ahead.

With the proper education scholarships available to them, they will be able to secure a better a job, give something back to the country and of course putting them on a path to future success. Nationally, Madam Speaker, the FijiFirst Government finds it important to put in the necessary funds as a matter of fact keeps on increasing the fund to provide for quality learning, not only for adults, but especially for the children.

The children need to be encouraged to learn as much as possible and it is important for a government or any society to keep them growing, which is why scholarship incentives such as TELS without any barriers of race and religion are very essential because education does not require these conditions. It is important for the children, who are the future of our society, the more that they know and they can assist in the growth of civilisation to better off their culture will be as a whole.

On a more personal level, Madam Speaker, it is important for every one of us to understand the necessity of not only investing money but time into educating themselves in their family. It is something that can only benefit all involved down the road and initial monetary layout for a person to go to a tertiary institute will certainly pay dividends when the person is out from that institution. If we are to compete in this ever-growing and ever-changing world, then we need to be willing to put in the necessary time and money and investment in education, which the FijiFirst Government has been doing.

It is only by educating a nation that will enable us all to keep up with everything. It is only through the work of our Government that the people are working together towards their education goals that Fiji really need. The FijiFirst Government, Madam Speaker, has set aside increase funds needed for the education through TELS scholarship. It becomes essential that the citizens of Fiji to put forward the effort for themselves and their children to embrace these policies. The only way our society can continue to grow is through prosper and good education and I would like to thank the FijiFirst Government and the Honourable Minister for Economy for recognising this importance in the 2017-2018 Appropriation Bill. Thank you.

(Applause)

HON. SPEAKER.- I now give the floor to the Assistant Minister for Youth and Sports.

HON. I. DELANA.- Madam Speaker, I rise to support the 2017-2018 National Budget, tabled before this august House.

Madam Speaker, I commend this Budget as pro-youth and pro-sports development as announced by the Honourable Attorney-General and Minister for Economy. A large part of the Ministry's increase of \$6.7 million is aimed at sports development and Fiji's international sports participation.

Madam Speaker, as a sportsperson myself, I would like to make special mention of the initiative by my ministry in requesting a \$120,000 grant to be allocated to promote physical activity and inclusive sports participation for our persons with disabilities.

Our Constitution envisages a Fiji which is inclusive and we believe this new initiative will harness social inclusion through sports. It will encourage mainstreaming of sportspeople with a disability into out able-bodies and hearing federations. It will ensure that sportspeople with a disability are acknowledged by sportspeople first and foremost. This will certainly complement the proposed legislation and the UN Convention on the Rights of Persons with Disabilities.

Madam Speaker, the ministry acknowledges our NSOs that promote inclusive sports and we will continue to support their progress to achieve inclusive sports participation and encourage other sports federations to follow suit. Through an initiative by my ministry, we have been able to apply successfully for a grant to promote physical education for students with disability which will be managed by the Fiji National Sports Commission. Further, in the past two years, two female athletes

with disabilities have scooped the National Sportswoman of the Year Award which they truly deserve. With such positive role modelling, the future for disability sport in Fiji looks bright.

We are aware, Madam Speaker that sport alone cannot address all challenges facing people with disabilities. However, these developments display our ongoing commitment to address these needs, using sport as a vehicle to make a valuable contribution towards national development. We will promote inclusive sports to harness change in how communities think and feel about people with disabilities through reducing stigma and discrimination.

Through this new initiative, Madam Speaker, we hope to empower disabled persons to change how they think and feel about themselves, and reduce isolation through the promotion of maximum participation in public life.

Madam Speaker, sport is a useful and cost effective tool to build and foster networks. Inclusive sports promote participation by bringing people together, facilitating interaction and providing accessible programmes to all. Recognising this, my ministry will work with the RFMF and the Fiji Police Force to promote sport for health as a realistic alternative to keeping young people, in particular, away from crime. We are looking at supporting through Fiji's swimming initiatives to train trainers so that our disciplined forces are able to expand the already well-run services to our citizens in preventing drowning.

We are also cooperating with the Fiji National University in addressing a shortfall in our teaching curriculum of training new teachers how to swim and how to teach others to swim. Through this strategic intervention with stakeholders, including the Ministry of Health, we hope to contribute to a reduction in the number of people, mainly children, who drown each year. In due course, we will also work with the Fiji Swimming to train young people and persons with disabilities country-wide to swim.

Sports also has a positive impact on anti-social behaviour, youth violence and crime can be used as a diversion from crime or as a hook to bring participants into a wider and more productive range of activities. Sport interventions help to reduce youth violence by developing trust within communities with the police and schools, sports help to build respect, self-esteem and inclusion of participants, distract them from violence and providing opportunities to engage in education, gaining professional qualifications or entering employment. For these reasons, we are exploring a partnership with the Fiji Police Force in a stop against crime, programme likely to be implemented by our National Sports Organisations and the Fiji National Sports Commission.

Other on-going sports initiatives, Madam Speaker, included in this budget are to be commended. I would like to mention the engagement of international coaches. Our nation recently benefitted from this initiative from which we won our first ever Olympic Gold Medal at the 2016 Rio Olympic Games. A feat we want to achieve more often in more sports in the future. The Ministry, through the National Sports Organisations and the Fiji National Sports Commission, will continue to engage international expertise to foster the development and participation of Fijians with potential at international levels.

Madam Speaker, there is an on-going allocation in this Budget to help us engage short-term experts to assist in the development of minor sports over a short-term period. A significant increase in this Budget bodes well for development work undertaken at grassroots by our National Sports Organisations.

I welcome the on-going opportunity given to our young athletes to take up scholarships to

pursue their future development overseas, often while studying at great universities. This is good for improving results in both sports and academic studies, ensuring there is indeed life after sports.

Madam Speaker, the Ministry of Youth and Sports, in partnership with the Ministry of Education, promotes physical education activity at a young age. We promote physical literacy through physical education as part of early childhood development since students spend a substantial amount of time at school. Quality physical education promotes social, cooperative and problem-solving competencies. Teamwork and discipline is encouraged through more competitive activities in secondary schools. Overall, physical education and sport provide opportunities for our children to develop their skills, explore their abilities and to improve their academic results.

Last month, Madam Speaker, we organised the National Sports and Wellness Day in Suva, Lautoka, Labasa and supported the host of villages and towns throughout the country to move more. I thank the Ministry of Health, the Fiji Sports Association and the National Olympic Committee and other stakeholders for their collaboration which bodes well for the future as we join forces to fight Non-Communicable Diseases.

The Olympic Day Fun Run and other activities in Suva alone attracted over 600 people. The challenge now is how to translate this into a daily activity rather than an annual one. An increased allocation for this in the new financial year will greatly assist.

The Sports Commission's Sport Outreach Programme continues to create waves in communities around Fiji. The Fitness Leader Programme has enabled many villages to have Zumba Classes every morning and evening. The \$250,000 allocated towards this programme will create more impact, not only for healthy living, but promoting minor sports in rural communities.

We will also ensure, Madam Speaker, that we improve Government's practices to unleash the full potential of sports and achieve desired results in a consistent manner based organisational values and accepted social norms. As sport administrators, we need to promote and protect the integrity of sports and enhance the experiences of participants. To this end, a small grant has been allocated to developing our sports governance system.

Madam Speaker, I wish to re-iterate that this Budget is pro-youth and pro-sports. Sports have a positive impact in society and the nation. This Budget will propel and safeguard the current sports development structures and harness the social function of sports. No doubt, it will foster a better society through the potential of sports and expand the positive impact of sports on people and society. These realistic proposals will enhance the practical steps undertaken by ministry and its statutory authorities to promote the regular practice of physical and sporting activity throughout life.

Madam Speaker, I, therefore, fully support the 2017-2018 Budget. *Vinaka Vakalevu.*

HON. SPEAKER.- Thank you. I now give the floor the Honourable Jiosefa Dulakiverata.

HON. J. DULAKIVERATA.- Thank you, Madam Speaker. Madam Speaker, I rise to respond to the 2017-2018 Appropriation Bill, as presented to this august House on Thursday 29th June, 2017.

Madam Speaker, the 2017-2018 Appropriation Bill seeks to appropriate the sum of \$4.3 billion as opposed to \$3.8 billion of projected income. This is in contrast to \$3.1 billion projected income and \$3.6 billion expenditure last year. The Government sought to borrow \$620 million to address deficit or shortfall last year and this year, it is going to borrow \$761 million again. In other

words, placing Fiji under a debt burden of more than \$1.3 billion in the last two years.

This is, Madam Speaker, poor budgeting. This is an irresponsible budget, given the fact that we have a vulnerable economic base, with fragile industries like sugar and tourism. The scope for revenue generation is limited against the fashion of extravagant expense incurred by this Government. In simple terms, we are living beyond our means and taking a lot of risk.

I will focus, Madam Speaker, my response on the Ministry of Lands and Mineral Resources in my capacity as Shadow Minister.

Madam Speaker, an anonymous writer wrote, and I quote:

“What am I?

I am the basis of all wealth, the heritage of the wise, the thrifty and prudent.

I am the poor man’s joy and comfort, the rich man’s price, the right hand of capital, the silent partner of many thousands of successful men.

I am the solace of the widow, the comfort of the old age and the cornerstone of security against misfortune and want.

I am handed down to children through generations, as a thing of greatest worth.

I am the choices fruit of toil, credit respects me, yet I am humble.

I stand before every man bidding him know me for what I am and possess me.

I grow and increase in value through countless days.

Though I seem dormant, my worth increases, never failing, never ceasing.

Time is my aid and population heaps up my gain.

Fire and the elements I defy, for they cannot destroy me.

My possessors learn to believe in me; invariably they become envied.

While all things wither and decay, I survive.

The centuries find me younger, increasing within my strength.

The thriftless speak ill of me. The charlatans of finance attack me. I am trustworthy. I am sound. Unwittingly, I triumph and detractors are disproved.

Minerals and oils come from me. I am a producer of food, the basis for ships and factories.

I am the foundation of banks, yet I am so common that thousands, unthinkingly and unknowingly, pass me by.

I am Land.”

Madam Speaker, that is land, in a nutshell. It encompasses both, social and economic aspects of life. Madam Speaker, God has stopped creating land but our population continues to grow. It is, therefore, imperative that we should manage our land resources with great responsibility for our livelihood and that of our future generations.

Unfortunately, Madam Speaker, this Government does not recognise the importance and full potential of the Ministry of Lands which, if properly harnessed, will contribute significantly to the social and economic development of the nation. The Ministry, Madam Speaker, is comprised of two distinct Departments, the Department of Lands and Survey and the Department of Mineral Resources.

The Department of Lands and Survey is responsible for the administration, development and management of all State land activities and the National Land Information System. Such activities are recognised in the following programme and activities in the Budget Estimate.

The Survey and Geospatial Information Management, Madam Speaker, has a total budget of \$6.959 million.

Survey of Government Property on *iTaukei* Land has a budget of \$450,059. There is a significant number of Native leases to the State that have substantial building infrastructure. This item appears in the Budget, Madam Speaker, year in and year out, and will continue to be so in the future. I say this because the Ministry does not have the capacity to undertake this task. It only has three registered surveyors in its establishment and two contracted officers. This is a very important area, as the landowners and the State need to know exactly the area of land being leased. It is also important for the Government to have a registered lease to safeguard its interests. What is needed Madam Speaker, is more registered surveyors and technicians to be able to undertake this task. One thing is certain, Madam Speaker that this allocation will not be utilised during the financial year and ultimately, will contribute to Government savings.

The Survey of Mahogany Plantations, an amount of \$512,486 is allocated for this exercise. This is a very important project but it is most likely that it will not be implemented due to the reasons I have stated above. Most of the landowners whose land adjoin mahogany plantations, have their land overgrown with mahogany. They are being denied the right to harvest these trees as Government is claiming that they are part of the mahogany plantations. This would only be verified if the lease is surveyed. It is really unfortunate that after all these years, Madam Speaker, mahogany plantation leases have not been surveyed.

Periphery Boundary Survey of *iTaukei* land, the budget of \$300,000 is allocated for this. It is unlikely, Madam Speaker, that this also would not be implemented due to the reasons I stated above.

Programme on Valuation, Madam Speaker, there has not been any significant projects undertaken under this activity in the last three years. The total allocation for this year is \$6.281 million. The bulk of this, Madam Speaker, is the payment of State land municipal rates to Municipal Councils which amounts to \$2,376,000. Madam Speaker, this is an annual payment. Municipal Councils normally offer significant discounts for early payments which the Department always took advantage of. The allocation is under R. Knowing the delay in processing funds by the Ministry of Economy, the Department could lose out on the discount.

*iTaukei* Lands Leased to the State has an allocation of \$2,376,000. Madam Speaker, the payment of iTLTB fees and annuity, rental or land leased to the State, renewal of Native leases are all under R. These are normal operational issues, Madam Speaker, and should be paid whenever they

are due. There is no need to be under R.

The Unit should be engaged in more professional activities, such as research, et cetera. Issues like, what is the best basis of assessing rent, what percentage is the most equitable to landowners, et cetera.

Allocation should be made for the establishment of a Valuation Tribunal to address valuation issues. This was also raised last year, and the Government was also for the idea. The Tribunal can also look at compensation for fishing rights and other issues which affect ordinary Fijians.

State Land Planning and Development, Madam Speaker, the allocation for this activity over the last three years has been on an average of \$2 million. The allocation of this in this financial year is \$6,862,000.

The Development of State Land has an allocation of \$4,400,000. The intention of the Government is good and the Government should pursue it vigorously, but how serious and honest in its commitment in this undertaking this exercise is questionable. I say this because the Department does not have the necessary manpower and expertise to undertake this project. At present, it has only three registered surveyors, as I had already mentioned, with two others on contract basis.

The lack of planning, focus and commitment on this area in the past, had contributed to the non-development of State land, especially in the urban and peri-urban areas. This has resulted in these land being invaded by squatters. If the trend continues, then the Government would be faced with an increased number of squatter settlements and population. The Department needs to be proactive in this aspect, if it is focused in its role of managing State land. The Government needs to relocate squatters and develop the land they are occupying to its highest and best use.

The developments should be aligned to the Land Use Master Plan with consultations with the respective Municipal Councils and the Department of Town and Country Planning. This will ensure that our cities and towns are well planned, and residents will have better living standards and enjoyable environments. The Government will generate more returns from its land if properly developed and leased out.

The Government may have the necessary funds to undertake the project but if it does not have qualified staff and manpower, it will not eventuate. The current Government programme of issuing approval notices to squatters will not address the issue. It is only a band aid solution. It is unfortunate, Madam Speaker, that the Government is preaching one thing and doing something else.

Maintenance of existing subdivisions has been allocated a budget of \$450,000. It is baffling to note that the Lands Department is still allocated this amount for the maintenance of its existing subdivisions. You never see the developers of Laucala Beach Estate or Namadi Heights provide funds every year to maintain their subdivision. Once any development is approved, the Municipal Council takes over the maintenance. Now, the new Ministry of Waterways will be responsible for the maintenance of drainage and waterways. This money, Madam Speaker, would be used in some other ways.

Land Bank Investment, Madam Speaker, has been allocated \$2,500,000. The Government's intention of creating the Land Bank is to promote the productive utilisation of land. Also, to provide the landowners with the opportunity to deposit their land in the Land Bank and benefit from market-based lease payments. Tenants to benefit from long term leases.

Madam Speaker, if the Government is really serious about the return to landowners, then it should amend the existing legislation to determine the rent on the market rate rather than UCV. There is no need to establish the Land Bank as we already have the *iTaukei* Land Trust Board and the Lands Department. It is a duplication of task and a wastage of financial resources.

While still on land, Madam Speaker, let me say a few words on the informal settlements. The Challenge and Investments Fund is available to the cities and towns to ensure that they are well planned. On the other hand, Government issues notices of approval of lease to informal settlers regardless of their occupation. This is in contrast to the Challenge and Investments Fund.

On the Mineral Resources Department, Madam Speaker, the Geological and Mineral Investigation, this activity has an allocation of \$10.8 million. This caters for the geological mapping, groundwater assessment and development (Small Islands) - \$554,000, groundwater assessment and development (large Islands) - \$1,000,000 and Purchase of Technical Equipment - \$4.9 million. The bulk of this allocation, Madam Speaker, is for the Purchase of Technical equipment. Madam Speaker, the allocation is insufficient, if we are to address the water problems in the rural areas, especially in the smaller islands.

The amount allocated for geological mapping is insufficient, to say the least. We need to develop the Mining Industry and build a good database to make it easier for investors to make decisions to invest here.

Programme 2 - Mineral Resources, Activity 2 - Oil and Mines Act Administration; this activity has an allocation of \$892,000 which comprise of:

1. Field Support in Extractive Industries Development;
2. Mine Inspectorate – OHS Services - \$60,000; and
3. Environmental Monitoring of Mines and Quarries - \$120,000.

Madam Speaker, we need to build up the capacity of the Mineral Resources Department, to be able to absorb the demand for mining in the country.

On the Ministry of Agriculture, Madam Speaker, investment and development of our agricultural industries are very important and hold key to the future, for a number of reasons. It will:

1. create jobs which is a major issue in the country now;
2. help us to offset our deficit in terms of balance of trade, which we need to pursue aggressively;
3. give our people more food and fresh food supplies to counter the rising cases of malnutrition and NCDs;
4. put land to productive use, giving the resource owners better returns and;
5. broaden the scope for revenue generation and real economic growth.

Madam Speaker, it is noted that \$2.5 million for Farm Access Road have been given to the agricultural sector. I would like to raise the need for more access roads in the Tailevu area; the district of Tai Vugalei, the villages of Vatukarasa and Tonia. And these places, Madam Speaker, have vast areas of land which can be fully utilised for agricultural purposes but they do not have access roads.

While it is good to focus on major agricultural industries such as sugar, copra, ginger and *dalo*, Madam Speaker, there is a real need to revive industries, such as rice farming, dairy and meat industry, and diversify our agricultural sector by introducing more crops, particularly fruits and

vegetables.

Madam Speaker, we have had so many promises and pie in the sky policies, programmes and announcements in the past in relation to the revival of our dormant agricultural industries and diversification of the agricultural produce, but no action taken. Let me ask, Madam Speaker, what has happened to the Yaqara and Uluisaivou Cattle Farms, the Batiri Farm in Macuata, Potato farming in Nadarivatu and the rice farming in Nausori and Navua? Where have the farms and farmers disappeared to and why? There are several reasons for the demise of these projects beginning with poor quality of infrastructure which is expected to continue, given very little allocation for access road, maintenance and development, climate change, increase in the price of farm inputs and lack of machinery and farm input supplies, theft, land tenure issues and ultimately, the market for the produce.

We have had the National Marketing Authority in the past, Madam Speaker, and now the Agro Marketing Unit, whose prime intent is to secure markets for our produce. But experience has shown us, Madam Speaker, that they have had little success in so far as securing market for our produce is concerned, the latest being the case of *dalo* production this year after the re-entry of Samoa, again as a major *dalo* exporter in the Pacific region. The *dalo* farmers had to sell their produce cost to cost and are now considering alternative crop for the next season.

There was a time, Madam Speaker, when Fiji used to produce a variety of fruits and vegetables and other rootcrops. In fact, agriculture was vigorously taught in primary schools, but this has stopped Madam Speaker. To arrest this mega national issue, there is a need for cultural change, beginning with a change of direction in Government policies and programmes. It is a case of Government gone wrong on its promises.

In conclusion, Madam Speaker, it is clear from the deliberations we have had so far in this debate that the FijiFirst Government is not comfortable with all the things that had been expressed in these speeches. The election budget is not yielding them the dividends they thought it would. The only solace we gather from the Budget is the fact that the next election is around the corner and that is what Fiji is waiting for to pass its verdict on this Government. God willing, we will prevail to reclaim and rebuild a Free Fiji. Thank you, Madam Speaker.

HON. SPEAKER.- I now call upon the Assistant Minister for Local Government, Housing and Environment to take the floor.

HON. L. EDEN.- Madam Speaker, the Honourable Prime Minister, the Honourable Leader of the Opposition and Honourable Members: I rise in support of the Budget and in particular, of the activities to be undertaken under the budget allocated to the newly proposed Ministry of Environment and also the Department of Town and Country Planning. I also take this opportunity to thank the Honourable Minister for Economy and his team, for a visionary Budget that will set all Fijians on a path to success.

Madam Speaker, there is an increase in global interest and recognition that today's economic growth and development pathway is driven by the global shift to sustainable green and blue economies. Our FijiFirst Government is about establishing strong and sustainable resilience for every Fijian. The sustainable development goals are a key set of contrivances that will help us achieve this resilience that we so ardently seek.

This Budget reflects our Government's unwavering commitment to an indelible transformative development that is economically, socially and environmentally sustainable. As this

Government strives to build a strong climate resilient economy, it is paramount that we continue to build on a foundation that accords a well-protected, healthy and valued environment that is so naturally endowed to us. This, Madam Speaker, will reward us with a strong, prosperous and inclusive growth for all Fijians.

This Budget, Madam Speaker, lays out the trajectory to bolstering scientific, technological and innovative programmes. These programmes cannot be run on their own entirely, and will be catalysed through strategic partnerships with international agencies and the private sector. This will be led by a strong government backed with policy and a tenacious regulatory system.

The newly proposed Ministry of Environment will be responsible for protecting Fiji's natural environment which includes air, land, water or layers of the atmosphere or organic and inorganic matter, and the interacting natural and human systems that encompasses the above.

The Ministry will take a three-pronged approach for the fiscal year 2017-2018:

Firstly, facilitating and supporting a strong community outreach to all citizenry groups, including businesses, on the environment protection agenda and regulatory obligations and its importance. Additionally its radical role played in the economic growth through green and blue sectors, creating greater green investments, more jobs and Fiji's competitiveness in the global arena.

Secondly, establish an enhanced, coherent, effective and robust regulatory and compliance system that would support outreach and awareness, while ensuring strong monitoring and reporting systems. Madam Speaker, to realise the benefits of environment protection, it is imperative that a strong-willed approach is taken towards compliance both, within the environment and conservation areas.

Thirdly, provide a reliable, efficient, and fast operational service that will support the realisation of the above two approaches. This will include people, processes and systems that will enable us to carry out our mandate, including establishing compliance.

To avail the best possible outcomes through the first Approach, the Ministry has taken a stronger relationship management dimension. An exemplar would include the recent roundtable with all related NGOs, CSOs and other agency groups which help cement a well-planned coordinated strategy to share and support the Ministry in its policy and action. These NGOs have willingly committed to partner with the Ministry to support through community outreach programmes. Similar outreach programmes planned for the new fiscal year, include a business roundtable that will raise consciousness amongst the business community.

The Ministry will also strengthen the existing 3R programmes (Reduce, Recycle and Reuse), and this will establish a stronger Waste Management and Pollution Control Strategy for Fiji.

Speaking of Waste Management, Madam Speaker, Stage 2 - Cell 1 of the Naboro Landfill was completed in September, 2016, at a total cost of \$2.272 million. The budget allocation for 2017-2018 will cater for the completion of Stage 2 - Cell 2, and construction work is envisaged to be completed by December, 2017.

The Ministry will also work closely with the Department of Local Government and Rural Authority, to ensure waste is managed appropriately within their jurisdictions.

The Ministry will carry out outreach programmes that will establish conservation throughout Fiji. This will include the implementation of the National Biodiversity Action Plan. Examples would

include, protection of our wetland systems that are critical to climate resilience. A key area that Fiji would lead this year is to extract a quantified and tangible picture, linking conservation with climate resilience, for example, by quantifying the amount of mangroves and sea meadows within our coastal zones. This would greatly assist in understanding Climate Change Adaptation for our coastal cities, towns and communities, including Fiji's mitigation potential.

The very fact that we would quantify our National Environmental Assets, will also speak volumes in financial modelling, like insurance against natural catastrophes. To explain these in simpler terms, it is a well-known fact that wetland systems, like corals and mangroves reduce the impact from strong wave action associated with cyclones. When calculating an insurance premium in the future, these ecosystem service assets can be factored in as well.

Madam Speaker, to ensure all of the above, including the provision of fast, efficient and reliable service to the public, the Ministry will review its systems, its standard operating procedures and its team structures. This will ensure quicker service delivery with capable personnel in areas of expertise.

And now, Madam Speaker, to the Department of Town and Country and Planning, today many cities around the Globe continue to grapple with outdated modes of policies and planning, to achieve climate resilient and sustainable urban development. Urban areas around the Globe are dramatically growing and, of course, our cities and towns are no exception.

It is a bitter truth that planning capacity is grossly inadequate in the region, as much as anywhere else in the developing world. Even countries like the United Kingdom, for example, struggle to hire and retain capacity. In the UK, there are 38 Planners per 100,000 population, and in India, the figure is 0.23 for every 100,000.

For Fiji to improve efficiency, speed and reliability, the Department is realigning its capacities. Areas of gaps are being filled through a Sensible Talent Acquisition approach, and the revision of Standard Operating Procedures, including fitting into an E-Tracking Module. These efforts will adopt international standards, yet be localised to fit in with Fijian requirements.

We are also working jointly with the other Ministries to establish Operational Protocols, supporting a Whole of Government effort in providing e-service. The Department will actively participate in all Government endeavours to better "ease of doing business" and reduce turnaround times.

Madam Speaker, resources from this year's Budget utilisation will also be directed towards completing the review of the Town Planning Act and Regulations. The final Planning Framework will also be gender and disability sensitive and as such, women and the physically challenged have not and will not, be left out of the planning process and the decision making.

Hence, Madam Speaker, this year's allocation will continue to strongly assist with an integrated multi-sectoral planning approach. Local circumstances, needs and requirements, will remain pre-eminent, and responsiveness to our diversity requirements will be met across Fiji.

Madam Speaker, I thank you for your attention and I say again, this is a visionary Budget that will set all Fijians on a path to success, regardless, Madam Speaker to what the Opposition may choose to believe. I thank you.

HON. SPEAKER.- I now call upon the Honourable Viliame Gavoka to take the floor.

HON. V.R. GAVOKA.- Thank you. Madam Speaker, I rise to contribute my views to the Budget of 2017- 2018.

Madam Speaker, let me just say this - that after the initial euphoria, people are now beginning to realise that this is a Budget put together by non-performers. Madam Speaker, we need to free Fiji from non-performers.

(Honourable Members interject)

HON. V.R. GAVOKA.- For ten long years, Madam Speaker, our people have watched in bewilderment, as we stumbled from crisis to crisis with seemingly no end in sight. We, at SODELPA, will bring an end to this misery; to this state of malaise and paralysis. Quite simply, we will call out the non-performers; yes, media savvy they are, and who would have us believe that all is well. But, we at SODELPA, know the opposite is true, so does the citizenry.

Let me highlight some specific areas, Madam Speaker. Tourism is a number one industry in Fiji which today, is badly underperforming. It should have exceeded more than 1 million visitors by 2016, but it only did 792,000 and the million mark is very, very, elusive.

On the budget, Madam Speaker, the budget shows an Operational budget of \$10.4 million, which 10 years ago was only \$3.6 million. Madam Speaker, we pay a heavy price and carry a heavy burden because of the expatriates, whereas 10 years ago, it was largely locals. We see the expansion of regional capacity with big titles and we ask; who is paying for it?

The budget shows the Marketing Grant of \$33.1 million for 831,000 visitors. Madam Speaker, 10 years ago, it was \$14 million for 549,000 visitors. Today, we will pay some \$43 for each visitor, whereas 10 years ago we only paid \$25. With the locals running the show and increasing the spend for each visitor by 30 percent over 10 years to \$31, the budget today of \$33 million, Madam Speaker, would be fetching us 1.1 million visitors.

Madam Speaker, the budget shows the Golf Tournament at \$9 million. Madam Speaker, 10 years ago, no one would have dared suggest such a ludicrous idea. The tournament attracts anyone who is not anyone in golf. Sure, we have our very own Vijay Singh and we are all proud of him, but the people look to the rising sun, not to the one that is setting.

The budget shows Super Rugby hosting at \$3.5 million. For outside teams to come and showcase their skills to us here in Fiji, while our very own Flying Fijians are starved of credible competition against top sides. We are preparing for the World Cup in 2019 and the more our boys play against top sides, the better our chances for the World Cup in 2019. Madam Speaker, with this funding, who is funding?

If we are given this funding, part of it to our people then through tactical campaigns in Australia, Australia would today be enjoying 500,000 visitors.

Madam Speaker, the budget shows \$18 million support for Fiji Airways. This is one of the most profitable companies making some \$84 million last year, and it is ludicrous providing marketing support to it from taxpayers' money. Locals used to market this company and they never once ask the Government for this kind of funding.

Madam Speaker, we ask the question; where is Qantas? They own 46 per cent of Fiji

Airways. Why are they not taking any part in the running of this airline? Why is it that FijiFirst has pushed them aside?

(Laughter)

I know people are going to say; “Well, we are making big profits”, but let me say this, Madam Speaker, the huge profits by Fiji Airways is not an isolated phenomena, it is global. In 2016 the entire airline of the world registered \$35.6 billion in profit. It is a global phenomenon and was due to the cheap oil that was available at that time and still do so today. The world was drowning in cheap oil and airlines were swimming in big, big profits. I mean, so no one should be big-headed about the \$84 million profit. At that time, Madam Speaker, the cost of fuel in an airline was 33.2 percent with the reduction in the fuel cost, it came down to 18 percent hence the big profit. If anyone wants to brag about Fiji Airways, explain why we have had 3 CEOs in a matter of six or seven years.

Madam Speaker, with anaemic visitor numbers and not making the 1.1 million mark, and the resultant shortfall of 268,000 visitors averaging \$2021 average span translates to \$542 million which you will not see, revenue-wise extrapolate that to GDP and you feel very very sick when this country is not getting the benefit of that type of revenue.

Madam Speaker, it looks worse when you benchmark against the Maldives. In 2006, Fiji had 549,000 visitors while the Maldives had 602,000; a difference of 10 percent. By 2016, the Maldives had 1.3 million visitors while Fiji was at 792,000 or 63 percent less. If a 10 percent margin between the two countries had been kept constant, Fiji would have seen a one million visitors in 2013.

Madam Speaker, benchmarking with the Maldives is not unrealistic as both countries have the same thrive on holiday market in its various segments; both are vulnerable to the elements and both have had to deal with political upheaval. The expectations for growth alongside the Maldives was not a pipe dream as with the locals in charge, Fiji’s tourism grew by 86 percent from 2001 to 2006 under SDL but from 2007 to 2016 with the regime and FijiFirst making the call, it grew only by 44 percent.

SODELPA lays the blame squarely on the feet of FijiFirst. This dismal performance is due primarily with FijiFirst. FijiFirst did not protect the people, the local professionals who were trained over the years and were managing tourism marketing. All were graduates and highly respected and serving in overseas branches but they were destroyed by their expatriates brought in by the FijiFirst.

And one such expatriate, Madam Speaker, was the CEO of Tourism Fiji who disappeared without explanation. On a Thursday there was this press conference, there was him and the leadership of the land all beaming with pride over an event that they had in Denarau; that was on a Thursday. On the Monday, people were asking, where is he? Where has he gone? He left in the middle of the night without telling anyone.

One week later, Government came up with this ludicrous excuse saying that his wife did not like Fiji that is why he left. If you are a CEO, you would give three months’ notice even if your wife does not like Fiji, you give 3 months’ notice before you go. As an aside, Madam Speaker, just over the weekend, the former CEO of FRA was revealing some of the challenges he faced under the FijiFirst Government, so there must be something about CEOs and the FijiFirst Government.

Within a year, Madam Speaker, they had this executive chair to run the show. And remember, Madam Speaker, we asked the Honourable Minister, “When are you going to replace the CEO?” He said he is coming, it is coming, and we were brushed off. It is unthinkable that for more than one

year there was no CEO for an organisation so vital for this country. The Executive Chairman, Madam Speaker, for someone who was not a tourism person, he was a Cabinet-maker and that is why we kept asking, “replace your CEO, you cannot have someone like him being the Executive Chairman”. He may be a good Chairman but CEO is a highly specialised role for tourism marketing.

And, Madam Speaker, he was renowned for big ideas and people were horrified with the many consultants he brought in who earned big and left quickly. After he left, in came the new CEO who is now in place and today, Madam Speaker, he is dismantling a lot of the programmes that were put together by people before him, expatriates also. Today, Madam Speaker, I would like to have an explanation as why he has terminated the contracts of the Global Agency put together by the expatriates who came before him, the Global Social Media Agency and the Global Website Agency which was set up by the expatriates at the cost of NZ\$230,000; someone needs to explain that, the locals would not have done that, Madam Speaker. And he needs to explain why he is creating all these regional positions, we never used to have that in the past. Who is paying for all these?

You will notice, Madam Speaker, the operating budget has risen from \$3 million to \$10 million now and it is all because of this new hierarchy they are creating. Much is at stake, Madam Speaker, and much is expected from tourism as in it rests the hope of the country. It cannot be left in the hands of the expatriates. Madam Speaker, I worked with the expatriates, I love the expatriates but they must work under a directive from the owners of the business. We are the people of Fiji, we own the business, our board must set up policies, what we have today, even the board has expatriates - this never happened in the past. So, Madam Speaker, this is why tourism is doing so badly and it is affecting the lives of many people.

Firstly, we wanted to introduce a service fee for tourism workers, I presented a petition here, it went to the Committee and it was killed in Committee by the people of FijiFirst. We do not know today as to the reason why FijiFirst believes that our people cannot get service fee to supplement their income when the workers in Singapore get it, workers in Malaysia get it, workers in the Philippines, Thailand, Hong Kong, Japan and Korea; we cannot understand how FijiFirst can say “no, we won’t give this to the workers in Fiji.”

Madam Speaker, we are not talking about additional tax and we made that very clear, it was only 5 percent and that time, it was 20 percent, it went up to 25 percent but none of it went to the workers. Madam Speaker, we normally ask in SODELPA, we are talking about a billion dollars in tourism, a billion dollars for whom? The billion dollars must be shared between the resource owners, the workers and by people in Fiji, not just a few as what we seem to be seeing today.

Like most workers in other industries, Madam Speaker, tourism workers must earn a living, a living wage which equates to about \$200 a week. Madam Speaker, improved performance by tourism would help us. Tourism would be like a rising tide that lifts all boats if it is performing properly.

Madam Speaker, what we have today is an economy that is trapped in a low wage scenario. It is a low wage economy, it is something that FijiFirst should realise. They talk about seven or eight years of economic growth; economic growth while people are trapped in a low wage economy.

Madam Speaker, we have high instances of NCD; NCD stress, NCD is anxiety, NCD is unhealthy living and it is all due to low wages. Fiji has the highest rate of suicide and low wages. Fiji has a high rate of domestic violence and we all know spouses fight over money. It is because there is not enough money in the family.

Madam Speaker, SODELPA will free Fiji from the traps of low wages and we look to tourism to play a big role in this. Madam Speaker, the *iTaukei*, we lag behind in business, tourism can lift our involvement in business. Our assets are made available for exploitation for business which is fine with us. Our *qoliqoli*, we are not allowed to earn anything from our *qoliqoli*.

The *qoliqoli* of the natives of New Zealand, earning \$100 million. The *qoliqoli* of the natives of Australia had been returned in some parts but for Fiji, it is tragic that businesses are willing to pay us for the use of our *qoliqoli* but the FijiFirst Government would not allow it. This will change under the SODELPA government and the people of Tavarua, and the people on the Coral Coast (Serua, Kadavu and other places) will get directly through the use of their *qoliqoli* by businesses. This is a SODELPA manifesto, Madam Speaker.

Madam Speaker, the use of our resources and I quote the case of Vaturu Dam. Vaturu Dam feeds water from Momi in Nadroga to Teidamu, *na vanua* of Vitogo. It is on 9,000 acres and they get about \$26.00 an acre every year to supply water, so vital to the life and commerce of those huge areas. We have to do a better job of rewarding our resource owners on the use of their resources.

(Hon. Member interjects)

HON. V.R. GAVOKA.- I could also quote the catchment areas for the *Tui* Vuna of Sawani and *Roko Tui Colo* of Tamavua who are now feeding the Suva and the Nausori areas. These are vital resources and yet we are not rewarding the owners adequately.

Madam Speaker, even in those catchment areas, there are trees that are creating carbon which now have value commercially, we are not even thinking of rewarding them for not cutting those trees.

Madam Speaker, we know that FijiFirst talks about the \$10 million grant to the *iTaukei*. In the scheme of things, Madam Speaker, we are so behind; \$10 million is peanuts. It will not even save the backpackers who have gone under in the Yasawa Group.

Madam Speaker, we need to raise our level of contribution to the *iTaukei* who should come up in business. We are the elephant in the room, you can say whatever you want to say, but if we are not helping the Fijians, the *iTaukei* from advancing in business, all these economic growth that FijiFirst is boasting about comes to nothing.

Madam Speaker, I suggest a \$150 million a year to be given to the *iTaukei* consistently to help them.

(Hon. Government Members interject)

HON. V.R. GAVOKA.- You are bankrupting us by using our resources without paying us adequately.

Madam Speaker, on trade, we must ratify EPA and PACER Plus. PACER Plus, Madam Speaker, will enable our Biosecurity to the standards of Australia and New Zealand and we can export anywhere in the world. It is ludicrous that we do not ratify this. EPA is waiting, once we do PACER Plus, the whole world opens to us.

Madam Speaker, sugar – what else can we say about sugar. It is only 2 percent of GDP, it is very, very sad. After 10 years we are getting tired of blaming the politicians. SODELPA will make sure that sugar becomes what it used to be and harvest five million tonnes. Anyone who has a lease

issue, we will take away that anxiety by resolving it for you.

Madam Speaker, let me conclude, we all want the best for our people. I have highlighted many key areas, but for this to happen, we need Fiji to be free from the non-performers and that is what SODEPLA is committed in doing. Under normal circumstances, Madam Speaker, I would end with, “shape up or ship out”.

(Applause)

HON. V.R. GAVOKA.- But these are perilous times and the people of Fiji are saying to FijiFirst, “it’s too late to shape up, it’s time to ship out.” Thank you.

HON. SPEAKER.- I now call upon the Honourable Semesa Karavaki to have the floor.

HON. S.D. KARAVAKI.- Thank you, Madam Speaker. The Honourable Prime Minister, the Honourable Leader of the Opposition, Honourable Members of Cabinet and Colleagues, Members of Parliament.

I rise, Madam Speaker, to state my reply to the 2017-2018 Budget that was presented on Thursday, 29th June, 2017.

I believe, Madam Speaker, that it is not contentious that the Government had actually proceed to continue borrowing from abroad when it has savings in its financial coffers as was stated by the Honourable Prime Minister and also by the Honourable Minister for Economy, that it is because they are building up; that is the reason given that they are building up.

I am trying to fathom the meaning of that building up, Madam Speaker, in my limited knowledge. I am quite concerned, Madam Speaker, because building up means building up debts and I think we all understand that right now the national debt stands at over \$5 billion, and to be borrowing when there is savings, Madam Speaker, is quite irresponsible and negligible knowing that the Government of the day will not be governing the nation forever or in perpetuity.

Madam Speaker, I am trying to think about that when we are in leadership, we are to be very cautious with what we do because there are only two sides that we can identify ourselves with; whether we identify ourselves with righteousness or with wickedness, whether we good or bad. I am therefore reminded, Madam Speaker, what advice that we all inhabitants of the earth had been given, as was written by John the Revelator in *Revelation 12:12* says:

“Therefore rejoice, ye heavens, and ye that dwell in them. But woe to the inhabitants of the earth and of the sea for the devil is come down unto you, having great wrath, because he knoweth that he hath but a short time.”

Madam Speaker, I stand here, Madam Speaker, trying to figure out that it is not very important to talk about FijiFirst or SODEPLA or National Federation Party. It is important to talk about virtues and values. That is what is important. For us, Madam Speaker, to understand that than we would be able to make laws to govern the nation based on principles of God’s justice and to do that, we will be able to see things flourish in this nation.

I am trying to think about what has been done, Madam Speaker, as we continue to borrow when there is a saving. You know, in the capacity that I am in, Madam Speaker, I always draw inferences. When that has happened I am trying to figure out why this is done, what is the rationale?

As I have heard, it is building up but many other inferences could be drawn from this. Madam Speaker, many people will tend to think, is the person dealing with all these borrowings is getting any benefit out of this if the reason is not very convincing.

And I believe in that, you know, Madam Speaker, I am glad that we have in the Budget the setting up of the Accountability and Transparency Commission because that has been long overdue. We have the FICAC but we do not have this, now we are coming to the third year and this Commission, I believe, has a very important role to play in the good governance of this nation. I hope that very soon we will have the enabling statute to be brought before this House so that it can have that Commission properly established and members appointed accordingly.

I talk about the Judiciary, Madam Speaker. The Judiciary was given \$54,463.5 million in this Budget; a big increase of about \$14,241.8 million. I ask whether this increase would accommodate the increase in the number of judges and magistrates. The reason why I ask that question, Madam Speaker, is because there are quite a big backlog of cases before the courts and there are some cases before the courts that are now taking more than two years now and the judgements are still not being given. I think this is a big concern for the lawyers because it affect not only their practice but also their clients who have been waiting in vain for an outcome or the case to be brought to a closure. And I know, Madam Speaker, there are many judges and magistrates in Fiji, they come from abroad and it will certainly take time for them because when they go on leave, they go to their respective countries and then where there is a personal issue, they will tend to ask for leave and taking care of their cases and also to write judgements, it takes time. And I do not understand, Madam Speaker, why Government is not encouraging the appointments of local lawyers, qualified local lawyers. We have an abundance of well-qualified lawyers suitable for the position of magistrates and judges in Fiji.

(Honourable Members interject)

HON. S.D. KARAVAKI.- The reason they have not been considered for these positions and to have those from abroad given the priority over them, that escape6s my understanding and any reasons that I could be able to identify myself with. I would therefore, Madam Speaker, for this purpose, if this allocation is going to assist in the appointment of many more judges and magistrates because I understand, Madam Speaker, that judges and magistrates sit day in and day out, then after hearing cases, they need to sit down and write their judgements; that is quite a very tight commitment to take care of. The only way, Madam Speaker that I can see that that could be assisted is to appoint more judges and magistrates.

I do not see in the Estimates a detail of how those funds allocated to the Judiciary would be used because I believe the reason behind it, because it is given to an independent institution and the Government does not dictate how they should use the fund. I believe it is a Government fund and every particular should be outlined just like any other Ministry because they are going to be accountable with the money given to them

I hope, Madam Speaker, that what has been done will not convey the message to our local qualified lawyers that they are not good enough or they cannot be trusted. I think the Government must come away from what I call the “Colonial subjugation syndrome” because, Madam Speaker, this has been the trend since the Colonial times; the prioritisation of expatriates over local people. I hope this comes to an end quickly because our local people need to be given the opportunity. Many of our lawyers do not only study here but even if they study here, they are not of any less knowledge or understanding from those who went to study overseas, and I do not see any reason why our

qualified lawyers in Fiji are to be treated differently, or to be looked at differently from those who come from abroad.

I am, therefore, reminded when I think about the situation, Madam Speaker, where the two kings in the *Holy Bible* in *II Chronicles* chapter 18. It talked about the discussion between the two kings: the King of Israel and the King of Judah, King Ahab and King Jeroboam. When they sat down and were talking about uniting to go to war and then King of Judah asked the King of Israel, “Is there a prophet of God here that we can ask?” The King of Israel said in reply, “We have 400 priests of Baal to ask from.” Madam Speaker, in verse 6, this was the statement made by the King of Judah but Jehoshaphat said, “Is there not here a prophet of the Lord besides that we might inquire of Him?” I brought that one, Madam Speaker, because this correlates with the situation that I am talking about.

I ask, is there not here local qualified lawyers who are qualified to be appointed to the position of magistrates and judges? If more magistrates and judges are required for efficient adjudication of cases then only I believe local people are to be considered in priority over others.

I want to comment on the trend of personal security in Fiji, Madam Speaker. I welcome the increase in the Police budget, I think it is given about \$148,798.8 million, an increase of over \$17 million, Madam Speaker. There was an increase of \$13 million for the 2016-2017 Budget. What I am probably trying to understand, Madam Speaker, when we continue to inject fund into the Police Force, but we note the increase in crimes continue to rise also.

I was concerned about a TV programme that I saw the other night, Madam Speaker, where they were talking about the citizen’s concern for their personal security. I directed my attention to what was being said, a lady was saying, “Now, we are going forward to hire security guards to provide personal security for us in our houses”. What we are seeing here, Madam Speaker, in almost all houses, we almost see burglar bars and guard dogs. Now we are starting to see security officers hired to protect citizens of this country. I believe, Madam Speaker, that this is not the solution to continue to increase funding, that is not the solution because the change that will bring about the reform in a person comes from inside.

I also talked about, Madam Speaker, what we mentioned about the programme on the TV, where they talked about police officers and people, workers, employees of the Ministry of iTaukei Affairs going to places where the planting of *marijuana* are plentiful, but they also talk about going with church ministers, because it is the message of Jesus, Madam Speaker, that changed the person. It is that message that changed the person, it is not the presence of police officers, it is not the building of police posts, it is the message of Jesus Christ that changed the person.

So I tend to think, Madam Speaker, if we continue this way, what is going to be the conclusion of all this? We continue to increase the budget, increase the budget, fight against crime, but still, we see the increase in crime. What is going to be the conclusion of all these?

We fill up the prison, we reinforce the Yellow Ribbon, it does not bring any finality to this process. I can therefore state, Madam Speaker that I believe the Government has lost its plot on this. It is trying very hard, but I think it is embarking on a wrong direction. It is not the direction with the SODELPA Government, Madam Speaker, I believe that we do not need to increase the budget like this; we do not need to increase the number of police posts, but people will reform themselves and there will not be an increase in crime. And I believe that my good friend, the Honourable Minister of Defence will not be able to be worried about this so much.

So, Madam Speaker, if that is so, if we cannot find the finality, the conclusion of all this, let me say what King Solomon says, “Let us hear the conclusion of the whole matter. Fear God and

keep His commands. For this is the whole duty of men”.

That is the solution, Madam Speaker that is the solution. If we cannot find how we are going to conclude this, the wisest man who ever lived has given us counsel. And I am just sharing it with the Government to take that up, because if they do not take it up, it is already with SODELPA, and I am just extending to them to also consider that maybe it will redirect their paths.

It is becoming clear, Madam Speaker, that the Government does not have any solution so far. And I am concerned about the citizens of this country who cannot go to sleep and have peace in the night without realising that they have sufficient personal security outside; whether it is guard dog; whether they have burglar bars; or whether they have security officers; this country is actually becoming very unsafe to live in but it needs to be changed, Madam Speaker.

We have seen draconian laws being brought into this House, Madam Speaker, and that is another way that the Government thinks that it can change the minds of the people, we have high penalties and many number of years of imprisonment.

HON. SPEAKER.- Thank you.

HON. S.D. KARAVAKI.- Is it the second bell, Madam Speaker?

HON. SPEAKER.- Honourable Members we will now break for refreshments and Parliament will resume at 4.30pm.

The Parliament adjourned at 4.00 p.m.

The Parliament resumed at 4.30pm.

HON. SPEAKER.- Thank you. Honourable Members, you may be seated. I now call upon the Honourable Leader of the Opposition to take the floor.

HON. RO T.V. KEPA.- Thank you, Madam Speaker. Madam Speaker, Honourable Prime Minister and Honourable Parliamentarians: I rise to respond to the 2017-2018 Budget presented by the Honourable Minister for Economy, Honourable Sayed-Khaiyum.

Our shadow Minister for Economy, Madam Speaker, looked mostly at the micro-view of the Budget, we will continue that trend and also look at how this Budget affects the ordinary people on the ground.

Madam Speaker, listening to the Honourable Minister of Economy, one can be forgiven for believing that he is referring to another country.

The unprecedented growth he so often crows about has not translated into "... more jobs, higher incomes, and a better standard of living."

Madam Speaker, the facts and figures speak for themselves.

More jobs? Madam Speaker, sadly there are unprecedented levels of unemployment in the country, especially amongst our youths. Providing meaningful jobs to all economically active persons is one of the most important issues confronting the nation today and solely needed to free people from the millstone and clutches of poverty.

The economy Madam Speaker, which must serve the people does not have the capacity to provide jobs for all economically active citizens, particularly school leavers and graduates from our universities, despite the claimed 3 percent annual growth in the last six years.

It is estimated that 33.4 percent or 249,055 of economically active people are not absorbed in the labour force and are considered as under employed or unemployed.

In 2015, it is estimated that the total working population, that is 15 years and above is around 600,000 and only 64 percent are in the labour force and the balance of 35 percent is not accounted for.

Madam Speaker, wages and salaries have been stagnant for the last seven years. The devaluation of our dollar and cumulative inflation have further affected the real value and buying power of struggling families. The last increase in Civil Service salaries was just before the 2014 Elections. Once again, guess what Madam Speaker, we have an increase in Civil Service salaries just before the 2018 Elections and the timing is quiet amazing.

These increase, Madam Speaker, are clearly a vote buying exercise, rather than a sensible measure to bring priority and equality in these salaries. The increases have been selective and on a piece-meal basis. We would hope Government will do fairly across the board and reward hardworking civil servants since they have been so badly and shoddily treated by these Government politicians over on the other side of the House, Madam Speaker, over the past 11 years.

High income, Madam Speaker: Many of our people live on the minimum wage of \$2.32 an hour. This is hardly increasing people's spending power nor putting more money in their hands,

which is what the Honourable Minister for Economy is talking about. With the increase in the cost of living on goods and services, these people exist on a “poverty wage”, whether it is \$2.32 or \$2.68, it is still a poverty wage. We can hardly imagine how a family can live on such wages. Yet, so many are forced to live below the poverty line.

Their basic rights, Madam Speaker, must be respected. They have a right to a decent and fair wage. They should be getting a living wage, which Father Kevin Barr of the People’s Community Network has calculated to be at \$200 per week, to bring about much needed relief and free them from being at the bottom of the pile and brought up higher off the ground.

The disparity, Madam Speaker, between the high income-earners that is the Honourable Prime Minister, earning over \$328,000, including \$300 plus per day in overseas allowances and the Honourable Ministers who earn over \$200,000 respectively per annum, and the minimum wage earners is a gross injustice. It is immoral, Madam Speaker. We should at the very least have a conscience.

We should not be here to fill our pockets. Our duty is to our people. Madam Speaker, when SODELPA comes in, we have to bring in parity and creativity to the astronomical salaries and perks and allowances, et cetera, recently being enjoyed by the FijiFirst Government. It is not right, Madam Speaker, that 40 percent are struggling to make ends meet and few are up there in the cosmos, enjoying what they are enjoying.

High standards of living: The latest publication on *Poverty in Fiji* which was released by the Bureau of Statistics in May 2012 indicated that 20 percent are on the margins and who quite easily will fall below the poverty line as the cost of living and unemployment issues worsen.

I am sure, Madam Speaker, more and more other people have been added to this statistic since this survey and after the implementation of the 2017-2018 Budget. We can confidently conclude that 40 percent of our population are facing hardship in meeting their basic needs. This, Madam Speaker, is approximately 315,668 people. This does not indicate the high standard of living stated by the Honourable Minister.

Madam Speaker, this surely is an unacceptable situation, and a serious indictment of the economic policies of the present government as alluded to by our Shadow Minister of Finance.

True democracy and transparency, Madam Speaker: the people of this country are still living in fear under the draconian decrees which have not been revised by this Government.

(Honourable Member interjects)

HON. RO T.V. KEPA.- The Media Decree, the Political Parties Registration Decree, the Public Order Act and the Electoral Decree, to mention a few are hardly democratic, Madam Speaker. And what with Bill No. 28 on Parliamentary Powers and Privileges 2016, which is still before the relevant Standing Committee? These decrees, Madam Speaker, and that is why the Honourable Prime Minister is speaking up and the Bill will just further compound our problems.

Madam Speaker, with regard to *TC Winston*’s damage to schools and homes, many of the people, sixteen months later, as we have heard previous speakers’ tell us, they are still in tents.

(Honourable Member interjects)

HON. RO T.V. KEPA.- The excuse, often heard, is that those structures did not have architectural plans nor engineering certificates, lack of building materials, et cetera. Hence, the long delay in reconstruction and rehabilitation. Madam Speaker this is unprecedented. No other government has caused such long delays to the people. If there were natural disasters, within months, the students would be in new classrooms and the people in rebuilt homes but FijiFirst does not want to know what other governments did so well, in the mistaken belief according to themselves that they are the only ones who have done anything.

No one to this day, Madam Speaker, knows how much was actually raised locally and what was donated by international and regional agencies and governments. SODELPA MPs, as alluded to by a previous speaker, that is the Shadow Minister for Economy, alluded to this that SODELPA MPs deducted 10 percent of their salaries, so we also have a vested interest in *TC Winston* rehabilitation.

So to support those affected, Madam Speaker, an allocation of \$170 million has been made and financial assistance provided by the European Union of \$4.7 million, both of which are under "R" and both parked in Head 50.

I am not overly confident, Madam Speaker, that the merging of the functions and budgets of the National Disaster Management Office and the Department of the Met Services under a new Ministry - the Ministry of Natural Disaster Management and Met Services, will make it any more efficient more effective, as there will be so much bureaucracy and doubling up of red tape which will just cause so many more delays.

Madam Speaker, in terms of the increased funding to the Fiji National Council for Disabled Persons of \$70,000, this is a welcome respite and consideration should also be given to health care, housing, and community support to people with disabilities.

For an allocation of \$500,000, Government has provided this allocation to support the National Women's Expo, particularly in the area of marketing their Fijian made handicrafts, which I wholly endorse, Madam Speaker. Careful thought also, Madam Speaker, should be given to the teaching in schools as extracurricular activities, of these traditional arts and crafts and other exhibits that were placed on view for people to see and to purchase. This is for its sustainability, employment aspects and its economic contribution to the country.

In terms of the funding of the rural electrification project of \$33.8 million, Madam Speaker, a reminder to the FijiFirst Government who promised power will be installed by Christmas 2015 to the 13 villages along the Wainibuka River, who are up to now, are still in the dark. These villages, Madam Speaker, are Nasautoka, Nabouva, Naqio, Naveiveiwali, Wailevu, Balenaga, Bucalevu, Nailega, Naibita, Manu, Nabulini, Malabi and Naveicovatu. Appreciation if these villages, if the Honourable Prime Minister could make 13 their lucky number by Christmas 2017.

A special request to the Water Authority of Fiji who have an allocation of \$36.2 million for waste management amongst other priorities, if they could operate in consultation and collaboration with the new Ministry of Waterways to fast-track the proper workings of the Kinoya Sewage Plant in terms of, toxic and hazardous materials and trade waste discharged into the Rewa River system and heavily polluting our water ways.

Madam Speaker, this is required under the Environment Protection Act, which under COP23 and I am happy the Honourable Prime Minister here states that Fiji should ensure compliance to this.

On exemption from duty on new and used vessels for inter-island passenger and cargo traffic,

this assistance is much needed to free the people in Lau and other maritime areas of Fiji, and this also includes, Madam Speaker, the franchise shipping scheme of \$2.317 million to ensure frequent and timely services. The contribution of these people from the maritime areas to the economy is well documented, Madam Speaker, in terms of human capital, local produce for food security and exports, and traditional arts and crafts serving locals and tourism sector.

On the Maritime Safety Authority of Fiji's operating grant under "R" of \$1.45 million Madam Speaker, a question to be asked of Government is in terms of the 31 ships sunk in Suva harbour, as more and more risks are posed to movement of vessels in the harbour, where there is an accident waiting to happen, especially with cruise ships who are coming in more frequently Madam Speaker. What about the people relying on the marine resources in the harbour and surrounding areas, in terms of health and safety risks? Urgent attention is required on this matter, Madam Speaker.

In terms of the health sector on subsidy for kidney patients, the consumables, Madam Speaker, are the most costly items and they should have a duty waiver on this to ensure that other health facilities can also provide care and support for needy renal patients.

On drugs and other medicines Madam Speaker, our rural hospitals are many times in dire need. Also, to be considered are the *Nasi ni Koro* or the Village Nurse, thankfully they are going to be paid an allowance from this Budget, Madam Speaker, but they also need to rely on basic medicines to give to villagers from the surrounding villages and settlements and they have a hard time when there is a shortage of such medicine, Madam Speaker. So, I will just ask the Honourable Minister for Health to ensure that there is enough basic medicines for the *Nasi ni Koro*.

On the Fringe Benefit tax exemption to employers who provide medical insurance to their employees: What is the provision, Madam Speaker, for the Parliamentarians who have no medical benefits? For that matter, what about Parliamentary staff? Something needs to be considered along these lines, Madam Speaker.

On NCDs and other diseases, prevention is better than cure. Five fruits and vegetables, we are advised, should be part of our daily diet and often times, these foods are expensive. For a minimum wage earner with two children, this is unaffordable and out of reach. What kind of subsidy can be provided to counter this disease that is responsible for over 83 percent of all deaths in the country?

Madam Speaker, access to free-to-air television to be expanded with provision of \$17.5 million, Madam Speaker, just miles from Parliament, along the Coral Coast in Serua and Nadroga, people are complaining that they cannot access television and sometimes even radio. So, please Honourable Minister, can you fix the problem? And just today, we saw it at first hand the stations, given Parliamentary access, have fallen short of their brief and they have not been able to air all the debates. They are being very selective, Madam Speaker, in what has been aired today. So, we would ask the Honourable Minister to ensure that all the responses are televised, just like the other side.

Education, Madam Speaker: With due respect to the Honourable Minister, we will just ask that the Acting Minister honour the promise that was made in 2014, that there be an Education Commission, and this was promised at the National Education Conference in FNU at the Lautoka Campus in November 2014, immediately following the Elections. So, we would ask that this Commission be considered by the Government, so that we have better courses set out for the students and teachers in terms of education.

Madam Speaker on the issue of casinos, it is very difficult for Christian churches and religious

groups and traditional indigenous leaders to support this motion for the issue of casinos.

Regardless of government's economic projection on casinos, research has shown that the social issues and problems related to casinos override and outweigh any possible gain or profit a government may have calculated. So, for many people, Madam Speaker, this is very much a non-negotiable issue.

On that the debt level, Madam Speaker, we will not go into the revenue because I am sure I do not have much time. On the debt level, which has to be addressed through other means, we hope that this will be addressed through other revenue and not through the casino, Madam Speaker.

In 2012, our total debt was only around \$3.6 billion. With the current budget, it will increase to \$4.7 billion.

It is interesting to note that our total foreign debt stock has increased from 25.4 percent to 31 percent of the total debt. All these debts have to be paid, Madam Speaker. Under the current Constitution, debt has to be first serviced before any other expenditure is paid such as salary of civil servants, ministers and any services provided by government.

The increase in foreign debt, Madam Speaker, means the increase of outflow but the biggest challenge that we will face is placing the burden on our younger and future generations to pay these debts because of poor management of Government finances and the bullish expenditure trend.

So, Madam Speaker, basically this budget means that every Fijian carries an average debt of \$6,000, if it is broken down to per capita basis.

Miscellaneous Services, another area of concern is the control of most of expenditure under one individual and this was alluded to earlier. The substantial increase in Head 50, Madam Speaker, is a worrying trend. This confirms that the Government is only controlled by two or three individuals, which could be confirmed by comments, and this has been alluded to earlier, made by the former Cabinet Minister, Mr. Pio Tikoduadua and the former Permanent Secretary for Foreign Affairs, Mr. Robin Nair.

(Honourable Members interject)

HON. RO T.V. KEPA.- More so, Madam Speaker, the increase in operating and capital transfer grants transferred to Head 50.

These are not allocated to the responsible Minister and all of them are under "Requisition" which means that the Minister of Economy's approval is necessary before it is given out. So, there is a lot of hell, Madam Speaker.

(Honourable Members interject)

HON. RO T.V. KEPA.- Madam Speaker, in conclusion, I am of the view that this Budget which should have been designed to serve the people demonstrated that FijiFirst has lost the plot.

(Laughter)

HON. RO. T.V. KEPA.- And this was alluded to earlier from this side also, Madam Speaker.

In terms of the lower end of the scale; the poor, unemployed and marginalised, that is at least 40 percent or 315,666 of the population. To them this Budget indicates that FijiFirst is irresponsible, unimaginative, unsustainable, deceptive and desperate. People will not be taken in or fooled by the political grandstanding and grandiose ensuring. They will show next year, Madam Speaker, just what they think of this Budget and the Government which has been in place for the past 11 years. I do not support the Budget. Thank you Madam Speaker.

HON. SPEAKER.- I now give the floor to the Honourable Ratu Kiniviliame Kiliraki.

HON. RATU K. KILIRAKI.- Thank you, Madam Speaker.

Madam Speaker, Honourable Prime Minister, Honourable Leader of Opposition, Honourable Attorney-General and Minister for Economy, Honourable Ministers and Assistant Minister and Honourable Members: It is my privilege to be given the opportunity to reply to the Budget Address given by the Honourable Minister of Economy.

Key issues that are prominent at the background of the announcement of this Budget include high cost of living, increase in poverty, particularly in urban and rural areas, neglect and poor social services, particularly health, mismatch of the education system and the need of the labour market, poor infrastructure, particularly our roads despite substantial increase in allocation, increase in crime rates, status of the sale of Government assets, wage increase issues and minimum wages, non-transparent reforms and Public Service Reform, high debt level, youths and children issues, growth is not inclusive, the mismanagement and abuse of public and administration machinery.

Madam Speaker, at first glance, this Budget impresses me as a “desperate budget” - a last trump card of an Election budget; 11 years of servitude under a low wage economy, Fiji needs a change and we must free Fiji.

Delivery and implementations of capital projects because allocation are Under “Requisition” under the control of the Minister of Economy.

Madam Speaker, in the case of the GDP real growth, which averages on a ten-year period from 2007 to 2017 is at 2.3 percent. That is to say, Madam Speaker that from 2007 at below one percent to projected 2017, at 3.8 percent, so GDP growth is expected to be a normal growth and nothing sensational.

Madam Speaker, there is a need to highlight the high liquidity in the market, indicating the lack of confidence to borrow and invest in Fiji because of policies in place. We are still waiting to see the tourism arrival to hit the one million mark. This target is still a pie in the sky. Why, Madam Speaker, because the tourism market in Fiji has become very expensive. The worry is if the price eats up itself out of the market through many taxes.

We must be wary of the option for future destinations like Bali and others. The disincentive shift, as announced in the Budget, makes it very difficult for tourist operators to balance their books, let alone to reinvest into fiscal expansion, new developments and new products. Records will show that potential investors have shied away because of policies in place. To allude that the people must believe that their hard work and sacrifices will be rewarded and they must know that the lives of their children and children’s children could be better in several tomorrows is an understatement and misleading.

The current high debt level; our children and our children’s children will carry a burden of

paying off these debts, as thousands of youths leave the school system every year. There is a lack of innovative policies to address the issues of youths. Say, for example, like apprenticeship programmes, including attachment arrangements or volunteer scheme like the Peace Corps Volunteer Scheme, where graduates could experience and broaden their knowledge and gain experience in appreciating the values of life by interacting with the different people and communities. What the youths could have wanted to hear in the Budget Address is what the Government intends to do to address the youth's future and their children's children and, of course, they constitute 60 percent of our population. For example, TELS is a debt-driven policy that enslaves recipients as soon as they gain employment. SODELPA will offer free education in the true meaning of the word, up to university level and higher education institution. The youths deserve to be free from the enslavement of a debt policy and be free to enjoy their first pay package, Madam Speaker.

Crime rate continues to increase and there is no indication of a sustainable decrease. Vulnerability to serious and violent crimes is always a major fear. Security of homes and properties, social crimes of child molestation and rape, immoral degraded environment that is perpetuated and encouraged by its constitutionalised secular lifestyle. How can the Police Force perform its mandated role to protect the public if it is allocated \$160,000 for crime prevention strategies? There are about 34 Police Stations and 89 Community Posts to share this allocation. How can the Police Force be expected to prevent crime? How can our people, our children and children's children feel secure if we have a Police Force which is drastically under resourced?

To mitigate urban drift is by increasing opportunities in the rural economy to provide financial capital facilities to assist resource owners in economic activities. The *yaqona* industry continues to generate a lot of money for the planters and the stakeholders, and if the trend continues there will be drastic shortage for export and local consumption. Unfortunately, the Government does not prioritise non-sugar agriculture, as it does on sugar. What is needed is increase support in funding and delivery.

With the increased budget this year, delivery of assistance is important to the farmers, whether it is clearing, subsidised manure, farm equipment, mechanisation, accessibility and construction of farm roads to new uncultivated land and availability of planting materials should be timely because farming is a seasonal occupation. Implementation and distribution of assistance is always an issue because of long delays and false promises which is always very expensive and demoralising.

Madam Speaker, people dread to come because they are disillusioned and are discouraged by the lack of opportunities or incentives put in place by the Government that is economically adaptive as a prospective money earner. SODELPA will reverse this trend by providing assistance, including mechanisation.

As for the mahogany industry, Madam Speaker, the Mahogany Decree for its intention had failed miserably to the loss of the nation and it should be scrapped, if the mahogany industry has to achieve its full potential. Pine has been successful, and not the mahogany. The Mahogany Decree removes the forestry as a regulatory body, even though it is a forest by definition, Madam Speaker. Mahogany was targetted to overtake sugar in terms of export earnings. On the contrary, Madam Speaker, this industry has suffered by the imposition of the Mahogany Development Decree 2010...

HON. A. SAYED-KHAIYUM.- Act!

HON. RATU K. KILIRAKI.- In terms of licensing regime, it was a Decree in 2010, Madam Speaker, brought about the FijiFirst Government to allow a single foreign company and a sister paper company to monopolise 70 percent of the total mahogany yearly harvesting quota.

Not only that, Madam Speaker, this forest-owned company - Sustainable Mahogany Industry and its sister paper company, Western Pacific Timber, monopolised the best Grades, Grades 1 and 2, and those two companies suddenly decided to call it a day and wound up. What resulted, Madam Speaker, was that, 4,000 cubic metres of the best grades were left un-sawn and brought the mahogany industry and Fiji Hardwood Corporation kneeling to its knees. What I am saying, Madam Speaker, is the incompetency of this Government to change and imposed policies with ulterior motives and agenda at the expense of the people and their well-being and the nation.

HON. SPEAKER.- Honourable Members, we have people also viewing this and they want to hear the speech. Please, just be more considerate when you interject.

HON. RATU K. KILIRAKI.- Thank you, Madam Speaker.

The mahogany saga is a classic example of bad policies in governance. The consequences, Madam Speaker, huge loss in potential revenue to the landowners, the stakeholders and the nation. As a consequence of their withdrawal, Fiji Hardwood Corporation found it very difficult to service the money they owed to Western Pacific Timber for pre-paid logs, Madam Speaker.

Madam Speaker, in his addressed to the landowners in 2009, the Honourable Prime Minister did promise the landowners that the mahogany plantation will be returned to them, and they are still waiting. The total allowance allocation for the Ministry of Forests is \$16 million, Madam Speaker, \$11,756.9 million for Operating and \$4,634 million for Capital Projects. I have noted the allocations of some key Forestry projects which amount to \$3.4 million. Forestry Capital of 72 percent: 82 percent ratio to capital allocation shows a lack of development focus on this natural resource sector.

Forestry is a major player in terms of its role in climate change mitigation, Madam Speaker. In terms of carbon ownership, Fiji will offer about \$3.9 million of carbon dioxide emission, equivalent reductions from forest degradation and enhancement of carbon stock between 2020 and 2024. The emission reduction will be implemented on 91 percent of Fiji's land area or 94 percent of Fiji's forest area, much of it on communally-owned Native land. The owners of these forests will be denied tangible benefits usually associated with harvesting of trees for income to realise its deals.

Madam Speaker, the total forest cover is 1,074,800 million hectares. The question is, what is there for the landowners who own 92 percent of the land in Fiji? Another aspect to this issue is the purchase of carbon credit, Madam Speaker. International entities and countries get their profit from carbon trading purchases using vulnerable Governments to facilitate lands for their dubious deals by leasing vast tracts for reforestation at the expense of the landowners and respective Governments to facilitate the provisions.

While this foreign interest benefit from millions of dollars carbon credit value, landowners are paid piteous annual lease money per hectare per year. Allow me, Madam Speaker, to elaborate on a case study as an example of carbon credit deals made by Free Tree, a Norwegian forestry company operating in Tanzania, Uganda and Malawi in Africa where it obtained from the State authorities an extremely low cost 50 year lease.

Madam Speaker, it is important to raise this because I am concerned that Emalu, Draubuta could be of the same case. A delayed pay-out of lease rental for a number of years of \$115,000 and a lease annuity of \$34,000 for 6,000 hectares is equivalent to \$5.67 per hectare per year. My point of argument, Madam Speaker, is that the landowners and the Government will be the losers, if such deals as the case in Africa I had mentioned above because in the case of African countries, buying of carbon credits benefit the Northern Hemisphere industrialised countries like Norway, which was able

to build a conventional gas fire power plant, made environmentally friendly through the purchase of carbon credits.

Madam Speaker, another related aspect to the Emalu REDD+ programme that needs to be brought to our attention is in regards to carbon forestry where landowners are given the incentive to be green, to conserve their forests. An example of a case study is Costa Rica in the 1990s where a landowner might get US\$90 per hectare to conserve forest or US\$500 per hectare over five years to establish a plantation.

Madam Speaker, the State then gets the right to carbon in plantation which can be used to bargain with international negotiations. Now, Madam Speaker, that poses an interesting question to the forestry programme in terms of forest reserves and plantations of different categories, whether the landowners have been denied, either intentionally by the State from an equitable formula of compensation as far as carbon deals and trading is concerned or whether the State is unaware of the availability of such deals.

This is a big issue, Madam Speaker, because the Ministry of Forests manages a total of 17 forest reserves, seven nature reserves and other parks and reserves which are managed by environmental organisations. Currently, landowners are compensated for loss of livelihood on their land and forest, and paid an annual lease, but not being paid anything on carbon credit or, at least, a policy in place to address the proper compensation for landowners.

Madam Speaker, forest reserves and parks as far wide ranging geographically located in Fiji and covers substantial areas of land. Forest reserves total 59.6 hectares, a total of 5,737.3 hectares for reserves, 17 million hectares for parks and reserves. Madam Speaker, Sovi Basin alone, a nature reserve administered by an NGO comprises 20,000 hectares of prime natural forest and undisturbed biodiversity. Landowners are paid nominal lease money, plus compensation. This NGO must be taken to task so that landowners are paid equitably for the carbon credit.

Madam Speaker, I must bring to your attention the issuance of gravel extraction by the Ministry of Lands. I must categorically state that it is morally wrong for the Government to take away the authority from the iTaukei Land Trust Board to issue gravel licence and to give it solely to the Ministry of Lands and Minerals Resources. By doing this, the Government has denied the *mataqali* landowners of an annual royalty earnings of \$1.6 million.

Madam Speaker, in the 1960s, the executive council which is equivalent to Cabinet, expressly recognised the legal position and specifically decided, therefore, convenience where it showed rights with the native owners, that the then Native Land Trust Board should be the licencing authority.

In view of the Rivers and Streams Act, a part of the independent legal opinion by Munro Leys Lawyers & Notary Public, paragraph 2(d) in 2006 expressed and I quote:

“The State has ...the rights of ownership in respect of non-tidal rivers and streams under the Rivers and Streams Act (Cap 136) but these rights of ownerships are limited to ensuring that rights of ownership ..... ensuring that non-tidal rivers and streams remained open for various recognised uses and do not extinguish the joining landowners communal rights as the gravel on the river stream bed.”

Madam Speaker, *TC Winston*, natural disaster is a common phenomenon every year, whether it be cyclones, earthquake or flooding. When *TC Winston* struck, the leadership of the Government's machinery had shown its lack of experience to immediately and decisively take action, even though

there is abundance of resource personnel, as Divisional Commissioners, District Officers, et cetera. For some reasons, this responsibility was allocated to the Ministry of Women and Poverty Alleviation.

Madam Speaker, the allocation of this is \$170 million for rehabilitation, a huge amount, after more than one year of the tropical cyclone. This is an indication of the lack in addressing the rehabilitation programme.

In conclusion, Madam Speaker, SODELPA with the same amount of budget can achieve more to free Fiji.

HON. SPEAKER.- I now call on the Honourable Minister for Fisheries.

HON. CDR. S.T. KOROILAVESAU.- Madam Speaker, the Honourable Prime Minister, the Honourable Leader of Opposition, Cabinet Ministers and fellow Honourable Members of Parliament; it is my pleasant duty and privilege to provide the details of the Ministry of Fisheries 2017-2018 Budget allocation. I take this opportunity to extend and acknowledge the Ministry's sincere gratitude and appreciation to the Government, the Honourable Minister and the Ministry of Economy, for their extensive work and their tireless efforts in preparing the 2017-2018 National Budget.

Rationalising the competing national needs and wants amongst the various sectors and stakeholders is demanding Ministries' submissions as they compete to have a piece of the Government's economic pie.

Madam Speaker, I especially want to thank the Honourable Prime Minister and the Government for finally giving the fisheries sector a separate standalone Ministry, which complements other natural resources management-based Ministries.

Madam Speaker, fish especially tuna, has a high migratory species and can be harvested in a short timeframe but can also be processed and value-added to create diversified products in the waste which the other resources that is managed and developed differently, compared to other natural resources.

Fisheries also hold cultural and traditional values to our people, therefore, it is paramount that the development plans take into account the aspirations of the present and future Fijian generations. For too long Fiji fisheries has been denied from harvesting the full potentials of its coastal, inshore, aqua-culture fisheries due to limitations of its institutional arrangements through input resource allocation of staffing and funding.

On the same token, Madam Speaker, as the major custodian of Fiji's largest marine resource stock within the sea area of 1.7 million square kilometres, we have no right to leave it any less condition for our future generation from the way it was given to us. Therein lies the consistent challenge the Ministry faces, to ensure the balance between neutralisation and the conservation of our marine resources, to not only meet our needs today but for our future generations. Getting the basics right was and continues to be a fundamental principle.

Madam Speaker, given the transition to a new Ministry with the allocation of staffing and funding, the Ministry is now fully empowered to forge ahead with its current mission to drive the sustainable fisheries management, contribute to the economic growth and improved livelihoods through smart policies and applied research and development.

Madam Speaker, the macroeconomic context within the fisheries for 2017-2018 Budget

allocation is presented as follows. Our Fisheries Sector GDP contributes 1.8 percent, with the corresponding GDP value of \$121 million, at the basic price of \$145.4 million and at the current basic price as at 2015. Over the 2011 to 2015 period, the Fisheries Sector GDP has averaged 1.9 percent. The provisional statistics on the value of sectors of the principle import of fisheries stands at \$200.1 million. Whilst our principle export of fish stands at \$135.7 million, at 2015 with the total trade in balance of negative \$64.4 million.

Madam Speaker, conscious of the Fiji's standard of industrial classification 2010 IHS Code, this sector's import and export value does not include other fisheries sectors and value commodities, such as pearl.

Over 2010 and 2015 period, the total volume of Fiji's total pearl exports stood at 770 kilogrammes which is valued at about \$1.5 million. The total import volume of pearls at 2010 to 2015, stood at \$266,101. This is the trade surplus of \$1.3 million. Simply put, the formulation and application of smart policies and strategies into selected fisheries commodities, coupled with technical foreign and local investment in inshore and coastal fisheries, coupled with aquaculture, will allow us to harness the full potential of fisheries sector and translate this benefit to every Fijian engaged in this sector.

Madam Speaker, if it can be done for pearl as a fisheries commodity, it can also be done with other fisheries. The opportunity with fisheries sector are very real and the adage 'who dares wins' definitely applies and despite the odds, we, in Fisheries, will never give up but continue to build on partnership both, internationally and with our local stakeholders.

Madam Speaker, against the backdrop of our sector, the economic performance indicators for 2017-2018 Budget, the allocation to the Ministry is \$18.8 million. Fisheries over the last six years have continued to receive an increase share of the Government's budget. Between the current financial year 2016-2017 and the 2017-2018 financial year, there has been an increase of 24.2 percent. Of the \$18.8 million allocated to the Ministry, there is a 48.6 percent to 81.4 percent capital and operational budget mix.

Madam Speaker, let me very quickly cover the areas that is to be covered under the capital budget. Under the new initiatives:

- \$340,000 is allocated for the upgrading of Lekutu Fisheries Station to our rural fisheries centre;
- \$440,000 is allocated to the replacement of the Ice Machine at Wainibokasi;
- \$50,000 for Wainigadru Ice Plant;
- \$225,000 is allocated for the purchase of aluminium and a 500 horsepower for the Northern Division.

The ongoing initiative are:

- Aquaculture development - \$350,000;
- Brackish water Development - \$380,000;
- Seaweed Development - \$259,000;
- Ongoing construction of our multi-species hatchery in Coboni, Ra - \$400,000;
- Food security in aquaculture - \$250,000;
- Coastal Fisheries Development - \$672,000;
- Construction of Cicia Ice Plant and Station - \$852,000;

- Construction of Moala Ice Plant in Yasayasa Moala - \$852,000;
- Support and Research Assessment on Fish Commodities and Products: Makogai Mariculture - \$262,000;
- Pearl Oyster research - \$295,000;
- Cyclone Rehabilitation - \$1.6 million; and
- Ongoing upgrade of institutional office quarters - \$630,000.

Madam Speaker, the annual cost for the Operating Budget basically covers the establishment of the Ministry which will cover the Administration, Accounts, Economic, Planning and Statistics. The creation of 55 new posts will also be represented in this sector.

Madam Speaker, stakeholder consultations to finalise our National Fisheries Policy and Strategic Plan Priorities for 2030 is ongoing. Suffice to say, the Ministry wishes to wholly acknowledge the collaborative partnerships we have secured with the various donors and development partners for fisheries sector management. Today, it includes the New Zealand Defence Force, United States Maritime Surveillance, Forum Fisheries Agency and the Secretariat of the Pacific Community, to name a few.

Madam Speaker, mindful of existing and emerging fisheries sector development opportunity and conservation issues, such as combating IUU, fisheries sector trades subsidies, maximising resource rent, food security, harnessing the full potentials of Fiji's aquaculture and inshore industry through import substitution and diversification, climate change adaptation and mitigation, blue carbon trading and marine diversity conservation, the Ministry is steadfast in its effort to ensure visible services with corresponding efficient and effective services to all our stakeholders.

We all have a crucial mandate to ensure that our natural resources are sustainable. It is not only for us but for those who will come after us, our generations who inherit a prosperous and vibrant fisheries sector. Madam Speaker, it is imperative to highlight one of the major challenges faced in the Ministry, conservation of our ocean resources' sustainable cultivation. At this juncture, the Ministry wishes to thank our partners in their assistance to highlight high risk areas, especially in our coastal fisheries.

We are thankful to Government in allocating funds to establish coastal inshore fisheries where Fiji needs to establish efficient monitoring, control and surveillance. Public awareness on resources that face critical low level, needs huge efforts. *Beche-de-mer* and other high value resources will need strict control and monitoring.

Madam Speaker, allow me to brief the State on the critical ocean resources that are of extreme concern. BDM or *bech-de-mer* and high value species are subject of concern that the resource holders have been used to extend the interest of merchant dealers.

Madam Speaker, your Office is well aware of petition being raised on this issue. The statement that *iTaukei* are resource rich and cash poor has to be re-hashed for ocean resources. We are now resource poor and cash poor in the hands of exporters of high critical, high value resources in Fiji and the Ministry intends to stop it.

Madam Speaker, pollution of the ocean by activities ashore is critical to Fiji's marine resources. The introduction of plastic levy has come at a time when all hope would have been lost. Manufacturing and industrial rubbish poured into our rivers from coastal towns and cities, need an instant solution. The strengthening and establishment of the Ministry of Waterways and the Ministry of Environment will go a long way in managing these causes of pollution, which is badly affecting

our oceans.

Madam Speaker, at this juncture, I wish to make some general comments about the state of our national economy, in the recent past leading up to the Elections of 2013 and to-date, it is important to verify some negative comments floating around the various political spheres. Let me briefly comment on loans and borrowing, especially the negativity and comments that our future generations will need to pay for the infrastructural loans towards developments today.

Madam Speaker, sourcing funds to supplement necessary capital is normal practice and it is a fact that today, we are still paying for the borrowings created after Independence. Almost 99 percent of nations today borrow from international institutions or within their national funding agencies. The greatest economic superpower USA, has \$30 trillion debt to China alone. We should then consider our national debt as very minimal and manageable. We are a small island and we do not have the revenue and resources to be fully sufficient, to fund the advancement of the needs of our people, the immense infrastructural developments and projects taken up, obviously needed the external borrowings.

This Government has the foresight and planning to rise above these challenges. Madam Speaker, it is incredibly uncommon to hear of Budget surplus, especially in developing economies. Developing countries need to borrow to build infrastructure, like roads, bridges, wharves and jetties. Infrastructure development is the road to develop isolated rural and maritime islands. If we need to realise the economic potential of Fiji, we need to build infrastructure. If there is any consideration to be made, it is how we distribute our borrowings and good financial management to service these commitments.

Madam Speaker, the second issue that needs to be clarified is the common statements and misconception and political grandstanding on debt responsibility for future generations.

HON. GOVT. MEMBER.- Very poor.

HON. CDR. S.T. KOROILAVESAU.- I presume that these marked detractors and comments on national debt is of simple-minded people. They are simply dividing the debt on today's population. These academics simply refuse to follow the simple arithmetic as in the principal amount considered will reduce annually as the debt is serviced.

HON. GOVT. MEMBER.- There you go.

HON. CDR. S.T. KOROILAVESAU.- The working population will increase as economic activity increases as the multiple effect of developments kick in.

HON. GOVT. MEMBER.- Teach them, teach them.

HON. CDR. S.T. KOROILAVESAU.- The economic activity will improve due to improved infrastructure and subsequent attractions for investments.

HON. GOVT. MEMBER.- There you go, there you go.

HON. CDR. S.T. KOROILAVESAU.- Madam Speaker, do these people consider population growth? Do they consider that the necessary infrastructure development will bring even better economic returns? Why do we make a mountain out of a single mole; an issue that should be insignificant when we consider the long-term development of our people? These are basically

political point-scoring to undermine good education for our young people, good health and social services for the poor and marginalised and some funding for our infrastructure.

HON. GOVT. MEMBER.- Hear, hear!

HON. CDR. S.T. KOROILAVESAU.- I mean, Madam Speaker, it is good sense to build infrastructure. I would even say it is better to build roads and accesses everywhere, as long as it leads to somewhere, as long as you know the destination, be either Penang or Rarawai, and not both.

Madam Speaker, no government is perfect but the FijiFirst is by far the best we have had in decades.

To conclude, Madam Speaker, I once again wish to commend the 2017-2018 National Budget and wish to reiterate our focus. We will continue with the direction set by the FijiFirst Government which is to build a better Fiji. I thank you for your indulgence, God bless Fiji.

HON. SPEAKER.- Thank you. I now give the floor to the Honourable Minister for Industry, Trade, Tourism, Lands and Mineral Resources.

HON. F.S. KOYA.- Madam Speaker, Honourable Prime Minister, Honourable Leader of the Opposition, Honourable Members of Parliament, I thank you for giving me this opportunity to speak on the 2017-2018 National Budget.

Madam Speaker, the 2017-2018 National Budget is a continuation of converting promises into action by the FijiFirst Government and that has resulted in sustainable and inclusive development. Let me reiterate something we have said quite a number of times, it is not an election gimmick as suggested by the other side.

Madam Speaker, through the diligent efforts of this Government, we have made great strides in advancing our country towards becoming a modern nation State and the development outcomes that we have achieved is derived from a long-term and forward-looking strategy and builds on the work that we have been carrying out for the past number of years. Like the Honourable Prime Minister has spelt out this morning, Madam Speaker, we have a long-term vision to better the lives of all Fijians and not focus on what the Opposition say on the elite as claimed by them.

Madam Speaker, the Opposition is far too preoccupied with politicking that they become short-sighted and have lost touch with the grassroots communities in Fiji. They are unaware of the needs and the aspirations of our young people nor do they sense the entrepreneurial ambitions of our mothers, fathers, sons and daughters who want to use their innate creativity and talents to start and develop their own businesses rather than being job seekers.

Madam Speaker, the Opposition's lack of ideas throughout this morning and this afternoon, and lack of constructive input towards the Budget debate is a great disservice to the Fijian people, those that actually pay their money. Thus far, Madam Speaker, the response has lacked any form of cohesion and is akin to when you throw a stone with a blindfold on, hoping that one will hit someone.

As was evident this morning, Madam Speaker, there is no vision, no focus and absolutely no plans as to how to take this country forward.

Madam Speaker, the initiatives outlined in the National Budget are integral to achieving Government's vision of socio economic empowerment. I think that is a word that misses them

completely; socio-economic empowerment for the Fijian people which is in the best interest of our current and future generations.

Madam Speaker, Honourable Radrodro this morning could not be more wrong by stating that growth is not inclusive and that only an elite grouping of people continue to earn the most and enjoy the biggest slice of the economic pie. I wish to remind him, Madam Speaker, that he might be suffering from a little bit of amnesia, maybe he does not read the news, that a considerable portion of the Budget was devoted to the growth of micro, small and medium enterprises and the development of youth entrepreneurs which was also spelt out in a very lucid fashion by the Honourable Prime Minister this morning.

In fact, judging from what the Opposition has put forward with regards to some of the larger companies with respect to water and major supermarket chains, with not one speaker offering anything constructive for the women, youth or disadvantaged, it is the Opposition, Madam Speaker that is for the elite, not this side of the House.

The Government, Madam Speaker, is for all Fijians and including the most vulnerable. The development of micro, small and medium enterprises is of great importance to the Fijian economy and to all Fijians, especially those at grassroots level. This is because a strong MSME sector, an environment propagates jobs, generates income, stimulates entrepreneurship, eradicates poverty and advances the livelihoods of rural Fijians.

Madam Speaker, the allocation of \$2.8 million in the Budget will assist in the establishment of the MSME Central Co-ordinating Agency which will provide streamlined services in business licensing and designed to create a single window system, but will focus on micro, small entrepreneurs, business incubation, mentoring and training, as well as business innovation.

Madam Speaker, I am extremely happy to say that the Young Entrepreneurship Scheme (YES) will be the first initiative that will be delivered through this business innovation service arm of the MSME Central Co-ordinating Agency. The YES, as the Honourable Prime Minister had highlighted, is intended to promote and harness the talents of young Fijian entrepreneurs to become job creators, rather than just being job seekers.

Madam Speaker, the grant of up to \$20,000 will be given to successful young budding Fijian entrepreneurs between the ages of 18 and 30 to develop or expand their innovative business ideas and I say that word “innovative” for a very particular reason.

As the Honourable Prime Minister confirmed this morning, prominent senior executives from the private sector, with significant experience and business acumen have agreed to partner with the Government to steer this exciting initiative.

To further illustrate the Fijian Government’s commitment to empower the grassroots people communities and advance rural Fijian livelihoods, another initiative, Madam Speaker, the roadside stalls initiative will be rolled-out in the next financial year. Half a million dollars has been allocated to undertake the pilot project to develop 50 semi-permanent and 30 portable roadside stalls. This, Madam Speaker, is an effort to improve the quality and standardise the structure of the roadside stalls that are now along the highways, in villages and other locations outside municipal boundaries. The vast majority of these roadside stalls are old and makeshift and hence the structures are susceptible to the elements and natural disasters and are a risk to its occupants and bystanders. The new structures will be designed to withstand natural disasters and will be constructed in accordance with relevant building and OHS standards.

Madam Speaker, the highly successful Micro and Small Business Grants (MSBG) Scheme will be continued into the new financial year and since the inception of the MSBG Scheme in 2015, 9,715 micro and small businesses have benefitted from this initiative with a total investment of \$9.3 million.

Moving on, Madam Speaker, we attribute the tourism industry's success to the strong partnership between Government and all key stakeholders contrary to the belief on the other side. A number of key initiatives have been undertaken to utilise our natural assets, infrastructure and unique attraction to develop Fiji as a top class tourism destination.

Tourism Fiji's marketing budget is a \$5.5 million increase. It will help stimulate tourism activities through market development strategies aimed at increasing returns on Government investments. Furthermore, Madam Speaker, Tourism Fiji will review the national branding strategy to revitalise and position Fiji more effectively in the competitive global arena.

Madam Speaker, the Ministry will also continue to encourage the linkages between the tourism sector and other economic sectors such as agriculture through the supply of goods and products from our local communities to hotels and eventually our visitors. One key initiative is a Fijian organic brand that will provide high quality niche products to the tourism sector and this will be undertaken in partnership with the Ministry of Agriculture.

Madam Speaker, I do not want to say too much about what has been harped on for the last three years about Qantas and golf. I have always answered it and about a million tourists, I keep saying a million tourists. One thing they must remember, Madam Speaker, is that everything is being done in Fiji with reference to our infrastructure. Without the infrastructure, we cannot bring two million tourists into the country, we will collapse. Everything is being done in a sustainable fashion, Madam Speaker, and all they need to do is check the numbers. You can bring a million tourists, you only might earn a billion dollars. At the current rates, it is always, Madam Speaker, about the yield that you fetch from the amount of tourists and we have been on an upward trajectory for a substantial amount of time. So there is nothing wrong with neither Tourism Fiji nor Fiji Airways, Madam Speaker. I shudder to think where they get their facts from. Maybe the Honourable Member who keeps going on about Qantas might have some shares in Qantas or something, I am not sure, Madam Speaker.

Madam Speaker, in response to that illogical statement, it seems like the Honourable Member might be a bit stuck in the past. There is no new ideas on how we should take tourism forward and as I have said on numerous occasions, the Fijian Tourism Development Plan has an underline focus on quality rather than quantity. This has put us well on track, we are well on track, Madam Speaker. I can guarantee you that; to achieve a \$2.2 billion industry by 2021. It is important that the development of the tourism industry is done as I have said in a sustainable manner so as not to commit the same mistakes of countries like the Maldives which the Honourable Gavoka has a habit of comparing to Fiji. The growth of tourism in Maldives has negatively impacted the islands limited water resources, damaged its coral reefs, Madam Speaker and damaged its fragile ecosystem.

Fiji, Madam Speaker, does not want to go down the same path. Therefore, our focus on mass tourism but high end including golf and sports and spectators and players is the way forward. It is appalling that the Opposition chooses volume over our fragile ecosystem and has an absolute myopic view that Fiji is only sun, sea and sand destination. For your information, we have developed a niche market in MICE and a niche market in sports.

(Hon. Opposition Member interjects)

HON. F.S. KOYA.- Operative word, Honourable Gavoka, I said “developed”. It might have existed before but it is now developed, weddings, honey moons, wellness to name a few Madam Speaker. The announcement by the Honourable Attorney-General and Minister for Economy of an art gallery is just one example of our efforts to diversify our tourism products.

Madam Speaker, I request that the Honourable Gavoka stop misleading the workers of the tourism sector with an incomplete and incorrect information on a service tax. That is for the welfare of workers. Can the Honourable Gavoka please provide the source of his information on this particular tax?

Madam Speaker, again in response to the incorrect information provided by the Opposition again on backpacker operations. I want to set the record straight. The record is this, Honourable Radrodro said that there are 12 backpacker operations in Yasawa. There are 25 backpacker operations in Yasawa. This information comes from the tax office, tax paying backpacker operations that to-date no backpacker or business in Yasawa or anywhere in Fiji has actually been closed. In fact the number of STTs payers in Fiji wide has increased from 1,008 in 2013 to 1,836 in 2017. Since 2015 to 2017, a total of 684 new STT payers have been registered. Madam Speaker, again unsubstantiated claims has been made by the Opposition that they are no new players in the tourism industry. I beg to differ, Madam Speaker.

Madam Speaker, we have just launched the FNPF’s Marriott at Momii; the \$70 million investment by Pullman in Wailoaloa which is near completion; another \$500 million investment in Komave which is Wyndham Silkroad Ark Investment; Six Senses Fiji, Vunabaka – an investment of about \$300 million; and Kokomo, Madam Speaker. The list is endless, so please do not try and fool the public.

Furthermore, Madam Speaker, as announced by the Honourable Attorney-General and Minister of Economy a Building and Construction Approvals Committee will be established that will provide a single window for building permanent applications for the construction of commercial and industrial buildings. This process will not bypass a set of rules and regulations for the construction of buildings such as approvals for fire safety, occupational health and safety to name a few, but will be an inclusive process that ensures the future that potential bottlenecks are resolved before they arise.

Madam Speaker, the fast track process will bring together the relevant approval agencies as part of the Building Construction Approvals Committee and the permits will be granted within a strict timeline.

Madam Speaker, I am pleased to also update this august House that for the first time in our nation’s history we will be opening a Trade Commission in Auckland, New Zealand. An allocation of \$0.4 million has been made for the establishment of the Trade Commission. Trade Investment Missions are important to raising Fiji’s profile as an ideal investment destination and securing new markets.

Madam Speaker, just recently we had a successful three-day investment mission for New Zealand where we were able to facilitate over \$NZ200 million in investments that are planned for Fiji in the tourism, energy shipping and health care sectors. This augurs well for the Fijian economy and will lead to the creation of numerous jobs. In addition to investments, we have secured new markets in China for bottled water, noni tea, beauty products and alcoholic beverages. For the Australian market, we are facilitating access for virgin coconut oil and agricultural products such taro, cassava in about a thousand Woolworth stores. So the doom and gloom, I do not know where

it comes from, Madam Speaker.

Again, Madam Speaker, just with respect to PACER Plus and EPA, I love it when they say, “Why don’t we just sign it?” Madam Speaker, we are not going to sell our souls. Fiji is on the cusp of something really great. We are not going to give up our policy space. We want to be a nation where we stand up on our own, Madam Speaker. We want to be a nation where we are not dependent. We will not sign unless it is good for us to do so.

Madam Speaker, again with the way forward, we will be establishing a fully in-service manufacturing and services zone in Wairabetia, Lautoka which will stimulate economic activity. A total sum of \$8 million has been allocated to the Wairabetia Economic Zone. The project will benefit our strong manufacturing base and of course a world class ICT connectivity and growing a young talented work force.

Madam Speaker, the project is being undertaken use the phased approach and in partnership with IFC and the World Bank which has given it the tick off, so I really do not know where they get their facts and information from about us not being a destination.

Madam Speaker, there are also prospects for developing shopping infrastructure and marine development on that particular site.

Moving on to Lands, Madam Speaker, let me also correct some of the anomalies that have come out from the other side.

Madam Speaker, the Budget provides a much needed platform to drive the development of both lands and minerals sectors in the right direction. The coming financial year is one that is truly worth looking forward to. The Budget reiterates the Government stance on promoting vibrant, equitable and dynamic management of our land and mineral resources for sustainable environment economic future.

The allocation of \$2.5 million for the Land Bank investments is an effort to make more land available and promote the productive utilisation through the Land Bank. For Honourable Dulakiverata’s information who has kindly left the House, the Land Bank is using the market rate as the basis for rental assessment and not the UCV as wrongfully claimed. The Land Bank offers other benefits as compared to the limited monopoly land leasing opportunities that existed before, such as a proper survey of *iTaukei* land prior to any lease issuance.

In addition, 100 percent lease proceeds go directly to the land owners, Madam Speaker. The development of State land is very much in demand in specific areas in Lautoka of Field 40 and Vakamaisuasua in Labasa and this has been allocated \$4.4 million, an upward revision of \$1.7 million. The Ministry has also been allocated a further \$540,000 for the maintenance of existing subdivisions.

Madam Speaker, the formalisation of informal settlements again, not a band aid solution as claimed by the Honourable Member. These occupants of State land had been occupying these lands for a long time and previous governments had failed to assist. The issue of the approval notices is part of a process that has to be followed and proper approvals are sought and obtained from the relevant authorities. I reiterate, not a band aid solution. Honourable Member, it is part of Government’s innovative solution. A commitment and assurance towards the security of tenure and assistance to the disadvantaged in informal settlements and merely them getting what the Constitution says that they should get.

Madam Speaker, in response to the Honourable Dulakiverata's claims and doubts on the spending of the allocation of the Ministry of Lands inability to utilise the Ministry's allocated budget, specifically the lack of surveying capacity, the Ministry has achieved and targeted 12 Government survey of *iTaukei* land for the financial year as planned and budgeted for in the 2016-2017 fiscal year.

Regarding the mahogany plantation, the Ministry has exhausted the budget for the surveying of Nukurua and Naboutini plantations. Incorrect facts again, Madam Speaker. We have also achieved the target of five projects plus an additional of total 6 projects for the maintenance of existing subdivision. In addition, \$4.4 million is allocated to purchase multi-drilling rigs, chain drilling rigs, support vehicles and a compressor which we will use for ground water assessment and development for both small and large islands.

Madam Speaker, there is also allocation for the procurement of specialised vehicles to support the monitoring of gravel and sand extraction around the country. This in hindsight speaks in volumes as this budgetary allocation further cements Government's protection of the eco-system biodiversity as it provides a much needed boost to our monitoring teams on the ground.

The Ministry is looking forward to the new fiscal year and I would like to finish off by lightening it up little bit in the House, Madam Speaker. There are a couple of things that need to be said. If we liken the budget today to a festival, we have many contestants on the other side. We have 'misconceived', 'misconception', 'mistake', 'misinformation', 'misguided' and 'misled', Madam Speaker. Unfortunately, they have all 'missed' the boat. Thank you very much, Madam Speaker, I commend the Budget to the House.

HON. SPEAKER.- I now give the floor to the Honourable Minister for Defence and National Security.

HON. RATU I. KUBUABOLA.- Thank you, Madam Speaker. The Honourable Prime Minister, Honourable Leader of the Opposition, Honourable Ministers and Honourable Members of Parliament. Madam Speaker, I rise this evening to lend my support to the Budget of 2017-2018. First allow me to congratulate and thank the Honourable Minister of Economy and his team for a budget that articulates the critical role of defence and national security. Furthermore, the vision for progressive development is eloquently expressed.

As Minister for Defence and National Security, the irresponsible and misleading comments regarding the RFMF and the Fiji Police Force made by the Honourable Bulitavu cannot go unchallenged. Madam Speaker, the budget should not be used to advance political agenda nor should the Republic of the Fiji Military Forces or the Fiji Police Force be used as platforms to gain political mileage.

Madam Speaker, this afternoon, Members of the Opposition misled the Parliament that the crime rate in Fiji has increased. The Honourable Karavaki was saying that earlier on this afternoon. I would like to remind the Parliament that I made a statement early this year that the overall crime rate in Fiji has decreased by 13.3 percent.

The Fiji Police Force deserves the pay rise and it is long overdue. Police officers attend to all types of complaints such as psychological, social, family problems, problems with pets and the list goes on. Many officers walk the beat in the scorching heat, some without taking time off or to eat. In the past salary increases have been Cost Of Living Adjustments. Their salary and allowances are justified.

On the Bushmasters, Madam Speaker, the acquisition of the Bushmasters was to protect troops serving in Golan Heights. It is a protected, mobility vehicle and the name explains itself. The Bushmasters were on our streets in Suva to celebrate Infantry Day and allow me to make this very clear to Honourable Bulitavu a brief lesson on military tributes.

Every year a country chooses a day of significance in history to commemorate Infantry Day. For example, in India, this is celebrated on 27<sup>th</sup> October to commemorate the Iraq Operation to protect Jammu and Kashmir from incursions by armed men from Pakistan from 21st to 22<sup>nd</sup> October, 1947. In Fiji, we opted for 23rd June every year. Fiji's only Victoria Cross recipient amongst the Commonwealth Forces was the late Corporal Sefanaia Sukunaivalu who was slain on 23rd June, 1944 and that is why we decided that 23rd June every year would be the Infantry Day. The three Bushmasters in Fiji, Madam Speaker, is to support pre-deployment and training and humanitarian assistance and disaster relief.

Madam Speaker, the Honourable Mosese Bulitavu and unfortunately he is not here. The Chief of Staff has the authority to speak on behalf of the Republic of Fiji Military Forces. The Commander seldom speaks to the public. It is the role of the Chief of Staff to speak on behalf of the institution. There is no intention to politicize or instil fear as alluded to by the Honourable Member. Let me remind the Honourable Member and we all know this. In the Constitution of 2013, Section 131(2), - "It shall be the overall responsibility of the Republic of Fiji Military Forces to ensure at all times the security, defence and well-being of Fiji and all Fijians." Madam Speaker, when someone, whoever that may be, starts to muddle around with the boundaries of the Constitutional responsibility of the military, the military will have to make a statement and that is what they did.

Madam Speaker, how can the Honourable Bulitavu compare Bushmasters to naval boats? He was not listening in the House when I made the statement on naval boats, that under the Pacific Patrol Boat Replacement Programme, two boats will be delivered in the near future and maritime surveillance is very well addressed. Under the Defence Corporation with New Zealand the *HMNZS Hawea* is presently providing support to the Fiji Navy. Also, let me just respond to the Honourable Semesa Karavaki, I wish he would refrain from quoting from the *Holy Bible* in this House because he is misquoting it.

Madam Speaker, fighting crime is not only the responsibility of Government; it is everyone's responsibility. Traditional leaders, churches, families, schools, faith-based organisation leaders – it is all our responsibility.

HON. GOVERNMENT MEMBERS.- Hear, hear!

HON. RATU I. KUBUABOLA.- We cannot continue to say that Government should be doing this, and I must say, Madam Speaker, this is my personal view that maybe the churches should be doing more to teach the members of the church to be better citizens.

Madam Speaker, the world has changed profoundly. Fiji has experienced the formidable acceleration of information exchanges, rapid movement of people which has had an impact in the changing defence and security landscape. Consequently, the Ministry of Defence is aware of demands on defence and nation security beyond its traditional role. This budget allows two disciplined forces to carry out their roles and responsibilities resourcefully and competently.

Madam Speaker, the Ministry of Defence and National Security provides policy oversight on the two disciplined forces; the Republic of the Fiji Military Forces (RFMF) and also the Fiji Police Force. The RFMF is entrusted by our Constitution, as I mentioned before, to provide for the security,

defence and well-being of Fiji and all Fijians. As such, the RFMF is required to have an operational capability for the defence of our interests, both on land and on sea. The RFMF is also charged for providing forces for international peacekeeping operations, in line with Government's foreign policy and maintaining world peace.

In this regard, Madam Speaker, Government has allocated around \$96.7 million in the 2017-2018 Budget; an increase of only \$0.283 million. This caters for the overall operations of all RFMF Units, including the Naval Division and the Hydrographic Unit.

Madam Speaker, I wish to briefly update the House on some major highlights of the 2017-2018 Budget for RFMF and peacekeeping support operations.

In the 2017-2018 Budget, Government has allocated funds for a number of on-going capital projects, which includes the renovation and upgrading of the RFMF infrastructures, with an increase provision of \$400,000.

In order to train and prepare military personnel earmarked for international peacekeeping duties, the Blackrock Integrated Peacekeeping Centre in Nadi has been undergoing phased construction. A sum of \$2 million, Madam Speaker, has been allocated in the budget to cater for the construction of the peacekeeping centre new mess hall and phase two of the earthworks construction.

Madam Speaker, the Sukanaivalu VC Barracks in Labasa is one of the oldest RFMF camps that caters for around 113 personnel. Due to the deterioration of the camps infrastructure, a sum of \$270,000 has been allocated for the upgrading of the Sukanaivalu Camp; a reduced provision from \$410,000 that was provided in the 2016-2017 Budget.

The camp also houses the RFMF Engineers who were deployed on rural developments projects and HADR Assistance in the Northern Division.

Another important project for the RFMF is the construction of a magazine at the Queen Elizabeth Barracks in Suva. This project ensures that military ammunitions and explosives are safe and well-secured. The reduced provision of \$400,000 is provided in the 2017-2018 Budget for the project. In addition to this, a sum of \$200,000 is provided for the upgrade and renovation of the armoury, to ensure that weapons are properly stored.

A sum of \$300,000 has been allocated for the upgrading of the Logistics Support Unit's complex and the Other Ranks Mess. This is to cater for the re-roofing and general repairs of the complexes, which need urgent maintenance due to its deteriorating condition.

Madam Speaker, another camp that needs urgent attention is the Duke of Edinburgh Barracks in Lautoka. The urgent maintenance work is required for the camps accommodation and ablution blocks, whereby Government has provided an increased provision of \$300,000.

Madam Speaker, the RFMF is also heavily involved in numerous projects and programmes in Fiji's rural and maritime regions as part of its commitment to the improvement of the well-being of the Fijian people. The RFMF Engineering Corp carries out an extensive range of development projects across the country that will improve the living conditions of ordinary Fijians, through projects initiated by the Office of the Prime Minister, donor agencies and other Ministries and Departments.

In addition to this, the RFMF Engineering Unit looks after the infrastructure and amenities

for the whole of the Republic of Fiji Military Forces. A budgetary provision of \$350,000 is provided for the RFMF amenities and infrastructure. An additional \$350,000 for the purchase of tools and equipment for the RFMF Engineers.

Apart from the normal deployment of RFMF Engineers in undertaking rural projects, the Unit was extensively involved in the post-*TC Winston* rehabilitation works. The works carried out includes deployment to Vanua Balavu for repairs of the Adi Maopa Secondary School and the Mualevu School and police station; repair works at Saint John's College in Ovalau; assist the Indonesian Army Engineers in the reconstruction of the Queen Victoria School in Tailevu; and assessment work conducted by the post-*TC Winston* in Ba, Tavua and Rakiraki areas.

From the beginning of 2017 calendar year to to-date, the RFMF Engineers has been engaged in the construction of 60 houses for the Ministry of Rural Development, part of the rehabilitation works for the post-*TC Winston*. The next planned work programme for the unit includes the construction of 28 houses in Rabi Island. In addition, phase two of the construction of Rotuma Hospital is on-going, a significant project for the Ministry of Health and Medical Services, which costs around \$5.9 million.

Other construction projects is due to commence in the maritime zones, especially in Gau and Kadavu, equipping all RFMF personnel with the required personnel equipment, communication equipment and tools is a necessity, hence a sum of \$500,000 is provided for communication equipment and \$300,000 for specialised medical equipment. A total sum of \$2.2 million and \$1.2 million is also provided for nursing and personal equipment respectively, which is the same budget level as in 2016-2017 financial year.

Madam Speaker, we can all agree on the growing use of information technology for the efficient and effective achievement of institutional outputs and service delivery. A budgetary provision of \$200,000 has been allocated for the purchase of IT equipment, for the whole of RFMF. This is essentially to ensure that RFMF officers and connectivity and have access to a proper and reliable IT services.

The RFMF Naval Division provides surveillance of Fiji's maritime zone and operates a coastal radio station for all vessels within Fiji waters, thus required by the International Law of the Sea. For these reasons, Government has provided a sum of \$1.1 million for the patrol boat life extension programmes, a reduced provision from \$2.9 million budgeted in the 2016-2017 Budget. In addition to this, the Navy's Hydrographic Division has been provided with \$350,000 for the purchase of a survey motor boat.

Madam Speaker, Fiji's contribution to the UN peacekeeping spans more than 38 years and it is now part of RFMF's proud military tradition. This is an on-going commitment between the Fijian Government and the United Nations, which Government has provided a budget of around \$77.3 million for the 2017-2018 financial year. This is the same as the 2016-2017 Budget.

Madam Speaker, on the Fiji Police Force, there is no doubt in our minds that it requires all the assistance it can get to mitigate the concerns of our internal and external security. Over the years, the Fiji Police Force had established relations and strengthened partnerships with communities, businesses, private sector and development partners, many of whom have given support and assistance - from CCTV cameras, to vehicles and other items, and I wish to acknowledge these partners and the confidence they bestowed on our Fiji Police Force. This budget builds on relationships. Additionally, it enhances the institutional strengthening of the Fiji Police Force.

The total budget for the Fiji Police Force in 2017-2018 is \$148.8 million, comprising \$136 million for operating expenditure and \$10.3 million for capital expenditure and VAT of \$2.5 million. The increase of \$70 million in the 2017-2018 Budget is attributed to an increase due to adjustment in salaries and wages to carry out the Force's Job Evaluation Exercise; an increase in other operating expenses for licences, renewals, travel, subsistence and incidentals.

The capital construction programme for the upgrading of existing facilities and construction of new police stations and community posts.

Madam Speaker, there is a provision of \$1.6 million in Head 50 to fund police operations during the conduct of 2018 General Elections, if it happens within our financial year. Funding will be released depending on the scheduled date for the 2018 General Elections.

In this Budget, we anticipate new initiatives which include the following:

- \$150,000 is allocated to the crime investigation division to strengthen internal investigation of any alleged crimes by the police officers in the performance of their duties;
- \$1 million for the completion of design, scoping and the tender processes to start construction of a new Nadi Police Station;
- \$580,000 to begin the design scoping and tender process for the community post at Natewa and land acquisition for the community post at Natovi;
- \$600,000 for the upgrading of the K9 unit section facilities in Suva; and
- \$523,100 for the retrofitting of the Police Vessel, *MV Veigaravi* to maintain effective responses to crimes in the maritime zone.

Madam Speaker, we usually give the Fiji Police leverage for adapting to the changes in the strategic law enforcement environment. Knowledge and anticipation, prevention, deterrence, protection and intervention are the heart of the Fiji Police Force interventions.

Madam Speaker, as you know, we are faced with security threats and risks, some appear to be intentional, as criminal offences, cyber-attacks and petty crimes while others appear non-international such as environmental challenges like national disasters.

National security is important to the economic and social developments. If a State is not safe and secured subsequently, uncertainty penetrate and permeate through society and stagger developments. Policing and law enforcement is becoming sophisticated as the criminals who badger our people and communities are a threat to Fiji as nation.

Our work in the area of national security and defence will continue to evolve and we are challenged to adapt to the changes we confront in our line of work. The Ministry and the two disciplined forces, the RFMF and the Fiji Police Force, will make certain that Fiji remains a safe and secure home for all Fijians. I would like to extend invitation to my colleagues in Parliament to join in our efforts.

Madam Speaker, I reiterate my support for the Budget 2017-2018. *Vinaka* and thank you.

HON. SPEAKER.- Thank you, Honourable Members before I call on the next speaker, I

would like to inform Honourable Members that the Secretariat has arranged for a Doctor and a Nurse to be available in Parliament in the Small Committee Room, every day from 5p.m., until the sitting of Parliament is completed and every evening this week from 5p.m. Doctors and nurses begin their services from tonight.

Thank you, Honourable Members, I now give the floor to the Honourable Minister for Local Government, Housing, Environment, Infrastructure and Transport.

HON. P.B. KUMAR.- Thank you, Madam Speaker.

Madam Speaker, the Honourable Prime Minister, the Honourable Leader of the Opposition, Honourable Members of the House: Madam Speaker, I think it is only proper that I congratulate the Honourable Minister for Economy and Attorney-General for the 2017-2018 Budget. Madam Speaker, in supporting this Bill, I will speak briefly on key areas of allocation to my Ministry.

First of all, Madam Speaker, let me thank and pay tribute to the Honourable Minister for Economy and Attorney-General and his team for the preparation of a smart, proactive and people-focused Budget for all Fijians.

(Honourable Members interject)

HON. P.B. KUMAR.- Allow me to go a bit further, Madam Speaker, in saying this is a Budget that goes a long way towards further proving growth so that we can continue the unparalleled and record breaking eight years of growth in the Fijian economy. Contrary, to the doomsayers, the numbers provided in the 2017-2018 Budget, Madam Speaker, proved beyond doubt the credibility of the FijiFirst Government in taking all Fijians surely towards greater and greater gains in our material wellbeing as a nation.

Madam Speaker, it is smart, based on smart thinking, sound and keen analysis of variables and the conviction to deliver beyond the numbers. Sadly, Madam Speaker, that reaction from the opposition and other politicians coming out of the woodworks is anything but constructive. Madam Speaker, it was incredible to hear from all corners amongst the opposition so far, and from all corners among the other politicians that this Budget was an Elections budget, “the good, bad and the ugly” budget and from one desperate politician, this was a “desperate budget”. How convenient for these individuals, Madam Speaker, to use the language in the name of Elections to point fingers at the FijiFirst Government?

Madam Speaker, we are tired of this same old cheap political pot-shots. Let us hear some proper analyses of the budget and how we can deliver to the welfare and wellbeing of all Fijians, and in making my address in support of the 2017-2018 Budget, Madam Speaker, we will focus on exactly these key factors of this welfare and wellbeing of all Fijians as the platform for delivering on the allocations made to all sections.

Madam Speaker, on behalf of my ministry and all our stakeholders, I report my sincere appreciation for the allocation in the 2017-2018 Budget; that response to the detailed and needs base.

Madam Speaker, my team is committed to service delivery with sustainable and diligent disbursement of our allocation in the key priority. Madam Speaker, the allocation provide to each section that I will now turn to give as confidence to deliver, deliver and deliver, so that all Fijians will benefit in keys areas.

Madam Speaker, the national budget 2017-2018 has come up with the highest allocation ever to be given in the history of Fijians Municipal Councils of \$22 million. Madam Speaker, this allocation to the municipal councils will directly affect the lives of ordinary citizens. For example, this will enable construction of markets in Namaka in Nadi, Rakiraki, Laqere in Nasinu, as well as eight mini-markets across Fiji that shall see a minimum of 1400 stalls promoting small businesses and providing direct market access to our rural provinces.

Madam Speaker, the allocation \$2.26 million for the re-development of Govind Park is timely for the people of Ba and shall see planning and constructions works commencing during the fiscal year 2017-2018 of this iconic sporting ground.

Madam Speaker, Government acknowledges the fact that Nasinu is the largest populated municipality in Fiji, welcomes a number of allocations made to improve its sporting and community amenities. Madam Speaker, Nasinu Town Council for the first time shall see a total Government grant of around \$4 million in the 2017-2018 Budget. This is in-line with our commitment to providing service equity in all municipalities for all Fijians.

Madam Speaker, the increase in the Municipal Challenge Fund to around \$4.7 million will greatly assist in improving municipal council facilities across Fiji, with the focus on sustainable and climate friendly solid waste management, storm water and drainage management, apart from investment in infrastructure and the other amenities.

Madam Speaker, the continued allocation of \$500,000 will assist with the current Local Government Review Reform Programme. This will be completed upon receiving the report by the Local Government Committee by the end of September, 2017. This will enable us to draw up the terms of reference for the local Government review report and appoint the Local Government Review Committee. Needless to say, Madam Speaker, we cannot move our towns and cities into the smart technology age if their controlling legislations under the Local Government Act remains in the dark ages.

Madam Speaker, I welcome the allocation for the National Fire Authority, an allocation of the Ambulance Emergency Fire Grant of around \$1.6 million. Madam Speaker, this is an area that is specialised, which is provided by the National Fire Authority that I would like to highlight and one that deserves greater credit and awareness amongst all Fijians.

Madam Speaker, my colleagues will speak on the area of housing and I would like to thank them for covering the increase, affordability of housing for more and more Fijians. By doing so, the FijiFirst Government opposed the 2013 Constitution that requires Government to use its available resources to gradually ensure the rights of every Fijian to accessible and adequate housing.

Madam Speaker, my ministry will also closely work with the stakeholders to construct mixed income multi-unit housing developments, construct affordable residential buildings and housing units. In doing so, Madam Speaker, the emphasis will be on sustainable and affordable housing technology in designed and build projects with development partners.

Madam Speaker, the ministry, through the squatter settlement upgrading programme will continue to develop squatter upgrading programme and regularise squatters to grant on security of tenure. This is an important and open hidden part of providing mass affordable housing successfully undertaken by the FijiFirst Government. The focus on housing support to all Fijian is on how the law and the middle-income segments of our people.

Madam Speaker, I must make mention of the special programmes covered under the 2017-2018 Budget to assist 191 financially disadvantaged Housing Authority customers who had paid part of their home loans, thus saving their residential homes from being under mortgagee sale, leaving them homeless. People assisted are retirees and people with medical conditions. They will be assisted under the loan rehab interest suspension and debt discounting.

Madam Speaker, the allocation will allow us to continue with 1 million rental subsidy grant to assist 949 financially disadvantaged rental customers in PRB housing states in the Northern Division, 15 housing states in the Central Division and 6 housing states in the Western Division.

Madam Speaker, now I will turn to the infrastructure and transport and may I say at this juncture that the statement made earlier in the day that Fiji Roads Authority staff are not signing the contracts, that is not the truth. The truth is that all have signed their contract.

Madam Speaker, the allocation of FEA and Department of Energy re-affirms Government's commitment to connect every rural Fijian community to sustainable, reliable and clean source of electricity, reflected in the significant increase to \$43 million for the rural electrification. Under this increased allocation, 6866 more rural Fijian families and schools will be assisted either through connection to the Fiji Electricity Authority's power network or via the installation of solar home system. Madam Speaker, FEA will deliver 147 rural electrification projects which will benefit 3,382 households in the rural remote areas.

Madam Speaker, Government has increased the monthly threshold of electricity subsidy from 95 kilowatts per month to 100 kilowatts per month for domestic users with the combined household income of below \$30,000 per annum.

Madam Speaker, this is another indicator of the people focused budget, improving the lot of all Fijians, in particular the lower income- earners, by reducing the utility bills. Madam Speaker, this also includes cash powering.

Madam Speaker, the allocation for Fiji Roads Authority will deliver new and upgraded roads, crossings, jetties and bridges. The FRA will work with urban congestion and improving and extending the rural road network.

Madam Speaker, allow me to highlight a few specific projects aimed at expanding and improving the rural road network access and address safety issues.

Kavanagasau Road in Sigatoka has been allocated \$1 million under the upgrading of rural road programme.

(Applause)

Consensus on the road user safety on the Natabua Road in Lautoka will also be addressed. Signs and traffic lights will also be installed to overcome the safety issues in these identified black spots.

Madam Speaker, the responsibility of the street lights and foot paths have been taken over by Fiji Roads Authority and a budget have been allocated as part of the Fiji Roads Authority's allocation to do the street lightings and footpaths for the municipal areas as well.

Madam Speaker, the Land Transport Authority in the budget allocation provides a platform to improve land transportation management enhancing road safety and provide better service delivery

and customer service. Here, Madam Speaker, when we talk about customer services, my Ministry and LTA has received a lot of complains from the people from the North in terms of the bus services.

I must say, Madam Speaker, that we have taken this as a very serious issue because of drivers not being friendly; buses are not being upgraded; and I must warn those bus companies who are operating in Labasa that if they are not going to operate, we are going to take bus companies from Western to service in the Northern areas.

(Acclamation)

HON. PROF. B.C. PRASAD.- Cheap Politics.

HON. P.B. KUMAR.- Because, Madam Speaker, it is not about politics, it is about serving our people. We are not concerned about one individual, we are concerned about the people at large. They have also been objecting about the taxi permits, I will come back later on that.

(Chorus of interjections)

HON. P.B. KUMAR.- Madam Speaker, key priority areas will be increasing enforcement on the overloading to minimise damages to our roads in Fiji. The changes to LTA regulation in the general areas of licence and permit for public service vehicles have been welcomed by all stakeholders and we are, Madam Speaker, at this point let me clarify that the new provision for the taxi and transport permit will not result in a free for all situation. Instead, we will look at pending applications on a need base to clear the backlog before deciding on the issue of new permits.

Madam Speaker, FijiFirst is a responsible government and we will protect the existing taxi permit owners as well.

Madam Speaker, the budget allocated to the Water Authority of Fiji for the financial year 2017/2018 clearly reflects the FijiFirst Governments commitment to deliver basic clean water and sanitation services to all Fijians.

Madam Speaker, allow me to highlight a few key areas that will benefit Fijians from these allocations. Madam Speaker, \$14.7 million will be used for improvements and upgrades to existing water treatment plants, expected to benefit over 3000 people. The free water initiative will continue in the new financial year, greatly adding to the 25,649 households who have benefited from this policy since inception in 2014. The allocation of \$4.5 million towards the Government subsidy towards the rain water harvesting scheme has been well received by all recipients. The scheme has greatly assisted people living in peri-urban areas as well as those who reside in the rural areas.

Madam Speaker, the rural water supply programme, with its allocation of around \$27 million will ensure the implementation of 179 rural water projects that will benefit 36,648 people. All Fijians living in the maritime and rural areas will benefit from the total of 1600 water tanks that will be distributed to these communities with an additional \$3 million allocated for carting of water to the rural and unmetered areas.

Madam Speaker, before I finish my address, let me take this opportunity to state that this Budget is a strategic plan to drive Fiji forward and not just a simple budgetary exercise.

Madam Speaker, allow me to say a few words about the sugar industry. For many years, there have been talks of taking this industry to new heights with nothing happening on the ground, in fact by 2006 under the Qarase Government, Madam Speaker, there was not much left of the

industry to speak about. It is this Government, the FijiFirst Government that has recognised the sugar industry and have assisted by giving incentives, land security, any grant or subsidies with which farmers now feel secure and looking forward to work hard to produce more cane. One just has to go and visit the cane fields, the farmers will give answers and they are so happy with the allocation in this year's budget.

(Chorus of interjections)

HON. P.B. KUMAR.- Since Independence, Madam Speaker, secure land tenure as the foundation for an incentivised and streamlined sugar industry has been promised under many previous Governments but never delivered. The FijiFirst Government has delivered in its earlier incentive as well as secured land tenure for the sugar industry.

Madam Speaker, a significant announcement of the crop insurance, all these years, people have been talking. They were only been concerned about walkouts and boycotts. If they were really interested about the industry, if they really wanted to recognise the industry they could have come up, even though they were in Opposition, they could have brought that up to the Government at that point in time, or that Government would have considered, but nothing happened.

Madam Speaker, the significant announcement of crop insurance, fertilizer and chemical subsidies, mechanised cane harvester grants as well as cane planting grants in this Budget that truly is a real gift to the farmers of this country. Madam Speaker, this is something that the cane farmers of this country are so proud of, except some articles in the *Fiji Times*.

Madam Speaker, I have spoken to a few people who were interviewed by the *Fiji Times* because basically they are a mouth piece of some political parties and that person who was interviewed said to me; "I have never said that to the *Fiji Times*." This sort of things is happening, Madam Speaker, it is so unfortunate.

(Honourable Members interject)

HON. P.B. KUMAR.- Madam Speaker, only under the FijiFirst Government can we now call it a real industry, and I mean it, and an economic force rather than the political football for a few who used to be old school Suva politics is what prompts the Opposition to negative comments about the sugar industry, not genuine concern for the farmers or the industry. Now that the FijiFirst Government has delivered all its promises for the sugar industry, it hurts the Opposition. Madam Speaker, it hurts them because they no longer have any basis for the predicted doom of the sugar industry.

Madam Speaker, let me end by stating that the Honourable Minister for Economy, once again, came up with the budget based on careful analysis of all the economic factors and delivered a win-win situation for all Fijians, unlike what the Opposition are saying. Madam Speaker, with all the earlier negative comments about Christmas coming earlier, let me state what all Fijians already enjoy without that lame attempt by the Opposition to criticise the Budget whereas the FijiFirst Government is a Christmas every day for all Fijians.

HON. GOVERNMENT MEMBERS.- Hear, hear!

HON. P.B. KUMAR.- Madam Speaker, not just with Budget goodies, but we bring the spirit of light and happiness to all Fijians all day, every day.

HON. GOVERNMENT MEMBERS.- Hear, hear!

HON. P.B. KUMAR.- Madam Speaker, this is reflected in the positive economic growth in Fiji over the past eight years which shows that the FijiFirst Government has rightly identified and concentrated on key areas for spending, to make this growth possible. As such, this Bill is geared towards providing growth under the National Budget with the strong foundation in constructive consultation with the people.

Finally, Madam Speaker, it seems that the Opposition is really scraping the bottom of the barrel with the use of the term “non-performer” to describe one of Fiji’s hardest working leader and his presentation of the Budget. Personal attacks such as this is the worst sign of non-performer. If the Opposition did any homework or if they had the ability to do their homework, we could get some thoughtful contribution Madam Speaker. But given the number of non-performers within the Opposition that is too much to hope for, Madam Speaker. In fact, the Honourable Gavoka should have been the last person to say such things.

Madam Speaker, it is a Bill that provides in a sustainable and smart manner for the low income earners and our rural population, and it is a Bill focussed on and towards the future. God bless Fiji.

HON. SPEAKER.- I now call upon the Honourable Jilila Kumar to take the floor.

HON. J.N. KUMAR.- Madam Speaker, the Honourable Prime Minister, the Honourable Leader of the Opposition, Honourable Ministers and Honourable Members of Parliament; I rise in this august House to lend my support to the 2017-2018 Budget, specifically to endorse the budgetary allocation for the Fiji Police Force. At this juncture, I wish to congratulate the Honourable Minister for Economy for a far-sighted Budget.

Madam Speaker, the Fiji Police Force is responsible for maintaining law and order in Fijian society by employing best practices in police work and employing modern technologies and innovative strategies to prevent criminal activities.

The Fiji Police Force engages in a wide range of activities to maintain professional personnel who are well-trained and well-equipped to handle evolving criminal threats. The Force is currently seeking to expand the reach of its services through the construction of new facilities, and improve response times and investigative effectiveness but procuring new specialised equipment, including vehicles, communication equipment and forensic science tools.

Modern mobile phones or smart phones as it commonly known now, come equipped with applications and capabilities that can be used as an enabler to commit crimes and cyber-crime is becoming a real issue. Spoils from the illegal activities, are then channel and utilised for further illegal operations.

Madam Speaker, the 2017-2018 Budget provides for the following items as part of their Capital Purchase:

- Quality Assurance System for the Forensic Bio DNA Lab - \$660,000;
- Communication Equipment - \$400,000;
- Traffic Management Equipment - \$350,000;
- Purchase of Standard Equipment - \$400,000;
- Special Operation Equipment - \$298,000;
- Purchase of Analytical Forensic Chemistry Equipment - \$400,000;

- Installation of Solar Power in Rural and Maritime Stations and Posts - \$309,000;
- Automated Licence Plate Recognitions - \$100,000;
- IT Equipment - \$200,000;
- Upgrade of Criminal Records Information Systems Database - \$180,000; and
- Close Circuit Television (CCTV) - \$100,000.

So the total budget allocation for this, Madam Speaker, is \$3,287,000.

These provisions, Madam Speaker, will no doubt improve the capabilities of the Fiji Police, enabling them to deal with criminal threats that could be a hindrance in the pursuit of attracting would-be investors to Fiji and pushing up incoming investors out of Fiji.

Madam Speaker, the Budget is not only focussing at equipping the Fiji Police at the forefront of their operations, it also addresses the more complex aspects of their work in as far as presenting a well investigated and research docket in court.

The Budget, as in the previous years, continues to invest on the scientific interventions where it supports forensic science capabilities for the Fiji Police Force. The following provisions are being provided for in this Bill for the Forensic Department of the Fiji Police Force:

- Analytical Forensic Chemistry Equipment - \$400,000;
- Quality Assurance for Forensic Bio (DNA) Lab - \$660,000;
- DNA Testing Device - \$12,000;
- Forensic Investigations Consumables - \$10,000;
- New Licence Renewal (AFIS) - \$70,500;
- New Forensic Pathology Consumables - \$83,461; and
- New Crime Scene Investigations Consumables - \$213,478.

So, the total budget is \$1,989,439.

Madam Speaker, these provisions will surely boost the capabilities of the Fiji Police Forensic in as far as providing quality evidence to the court to secure convictions. The Forensic Laboratory is the largest in the Pacific, excluding Australia and New Zealand, and is providing support to some of our neighbouring Pacific Islands.

Looking at the long term benefits, continuous financial support to the Fiji Police Forensic Unit can be a source of revenue to the country through services to the private sector, as well as our neighbouring countries. The two issues that I raised, Madam Speaker, will surely have an impact on our law and order situation in Fiji which will enable the Fiji Police Force to be on par or even a step ahead over criminal elements.

Madam Speaker, the Women in Policing provision of \$20,000 in Activity 1 SEG 7 is a commitment by the Government to improve Women Officers' development through training and seminars. This is an attempt to address gender equality in the organisation. Women in law enforcement is important.

It is worth noting here, Madam Speaker that the Standing Committee on Foreign Affairs and Defence has visited all the Department of Police operations in Suva and we have heard from the horse's mouth that this is the dream that they have been waiting for. And this Budget, Madam Speaker, is going to fulfil the Fiji Police Force's dreams and aspirations.

I wish to conclude by thanking the Honourable Minister for Economy for the extra provision of \$15,528,200 in SEG 1 of the Police budget to cater for the salary restructure of the Fiji Police. This provision will be an added incentive and give officers the motivation to work smarter and better.

Once again, Madam Speaker, I support the Bill before the House.

(Applause)

HON. SPEAKER.- Thank you. I now give the floor to the Honourable Dr. Mahendra Reddy.

HON. DR. M. REDDY.- Madam Speaker, the Honourable Prime Minister, the Honourable Leader of the Opposition, Honourable Members of Parliament; I rise to deliver my speech in support of the 2017-2018 Budget as tabled by the Honourable Minister for Economy two weeks ago.

Madam Speaker, this Budget is well crafted, has a vision and is designed to meet the aspirations of every Fijian in this country. I wish to speak on education in particular, given my past stint in the Ministry of Education. Approximately, 22 percent of the total Government Budget, has been allocated towards education.

Madam Speaker, the Erasmus Guideline for small developing countries is that, at least, 14 percent of the overall Budget should be allocated or dedicated to education. Our Government has allocated 22 percent of the entire Budget towards education, a total of \$964.4 million.

Madam Speaker, why would any Government allocate such a large amount of money, given that there are so many competing demands for the limited amount of resources that any government may have? This allocation by our Government for education demonstrates not only our recognition of the importance of education towards realising our national aspiration but also the recognition to our conviction that every person must have unhindered access to education right from ECE to tertiary education.

Madam Speaker, it also reflects the amount of work that we need to do to raise the platform of education in Fiji. We believe it is through education that we can guarantee improved living standards and long term peace and stability in the country. It is through education that we can level the playing field for collective growth, Madam Speaker. We want every Fijian to grow together, and that is the growth and development model of our young generation.

Madam Speaker, it is through education that we can allow people to unlock their goal prospects. It is through education that we can get people to meaningfully participate in the economic growth process. When an economy is growing and if you do not educate people, then they will be excluded from participating in the growth process and, therefore, they will not benefit from the growing economy, Madam Speaker. So it is important that we educate and up-skill our people so that they can participate in the growth process and benefit from the growing cake.

Madam Speaker, having said that, the question is; what then should the budgetary allocation for education address? In broad terms, the budgetary allocation should develop the foundation of an education system which consists of:

1. accessibility to quality and standards;
2. the choice and aptitude for broad based education which contributes towards holistic development in children towards nation building; and lastly
3. address the country's human resource needs.

Madam Speaker, I will now address these five areas but together, not separately.

Madam Speaker, the Sustainable Development Goals under the 2030 Agenda is woven around 17 SDGs which seek to guide nations towards peace and prosperity. All these goals are linked evidently to sustainable development at all levels and most importantly, to the environment of the green development as categorised nowadays, Madam Speaker.

Madam Speaker, the three educational allocations - Early Childhood Education, Primary, Secondary and Tertiary Education are not only continuing but have also been increased substantially, along with the allocation of about \$20 million for the transportation of our children.

Madam Speaker, the transportation budget of \$20 million ensures that children are able to come from home to school and back to home. Whether it is towards funding students' bus fare expenses or towards funding students expenses to pay Rural Service Licence carriers or an additional allocation of \$450,000 to provide boat and engine to schools which do not require bus fare subsidy, does not require RSL vouchers because neither it is available there but they need boat and engine to transport their children from one island to the other or from one end of the river to the other.

Madam Speaker, this \$450,000 will ensure that 38 schools are able to get boat and engine. This is an initiative that we began two years ago and have assisted about 48 schools until now. Therefore, this \$450,000, Madam Speaker, will be assisting another 38 schools which are as follows:

- 24 schools in the Eastern Division;
- 4 schools in the Cakaudrove District;
- 4 in Nadroga/Navosa;
- 3 in Macuata/Bua;
- 1 in the Yasawas; and
- 1 in the Central Division.

Madam Speaker, the budget also has allocations to provide water tanks to schools which need water storage facility - \$143,000 has been allocated to provide water tanks to secondary schools; \$277,000 has been provided to primary schools to provide water tanks; a total of \$420,000 to ensure that children are able to get water during the day time, as well as the staff so that their teaching and learning activities are not affected.

Madam Speaker, we have also seen major increases towards financing tertiary education because student numbers at tertiary educational institutions have increased three-folds. It is in this regard that the allocations for TLSB has been increased to ensure that no child who wants to acquire tertiary education are turned back; a massive increase from \$53.1 million to \$191.3 million.

Madam Speaker, this \$191.3 million consists of:

- \$96 million towards providing loans to students to pay their tuition fee,
- \$62.8 million to provide students for their accommodation, subsistence, living allowance;
- and an additional \$32.3 million has been allocated to provide the young and bright minds with TOPPERS Scholarship, Madam Speaker, but in areas which are in need by the Government, Madam Speaker.

Madam Speaker, noting the country's need for tradespersons in various subject areas, the proposed budget also now provides for students from Year 12 to proceed to FNU to undertake Trade

Certificate Courses in various areas. Madam Speaker, they do not have to wait until they complete Year 13. This is in addition to students who are also being funded to undertake studies in the 13 Campuses of Technical College of Fiji, Madam Speaker.

Madam Speaker, perusal of the Budget would reveal the Government's commitment towards enhancing quality in various Technical College Campuses which is designed to modernise the workshops so that our students are exposed to hands-on practical experience.

Madam Speaker, this budget, apart from contributing towards ECE, Primary, Secondary, and High Education and Tertiary Education, is also cognisant of the fact that we need to up-skill and provide training in the trade-related areas which are in high demand not only in Fiji, but in other countries as well.

Madam Speaker, for far too long, we have forgotten our children who had dropped because their aptitude were not in the higher education areas. The dreams to gain tertiary qualification remained a dream. Now, this young and old can walk into our campus at Technical Colleges and undertake any short course for free or get admitted to any of the Year 1 long trade certificate at level 2 in the trade area, funded fully by the TELS, Madam Speaker.

Madam Speaker, whatever we do, we must not lose sight of quality output. Quality output can be delivered by investing in human resources, as well as enhancing the learning environment. The Government's Job Evaluation Exercise has contributed towards one of the largest pay increase in the history of Fiji, Madam Speaker. Our teachers will be motivated to do their best, and with the backing of the free education grant, our learning environment will be boosted to deliver quality graduates.

Madam Speaker, progressively, we are recruiting more and more teachers so that we improve the student-teacher ratio in our school system, in particular our primary schools. Teacher numbers in small schools with composite classes could be raised from four to five numerically, while the remaining teachers could be sent to schools with larger classes to increase the teacher-student ratio. The provision of 200 new teachers for primary schools and 50 new teachers for high school would probably go to new schools that will come up next year.

Madam Speaker, allocations have also been made to library services, commonly featured in the budget. For the first time ever, there is a special allocation of \$100,000 to provide specialised reading materials for special schools, Madam Speaker. Reading resources, such as Braille books, audios, big print and hard board non-fiction and fiction books could be provided to special schools and public libraries for use by students with special needs.

Madam Speaker, on the same note with regard to children with special needs, \$850,000 has been allocated for Early Intervention Programme for Hilton Special School, to support infrastructure development and other operations of the school.

In conclusion, I support the Budget which is visionary and is for all Fijians, Madam Speaker. Thank you.

(Applause)

HON. SPEAKER.- Thank you. I now give the floor to the Honourable Ratu Naiqama Lalabalavu.

HON. RATU N.T. LALABALAVU.- Thank you, Madam Speaker.

The Honourable Prime Minister, Honourable Ministers and Members of Cabinet, the Honourable Leader of the Opposition and Honourable Members of the House; I rise to offer my remarks on the 2017-2018 Budget presented by the Honourable Minister for Economy. The Opposition, as the alternative Government, has the role to critique, provide an alternative to the National Budget, so as to ensure that better utilisation and the effective use of Government resources.

Madam Speaker, many phrases have been used to describe this Budget and this include, an elections budget, an irresponsible budget, a vote buying budget, a fairy tale budget, a deceptive and a desperate budget among others. As the wise man says, the proof of the pudding is in the eating; that is the taste, Madam Speaker.

I have a lot of serious reservations on the proposed Budget, Madam Speaker, but foremost I would like to endorse the Opposition's spokesperson response on the Budget. He had spoken on the need to address the following, we need to free Fiji from the:

- high cost of living;
- low wage rate;
- increase in high debt level;
- neglect of the social services, particularly health; and
- high unemployment and all problems we are facing today.

I would also like to take this opportunity, Madam Speaker, to reiterate and further revisit and share some of my thoughts on the key issues highlighted by our lead speaker, the Honourable Aseri Radrodro.

Madam Speaker, looking at the Budget in its totality, I believe that it will not redistribute, nor will it achieve a more equitable and empowering society. Almost 50 percent of our population reside in our rural areas and maritime zones. The announcement of the \$2.60 an hour minimum wage is far below the minimum amount required to address our basic need for those below the poverty line. How can the Government claim that it is equitable and will empower majority of our people? We do not empower people by just paying them \$2.60 an hour, which is far below the cost of basic food items to meet the need of those the poverty line.

Madam Speaker, the allocation given to the productive sector, in particular, the non-sugar agriculture is around \$86.3 million, in contrast to the Military allocation of \$96.7 million. It is unfortunate that very little attention has been given to support our value addition and manufacturing sector which needs to be further harnessed and broadened to increase our foreign exchange capacity.

The excessive allocation for Police - \$148 million, Correction Services - \$38.7 million that the Defence are glaring examples in the increase in allocation for non-productive sectors. These allocations will not only, in any way, help generate income to support our narrow-based economy or support equitable distribution and inclusive development.

Madam Speaker, let alone addressing the high cost of living experienced by ordinary Fijians, at the same time we recognise the importance of the maintenance of law and order. A better targeting in the allocation of resources would be appropriate rather than being bullish in our spending.

On inflation, Madam Speaker, the high cost of living faced by ordinary Fijians is unbearable, despite the trend that the inflation rates are quite low. Although it is estimated that the average

inflation rate will be hovering around 3 percent by year end, the current monthly rate on inflation rate does not reflect this.

Madam Speaker, the high inflation rate was recorded in January, 2017 towards around 6.8 percent, 5.5 percent in February, 5.6 percent in March and 5.2 percent in April. It is anticipated that it will continue to increase in the next couple of months before it stabilises. I believe that the 3 percent anticipated for the end of the year will be much higher, taking into account the current trends.

It must also be noted, Madam Speaker, that inflation is not only influenced by monetary conditions because change in supply and demand can also lead to price change. For example, a supply shock caused by the disruption in production, such as natural disaster which is a common event; problem in the shortage of supply, for example, the recent shortage for cement supply, or the high production cost, increase in wages, rent or probably the cost of fuel and oil are prices that will surely lift the cost, push inflation, as these factors limit the supply of goods and services.

Madam Speaker, the current expenditure approach by the Government will surely increase prices because there will be more demand than supply, and it takes time for our capacity to make the necessary adjustment. Therefore, the 3 percent inflation rate estimated at the end of the year is unrealistic and not sound.

Madam Speaker, our liquidity position remains high and is hovering around \$735.8 million in June. The review by the Reserve Bank of Fiji in June indicated that liquidity has increased by 27 percent, it was around \$152.6 million to \$717.6 million from May. This trend is anticipated to increase further because of the lack of confidence in the economy despite the low average lending interest rates which has decreased to 5.8 percent from 5.93 percent in May. This is a clear indication, Madam Speaker, that there is lack of confidence because of inconsistency of Government policies which make investors nervous.

In addition, the limited three-years contract to public servants and the current environment of fear created by the Bainimarama Government limits the opportunity and investment in residential homes despite the increase in demands for housing in urban areas.

On taxation, Madam Speaker, I will now briefly touch on the current taxation policy and the rationale for modern taxation is that, it must be simple, easy to manage, transparent and must be progressive. It is unfortunate that the current tax regime in the medium and long-term will be targeting the poor more than the rich since special preferences are given to only a selected few.

Madam Speaker, the claim by the Government that the 2017 will continue to maintain an attractive tax policy that will successfully grow the Fijian economy is deceiving and not true at all. It will put more burdens on ordinary Fijians and at the same time, increase the cost of living, particularly on basic food items.

On the proposed Pay as You Earn, the Personal Income Tax threshold which has increased from \$16,000 to \$30,000, the impact will be marginal because the majority of our people are in the formal sector and are already earning less than \$30,000. The extension of the accelerated depreciation, Madam Speaker, has been extended only up to 2028 which is ten years. This will discourage large investors, particularly in the tourism sector and the large infrastructure projects which will lead a much longer lag period for the recovery of capital cost. This is another example of disincentive to investors who want to spend millions of dollars in our country.

On the Environmental Levy Tax, Madam Speaker, the question is, why the people of Fiji should be required to pay environmental tax in their country of birth? We, on this side of the House prefer that only visitors should be required to pay the environmental tax that could be easily managed. The alternative and the simplest way to manage this tax is for visitors to our shores to pay a one-off tax on arrival. Each visitor should pay US\$50 on arrival in any port of entry. With this arrangement, we would be able to generate at least FJD\$88.4 million which is much more and easily managed compared to the amount anticipated to be collected from the current arrangement, Madam Speaker.

Also, we should not forget that there is a need to review downwards the 25 percent tax to include only the tax service to supplement the income of the workers in tourism.

HON. OPPOSITION MEMBER. - Hear, hear!

HON. RATU N.T. LALABALAVU.- We, on this side of the House, Madam Speaker, do not understand how FijiFirst can say that Tourism Service Tax will not benefit our tourism worker. However, the \$88.4 million as projected, this figure includes those on cruise ships, super yachts and other transport modes. It is cheaper to pay the US\$50 rather than accumulated on his or her bills, especially the tourist will be much higher and make Fiji a more expensive destination. This will also minimise the leakage of the tourist dollar out of the country.

The super yacht fee was supposed to rake in \$100 million annually when it was announced but, Madam Speaker, it has not worked. The amount collected in the last three years fell short of this target. Now they are required to pay environmental tax. It is another example of inconsistency, reactionary, desperate approach to collect additional revenue to pay for the excessive expenditure.

Madam Speaker, the increase in Water Resource Tax is another example of inconsistency. We should be encouraging international investors to come and extract the abundance of branded water resources which is internationally recognised. This will support our narrow-based economy and will earn foreign exchange, instead, we have a tax regime that discriminates against large investors. There should be consistency, transparency and a fair system to entice large investors rather than discouraging them.

Madam Speaker, the reduction of fiscal and excise duties on the new hybrid vehicles is another example of a not-well-thought-out arrangement.

Our roads are so congested today, Madam Speaker, that it will take you approximately two hours to travel from Nausori to Suva during rush hours compared to only 30 minutes a couple of years ago. No consideration has been given to the impact on the environment and the cost to other infrastructure. There are many examples of inconsistent policies in this Budget but the message, Madam Speaker, is that our current taxation is very complicated, difficult to manage and will encourage tax avoidance and tax evasion as we are currently experiencing.

What we want, Madam Speaker, is a simple tax system that is progressive, transparent and easily managed therefore the reform in our tax system is not working and is ineffective and costly to the Fijian people. Consultation should be undertaken with all our stakeholders to ensure that we have a broad-based system that is acceptable to all.

Madam Speaker, on the issue of wages and salary increase, there is a lot of confusion and inconsistency in the announcement of wages and salary increases in the proposed budget. The distortion of public sector remuneration will only widen the gap among the different categories and will also distort the whole public sector remuneration structure. It is important that there must be a very clear benchmark on any increase in remuneration.

There is also confusion whether the increase is for Cost Of Living Adjustment (COLA) or it is for merit-based system. Generally, the public servants have not received any increase in the last five years except for a few selected ones. The Honourable Minister for Economy announced that the payment will be based on merit which includes the following:

1. wage earners will receive 14.3 percent;

(Honourable Members interject)

HON. RATU N.T. LALABALAVU.-

2. 800 specialist nurses will receive up to 25 percent;
3. teachers will receive an average increase of 14.3 percent pay rise;
4. head teachers and administration will get 13.9 percent; and
5. Police base-salaries to increase from 11 percent to 20.5 percent.

The inconsistency of these policies has led the Teacher's Union filing disputes based on the condition that teachers must sign a five-year contract before given any salary increase. Two years ago, Police-base salary was increased to \$10,000 and now there is another increase.

On the nursing fraternity, there are different rates by convention, Madam Speaker. All civil servants serving in our rural areas or maritime zones are normally paid hardship allowance or rural allowance. When they are posted back to urban centres, they will lose this privilege. This type of *ad hoc* arrangement will continue to increase operating expenditure especially in SEG 1 which I believe is unsustainable. It will also increase distortion in the Public Service remuneration arrangements and defeat the whole purpose of reform which is aimed at making the Public Service more effective, efficient and transparent.

Madam Speaker, it is time that the Honourable Minister of Economy thinks through policies that are consistent to minimise distortion that he has already created in the Public Service. In addition, a number of institutions have been given salary increases even before the Budget announcement.

As Shadow Minister for Fijian Affairs, my contribution on the Ministry of Fijian Affairs or the newly adopted name of *iTaukei* Affairs. Madam Speaker, I have noted that the prescribed role of the Ministry of *iTaukei* Affairs is to be responsible for the good governance and well-being of the *iTaukei* people and that is, it is the duty of the Ministry to uphold the right of the *iTaukei* as enshrined in the Constitution over their land, fishing grounds and their fair share of royalty from minerals extracted from their land.

Madam Speaker, I will first assess whether the 2017-2018 will weaken the stated role of the *iTaukei* Affairs. I will also highlight the fact that indigenous people's rights are basic human rights just as our women's rights and as well as the disabled and the rights of children for example. There is nothing sinister or racial when indigenous people express their concerns over their land, institution, culture and their social groupings.

Madam Speaker, the rights of indigenous people should be respected by the Government of the day.

(Honourable Members interject)

HON. RATU N.T. LALABALAVU.- Nothing about us, with us. Nothing about us, without us. It is a slogan, this is a popular slogan and you should learn from it, Honourable Prime Minister. This is a popular slogan from the Arnhem Land of Australia that defines the sacred duty of consulting with *iTaukei* or indigenous people on matters that may affect their human rights.

Madam Speaker, the wellbeing and good governance of the *iTaukei* people cannot be left to the provincial council or the *tikina* council nor the village council, those are the institutions which are provided with a subvention grant from the Ministry of *iTaukei* Affairs' budget and I refer to Head 5 with a total allocation \$13.214 million. Out of this total amount, \$12.495 million has been allocated for operating expenditure whilst capital expenditure has been allocated \$563,200 and the balance of \$156,200 for the Value Added Tax provision.

Madam Speaker, I fail to understand the statement made by the Honourable Minister of Economy in harping about the 60-40 ratio for operational expenditure as against Capex. Here, it does not reflect that in Head 5.

Words of good governance and wellbeing of the *iTaukei* have an in-depth and broader meaning and the wellbeing of the *iTaukei* people is not only limited to the family or a village, the word encompasses the *vanua*, the resources and the social structure which includes their chiefs. Chiefs are synonymous with the meaning of the *vanua*. It is the *vanua* that binds the people, their soul, their resources, their source of sustenance and their whole being together. Without the people, there is no *vanua*, without the chief there is no *vanua*.

Let me put it very simply, Madam Speaker, the *iTaukei* people are like a radar-less ship without the *Bose Levu Vakaturaga*. The *Bose Levu Vakaturaga* is the apex of Fijian institutions, the good governance and wellbeing of the *iTaukei* people is firstly the responsibility of the *Bose Levu Vakaturaga*.

Madam Speaker, it is disheartening to further note that marginalisation of indigenous Fijians is consistent with the existence of international conventions such as the United Nations Declaration of the Rights of Indigenous People and the ILO Convention No. 169 on the Indigenous and Tribal Rights. It is purely outlined, the requirements of free and prior informed consent of the indigenous people through any decision that will impact their decision, their way of life and their resources.

Madam Speaker, I reiterate my call for the FijiFirst Government to seek the views of the people on the reinstatement of the *Bose Levu Vakaturaga* through a referendum or other appropriate and relevant means, moreso to consult them on matters that affect their rights. Madam Speaker, there is nothing discriminatory or racist about being concerned on the erosion of the rights of the indigenous people to manage their villages and the *vanua*, to manage and exercise ownership rights of their God-given resources and their right to benefit from the exploitation of their resources.

HON. SPEAKER.- Thank you, Honourable Member.

HON. RATU N.T. LALABALAVU.- I thank you, Madam Speaker.

HON. SPEAKER.- Honourable Members, we will now break for dinner. Parliament is now suspended until 10 minutes past 8. We will have dinner for one hour. Thank you, Honourable Members.

The Parliament adjourned at 7.09 p.m.

*10<sup>th</sup> July, 2017*

*2017-2018 Appropriation Bill 2017*

*1975*

The Parliament resumed at 8.10 p.m.

HON. SPEAKER.- Thank you, Honourable Members you may be seated.

We will continue from where we left off and I now call upon the Honourable Mikaele Leawere to have the floor.

HON. M.R. LEAWERE.- Madam Speaker, the Honourable Prime Minister, the Honourable Leader of the Opposition, Cabinet Ministers and my fellow Honourable Members. I join this House to thank the staff of the Ministry of Economy for preparing this budget within the limited means. I also join my colleagues, the voters, my party and the people of Fiji to express my heartfelt thanks to the Honourable Shadow Minister of Economy for his response to the Budget and I fully endorse the said response to the Budget because it represents the interest and aspirations of the Fijian people, and more correctly which seeks to govern the nation and manages finance far more in a prudent manner than the contents of this Budget.

Madam Speaker, allow me to begin my contribution to the Bill in the House by making reference to the last two paragraphs of the Budget Address made by the Honourable Minister for Economy as recorded on page 1829 of the *Daily Hansard*. The statement was nothing more than seeking to create a smokescreen to hide the harsh crude realities about this Budget as well as other budgets that this Government has presented prior to 2014 and its super majority since 2014 to impose the same upon the people of Fiji.

Yes, Madam Speaker, it is not about dollars in and dollars out. It is about how we will raise those dollars and how wisely we spend those dollars. The Opposition sees a very narrow scope for revenue generation and extravagant spending as per the means of this budget. No one except those who think like the Honourable Minister for Economy can refute that this is not electioneering. It is an election extravaganza budget aimed at soliciting votes and nothing further from that. We will make Fiji free again.

Madam Speaker, from the FijiFirst's deceitful budget, the 2016-2017 Budget has shown unfinished undertaking made by the FijiFirst Government in implementing the various activities in as far as the Budget is concerned.

Madam Speaker, the Appropriation Bill before the House seeks to appropriate the sum of \$4.3 billion for the service of the State for the financial year 2017-2018 against a projected revenue of \$3.8 billion, creating a deficit of \$499.5 million. Added with the debt repayments, the gross deficit is tagged at a high \$760 million. This has been the constant feature of the Budget under this Government despite what they alluded to eight years ago of unprecedented economic growth and not disclosing that such a role was there because they made Fiji a consumption driven economy and the economic base that was built over the years by the previous governments that they have ridiculed.

Over expenditure in Transport Subsidy in Education is being processed without proper tender or procurement process. Now, Madam Speaker \$450,000 in the 2017-2018 Budget has been allocated for the purchase of boats and I urge the Ministry to be more responsible in the procurement processes.

Madam Speaker, the Opposition also refutes very strongly that the Government has remained true to its convictions and promises. This is clearly depicted by the track record full of a pie in the sky promises, hoodwinking the people of Fiji to secure votes, making grand policy statements to withhold its denting image and support base and running a public charade at the expense of the

taxpayers of this nation and to make them look good.

Madam Speaker, I must thank the former Minister for Education for his services. He has done his best. It was high time that the change of guard was necessary at the Ministry of Education. I will hasten for a moment to say that the education sector today which includes teachers, students, teacher unions, school management, academics and others are feeling and working with some sense of freedom, pride and respect than the atmosphere of fear that had existed a few weeks back before.

The Ministry of Education, Madam Speaker, received the largest chunk of the Budget with a \$490 million allocation directly to the Ministry and coupled with other allocations for the education sector, it totals to \$964.5 million or 22 percent of the total expenditure. On the face of it, it looks as a generous allocation which it is, but if the policies and programmes are not right and the priorities are wrong, which has been the case in the last one decade, these nature of allocations will have very little bearing in mind to influence or to set our education sector in the desired direction of making Fiji a knowledge based society.

Madam Speaker, let me now confine myself to the Ministry of Education and speak on matters pertaining to the Education Sector in Fiji. Last year, Madam Speaker, a large sum of one off funding was provided for the reconstruction of schools in the *TC Winston* wrath zone and we note another \$170 million is allocated for the same purpose next year. At the same time the Opposition also takes note of the fact that most of these schools neither had plans, nor engineering designs and other security measures which we hope will be developed by this large allocation. At the same time, Madam Speaker, we are appalled that many of the schools in this disaster zone are still incomplete whose construction began but suddenly ceased as opposed to the means and provisions of the last budget.

Madam Speaker, the Opposition has some very strong reservations regarding the reconstruction works which are as follows:

1. The time taken to reconstruct the schools forcing students and teachers to dwell in tents;
2. Lack of availability of adequate supply of building materials and lack of quality materials making these spots a dumping ground for rejects;
3. Delay caused by bureaucratic red tapes and climate change over which we have little control; and
4. Unavailability of suitably qualified workmen and workmen who are afraid to work for the FijiFirst Government for a variety of reasons.

It is our hope and urge that these matters be looked into and resolved so as to realize the full and real value of the \$170 million allocated for the reconstruction of schools affected by the monstrous *TC Winston*.

Madam Speaker, let me now make a few expositions about the National Toppers Scheme for which the sum of \$32.3 million is allocated. This Scheme is for the scholarship grant of 630 students which is about \$51,269.84 per student. The increase is about 200 percent and for an additional 30 students. Why is the huge increase only for 30 additional students? As opposed to this, Madam Speaker, the Ministry of Multi-Ethnic Affairs under the SDL Coalition Government gave half the number of scholarships in \$4.5 million. By virtue of being top students does not in any way make them different from the rest of the students who have passed and are seeking opportunities for higher education. This nature of exorbitant expenditure for a selected few as opposed to those bonded by TELS is one of the many discriminatory practices put in place by this Government and is denying the right to education of the scholars in Fiji.

This brings me to the issue of TELS, Madam Speaker, which the Opposition deplores as a devious design of the FijiFirst Government to enslave our younger generation in debt failing which, criminalize them, withhold them back in the country denying them accessibility and opportunity to seek greener pastures abroad or further training and development aboard and taxing the intelligence of the people of Fiji. TELS is a big scam. It is a wolf in the garb of a sheep to protect this Government to look good amongst the younger generation and lure them to enslave themselves in this scam. A private student rightly concluded that TELS is not TELS as there is in the vernacular *veivakamatabokotaki* or cover up this Government on this front.

Madam Speaker, as opposed to these acts of discriminatory practices by the FijiFirst Government and enslaving of our students by TELS, the Opposition announces here and now that the SODELPA Government will review TELS. A SODELPA Government will provide scholarship for all students, in other words making education free up to tertiary level.

Madam Speaker, it is said whatever a person is, it is a reflection of his or her teachers. Teachers are the makers of the society, the conscience keepers of the nation, bastion of wisdom and hope for the child. It was very frustrating to see the former Minister for Education put all the blame upon teachers without even conducting any inquiry, survey or consultation between stakeholders to find out what actually led to the fall in the pass rate of the students and their academic output. I hope not only him, but everyone in this House and in this country, realizes what teachers mean to the national life of the country.

Madam Speaker, while this Budget was still in its finalization process, we note with a lot of distress that a circular was sent to teachers by the Ministry of Education dated 22<sup>nd</sup> June, 2017 advising them of the Implementation of the Job Evaluation Report and setting out two most uncaring conditions for employment of teachers:

1. To sign 5-year contracts to get a pay rise or; and
2. Enjoy permanent status without a pay rise.

The circular sets out several other terms and conditions which are by far and large a lethal blow to the spirit of worker rights, intents of Job Evaluation Report exercise and detrimental to withholding good teachers within Fiji given such draconian policy measures. We acknowledge the pay rise but not to be given with conditions as this demoralizes the workers of this country especially the civil servants.

Of concern, Madam Speaker, are teachers on position of responsibilities whose evaluation assessment is 16 percent and over. According to the assessment criteria, their posts will be advertised and be made to act. How transparent is this? Why are the teachers subjected to this draconian policy?

However, of concern to note is the pay rise given to Directors in the Ministry without prior consultation with stakeholders.

Madam Speaker, this pay increase was given before the Budget Address. How was this regulated? Who gave the authority for this increase?

Madam Speaker, this nature of pay rise creates fear of job security, social security upon early retirement at 55 years, brain-drain, poor academic output and production of ill-equipped citizenry devoid of quality education.

The Opposition, Madam Speaker, strongly deplores this move and states on the floor of this Honourable House that a SODELPA Government will implement the Job Evaluation Report and negotiate pay of civil servants with unions. We will recognize teacher rights to fair pay, better working conditions and most of all the right to collective bargaining. Apparently, this is not only about teachers but also affecting other civil servants as well.

Another problem we have with the pay structure of the teachers, Madam Speaker, is the pay of teachers holding certificates and diplomas being at the same level. This needs revision immediately so that they are paid according to the qualifications and not paid on the same band.

While speaking of the teacher's plight, Madam Speaker, I cannot shy away from highlighting the issue of rural allowances being given out to teachers. The Opposition is of the view that these should be raised to \$4,000 for maritime and remote islands schools. Teachers will be happy to serve in these schools willingly if we raise the bar.

Madam Speaker, this Budget sets the qualification of social pension at 65 years while the Government is retiring people at 55 years of age. There is a ten-year gap in between. What happens to these people in these ten years? With Fiji's national average life expectancy rate tagged at 67 years of age, some of these senior citizens will hardly reach that age to qualify for social pension and those who do may well be very sick because of NCD cases and depression of ten years without being on social pension.

A SODELPA Government, Madam Speaker, will increase the retirement age from 55 to 60 years. This is badly needed to retain good and experienced teachers and civil servants in Fiji who are very much needed to guide and inspire the new generation with the wealth of experience to lead the Fiji Public Sector in future.

Furthermore, there is a need for the Ministry of Education to give consideration to the review of school grades given their size and growth and also to approve the requests by schools seeking to establish new departments for specialized training and development of students at the secondary level.

Madam Speaker, I have now come to the issue of the allocation of \$5.55 million to hire 250 additional teachers; 200 for primary schools and 50 for secondary schools. This proves a number of things:

1. There is a shortage of teachers and we always called for more teachers;
2. It substantiates my point that there are over-crowded classrooms due to teacher shortage in schools with the ratio of teacher to student : 1 teacher with more than 40 students;
3. Lack of suitably qualified specialist teachers in secondary schools,
4. It explains the delay why many schools have not been upgraded despite having exceeded the status of upgrading criteria; and
5. It also reveals why separate departments have not been allowed to be created in some secondary schools when they badly need it given their growth and size.

Now, these being the issues confronting the education sector with relation to teachers in schools, Madam Speaker, the appointment of these 250 teachers will only partially resolve the

problems I have highlighted. There is an urgent need to facilitate the teacher unions request of making our classroom teaching conducive and manageable by adopting and implementing the ratio of 1:40 teacher/student ratio in schools so that there is quality time for the teaching and learning process and the student academic output and pass rates increase to reflect that.

Another grave concern with regard to the appointment of teachers specifically and civil servants generally, Madam Speaker, is the merits and demerits of the people appointed, whether they meet the MQR or not and what type of knowledge and experience they bring into the system to serve the country. I can cite a number of examples in this regard, Madam Speaker, where appointments were not made on merits casting doubt on the processes involved. The former Minister has been found wanting in this areas and I have examples of these cases.

Madam, Speaker, the Opposition also proposes the idea of doing away with CAS and bringing back CDU to revise and align our curriculum in line with the national and international development goals. The Government has to admit that CAS has been a failure as opposed to the success of the CDU in the past. The reason for this, Madam Speaker, is the involvement of the university-based academics and graduates who have never taught in classrooms. CDU has to be brought back and teachers with qualifications and years of experience in teaching in the classroom to be appointed to revise and devise the teaching and learning curriculum.

Whist still on curriculum, Madam Speaker, the Opposition stands opposed to the teaching and learning of Fiji Hindi and questions of rationale and wisdom behind the specific Constitution, targeting Fijian/Hindi languages and sparing of Urdu and Chinese languages in primary schools. The Opposition strongly believes that as opposed to this, there is an urgent need to strengthen cross-cultural teaching and learning in schools to achieve the intents of common nationhood, rather than tampering and tinkering with the identity, traditional institutions and structures of the various communities.

Madam Speaker, last year's workshop of school heads, managers and the Ministry of Education was held in February at the FTA Hall, where the 12 policies were discussed in one day. Officials of the Ministry of Education pressured the school heads and managers to endorse the 12 policies.

A SODELPA Government, Madam Speaker, will review those policies. One of the policies that came under heavy scrutiny in that workshop was the extra-curricular activities in schools and the issue of sports insurance which we will look into when we come into government next year, so that all students can participate in sports with some sense of security and without fear, stay healthy and immune to NCDs which is on the rise in Fiji.

Madam Speaker, the last issue that I wish to speak about is the University to the South Pacific; \$30.7 million compared to \$30.2 million in 2016-2017 period is given as grant to this institution, which is quite substantial. We need to keep track of how it is used as this is taxpayers' money. However, when talking about taxpayers' money, why are washrooms in pathetic conditions, not enough water pipes to service the so many students enrolled.

Additionally, Madam Speaker, given the last number of students in this institution, the Computer Labs lack of space where to accommodate them. Why can part of the grants not be used to build more Computer Labs? Madam Speaker, despite the rental fees, USP Management has increased rental fees for its staff quarters from \$800 to \$2,400 a month. This is discriminatory.

Madam Speaker, the Unions have not had the freedom to discuss workers conditions in this country. There is something we call collective bargaining for which purpose trade unions are there

in Fiji and around the world. This Government destroyed every iota of that tripartite concept that held the teachers, the unions and our schools. Let me urge the government to be more accommodating to union issues.

Madam Speaker, for tuition subsidy for pre-schools; \$2.1 million has been set aside for this initiative. This will affect 1,600 students and is equal to \$50 per term. Given the cost of living, this is not enough to cater for the educational expenditure of the 866 registered centres. For a school of 20 people this will amount to \$2.50 per student per term. This is totally outrageous.

The upgrade of the Fiji Museum, Madam Speaker, to the amount of \$466,500 needs revisiting. The place lacks space and is congested and an audit of the Museum is long overdue to ensure adequate storage of facilities. Though the Department have been allocated \$4.9 million in the 2017-2018 Budget, which is an increase of 12.4 percent, the onus lies on the ministry that a large portion should be directed to building a new museum to store our historical artefacts.

Madam Speaker, a last issue from the Budget, when one takes a closer look at Head 50 and compare the same with Head 50 of the Budget last year, there is a huge increase from \$416 million to \$628 million. This confirms a number of things, which are as follows:

1. that consistent to what the Honourable Leader of the Opposition rightly said; “it is an election budget”;
2. it gives the Government enough reserves to offer freebies for the elections;
3. it smacks the Government on its own ideals and principles in relation to good governance;
4. it brazenly brings into light the element of conflict of interest between the two caps the Honourable Minister for Economy is wearing as Honourable Minister of the State and as the Secretary of the *FijiFirst* Party; and
5. lastly, this exorbitant allocation is in breach of the recommendations of the Public Accounts Committee to this House.

This Government, Madam Speaker, has not overlooked but rather locked our economic potential. It is venturing in a direction unashamedly to criminalise public probity, enslave the people of this country by various policies and programmes outlined in the Budget, consign our children and the future of this country into an unending cycle of debt, burden and entrench a system for constitutional dictatorship. This is how this budget is presented.

In conclusion, Madam Speaker, I support the response made by our Honourable Shadow Minister for Economy that this budget is deceitful and irresponsible. It lacks measures for revenue-generation and economic growth, devoid of any vision, short-sighted, election centred and aimless as far as the future of the nation is concerned. It has all the ingredients of good politics and is lacking good policies. It has robbed our children and the future generations by heavy borrowings and has enslaved them to debt burden, poverty and other miseries whose signs and symptoms are visible on the horizon.

A Russian rightly said and I quote:

“Those in power should be empowered the people. The moment you will rob the people of their power, it will be not be long and you will be robbed of your power.”

Madam Speaker, with those few words, thank you very much.

HON. SPEAKER.- I now give the floor to the Honourable Alvick Maharaj.

HON. A.A. MAHARAJ.- Thank you, Madam Speaker. Madam Speaker, the Honourable Prime Minister, the Honourable Ministers, the Honourable Leader of the Opposition, Honourable Members of Parliament and all those listening to the Budget Debate, either from the public gallery or at home: A very good evening to you all.

Let me join my colleagues in thanking the Honourable Minister for Economy for delivery of the National Budget 2017-2018.

Madam Speaker, listening to the Honourable Shadow Minister for Economy and Honourable Opposition Members, they sounded we have gone back to 1987. Eight years of economic growth, Madam Speaker, is not a roller coaster, is a clear indication that the Opposition has ran out of ideas as to how to respond positively to such a wonderful and inclusive Budget.

(Honourable Member interjects)

HON. A.A. MAHARAJ.- They are going all over places to get the information to speak in Parliament as they have failed to understand how a modern budget is made and is used to build a modern nation.

Madam Speaker, the budget of any Government is a reflection of its intent and what the Government of the day is planning and has planned for the nation and its population.

Madam Speaker, a budget should never be seen or interpreted as a Government's plan for a year but it should show the consistency in their policy such is the 2017-2018 Budget, as announced by the Honourable Minister for Economy that clearly outlined the policies and its alignment towards the development plans that the Government has for our nation. A well balanced budget is one which increases not only in dollar value but it mirrors the development of the country. Simultaneously, helping individuals by increasing the capacity of the population in terms of increasing the spending capacity.

Madam Speaker, putting ordinary Fijians first and improving the living standard of all Fijians has been and will be the principle stance for FijiFirst led Government. In order for any ordinary Fijian to live peacefully and comfortably and to be able to earn a living for themselves and their family it is very important, Madam Speaker, that they have the basic requirements such as safe and clean drinking water and electricity.

Madam Speaker, it takes real courage for someone to put something in the Constitution of the country, knowing very well that it is one of the biggest issues faced by the country. One such thing embedded in the Constitution are these people's right to have access to clean and safe drinking water. Not only that, Madam Speaker, it is in the Constitution that people can take Government to task if they are not provided with such a basic need.

Madam Speaker, my above statement speaks volumes. It was our Honourable Prime Minister, Madam Speaker, who got this into 2013 Constitution. There have been Constitutions written in the past under previous Government, Madam Speaker, why did anyone not have the courage and interest to be so bold to have this done before?

(Honourable Member interjects)

HON. A.A. MAHARAJ.- We have this in our 2013 Constitution, Madam Speaker, because we know we can deliver and FijiFirst Government will deliver. That is exactly what we are doing,

Madam Speaker., through 2017-2018 National Budget.

Madam Speaker, \$217.4 million has been assigned towards water project. This will ensure, Madam Speaker that every Fijian will get clean drinking water and very soon, through commitment by this Government, not a single Fijian, family with have to fetch water from creeks, drains and well. It is only a matter of time that all Fijians will have clean drinking water coming in pipes and flowing through taps at their residents.

While on infrastructure, Madam Speaker, it is very important to note that not only water but electricity is the basic needs for people as well. With the changing time and increase in technology, electricity has become a need for all Fijians. Again, Madam Speaker, our Honourable Prime Minister has always emphasised that we will leave no Fijian behind and we will leave no Fijian in the dark.

Allocation of \$42 million and \$639,253 for grid extension and rural electrification through solar panel has been set aside under this budget.

Madam Speaker, it is important to note that the FijiFirst Government is the only Government that can fund all these projects in a year, however there is an issue of human resource capacity, Madam Speaker, even if funded in one year, the groundwork cannot take place in one year due to limited number of certified companies, technical expertise and engineers, who can carry out quality work of house wiring and grid extension. We have seen over years, Madam Speaker, that due to lack of technical people in the workforce, development has been hindered. We need more technical people so that we can fill in these gaps.

So Madam Speaker, what wrong is the Government doing if we have now made TELS available for certain engineering courses at the Fiji National University to students who have completed their year 12 studies? What wrong is the Government doing, Madam Speaker, if we are helping our youths by funding for their education through vocational schools? We need these technical people in the workforce so that we can expedite the Governments development plan. Such development will only help our beloved nation, Madam Speaker. If in the past we had invested so heavily in our youths, and education, we would not have faced so many difficulties rebuilding our country after *TC Winston*, Madam Speaker.

Once again, Madam Speaker, the Government provided the help and finance but the slow progress in rebuilding was slow due to lack of technical expertise. This brings me to another imperative point, Madam Speaker, we have seen in the past and we shall continue to see in the future the crucial role of military in nation-building, while the Opposition endlessly criticises the military budget, the military has always been in the forefront in times of need.

The military is the first to rescue and respond to ordinary Fijians if there is a flood. They are the first to provide the support if there is a cyclone.

(Applause)

HON. A.A. MAHARAJ.- They are the ones searching for Fijians who go missing out at the sea while we stay inside the comfort of our homes, Madam Speaker. They are out there, away from their families, helping the needy; whether it be cleaning up of villages or distribution of rations after *TC Winston*.

Madam Speaker, as stated previously, it is the military at the forefront after natural disaster, helping out ordinary Fijians to rebuild their homes, during hard times when private companies say

no to rebuilding homes and community halls in outer islands and difficult terrains, it is the military engineers and technicians who are out there and go and help struggling Fijians, Madam Speaker. It is essential, Madam Speaker, to commend them for their effort rather than condoning their budget allocation.

Madam Speaker, this morning, it was also said in this Parliament that concerns were raised that the pharmacies are not well informed of the free medication scheme, this is totally a lie. Pharmacies are well stocked, not over stocked, Madam Speaker, we have staff from Fiji Pharmaceutical & Biomedical Supplies (FPBS) coming over to pharmacies every month, checking for stocks, ensuring that medication are not out of stock and also checking that they do not get expired on the shelves. One needs to understand, Madam Speaker, that not all medication are in the list, not everyone is entitled to free medication through this programme, and also a patient needs to have a prescription to access this scheme. The 2017-2018 Budget clearly states that FijiFirst Government was, is, and will be for the people of Fiji. Therefore, Madam Speaker, I whole-heartedly support the budget.

HON. SPEAKER.- I now give the floor to the Honourable Ratu Suliano Matanitobua.

HON. RATU S. MATANITOBUA.- Madam Speaker, Honourable Prime Minister, Leader of the Opposition and Honourable Ministers and Honourable Members: Madam Speaker, I rise to contribute to the Budget debate and thank all the Honourable Members for their contribution.

Madam Speaker, you rightly said, and I quote from the day of the Budget Address that “the budget address is one of the most important sittings of the Parliamentary year as it is the day when the Government announces its intentions for revenue raising and expenditure for the upcoming year”. I wish to take the note of the use of the words “intentions for revenue raising and expenditure specifically”.

I do so, Madam Speaker, for a number of reasons, given the Budget Address by the Honourable Minister for Economy:

- Firstly, apart from continued borrowings, I see very little else that is there for revenue raising;
- Secondly, the gross deficit of \$716 million draws home the point as much as it may irritate people across this honourable House that we are living beyond our means;
- Thirdly, it brings into light the heavy debt burden we are imposing on our children and the future generations for which we have no moral authority;
- Fourthly, there are exorbitant expenditures meant to buy votes which in effect is the early signs and symptoms of political corruption consolidating itself in Fiji and
- Lastly, this Budget lacks vision for the future. It is a short-sighted budget aimed at electioneering and nothing further from that.

Given the track record of this Government, Madam Speaker, a few things are also very clear, which I want to share very openly and without mincing my words.

- Firstly, this Government is here by accident of pie in the sky promises which has not been fulfilled.
- Secondly, the promise which this Government attempted to fulfil came at a high cost to the nation and its future as has been reflected in each budget that it presented to the people of Fiji.

- Thirdly, this Government has become an expert in the art of politics of diversion to evade the public probity on its conduct by controlling the media and shifting the goal post which has not escaped the attention of the people.
- Fourthly, we have seen grand announcements and promises made in the previous budget but it did not realise; and
- Lastly, there is no guarantee whatsoever that given all the reasons outlined together with precarious position that this Government finds itself in that this Budget will be fully implemented.

This is another scam to look good on the eve of a general Elections, but after being exposed, you look no good but more worse after presenting this budget. The people have got to see the real face value of this Government, its policies and programmes.

The Honourable Minister of Economy did his best and I must thank him to put up his band aid solution budget to fight us in the Opposition. Lest, he forgets that you can limit our freedom as much as you can, but you cannot conquer our spirit of freedom inside us to make Fiji free and keep ourselves free from the virus you have been spreading the message, your style of childish, ego-centric, confrontational and failed leadership.

A nation is governed on promises. It needs a vision and it needs a collective will, more than that, it needs pragmatism as the late Honourable A.D. Patel rightly said “a politician thinks about the next election but a statesman thinks about the next generation”.

During this Budget Debate, Madam Speaker, we in the Opposition are labouring under several disadvantages to make our contributions to this debate and to the committee of supply and I also wish to share that before I go into the specifics of the Ministry of Youth and Sports, as the Shadow Minister for Youth and Sports.

- Firstly, the lack of supply of information and statistics as it was made available to members of Parliament in the yester-years to prepare themselves;
- Secondly, the budget is comprised of three documents: the address by the Honourable Minister; Supplement to the Budget; and the Budget Estimates. While we go to the Supplement and the Estimates after the budget presentation, the budget address was made available to us only last week Wednesday.
- Thirdly, we are gravely concerned as to why the debt report was not presented by the Honourable Minister of Economy despite his lengthy lecture derived against the Opposition in the last sitting of this House.
- Fourthly, we find a pattern of feature that is seeping in place with selected readings and selected applications or insinuations to project this Government look good and the Opposition look bad and;
- Lastly, the information sought by the Opposition from Government Department and agencies are not forthcoming for the fear of victimising by the Government.

Madam Speaker, the Ministry of Youth and Sports is allocated a sum of \$23 million, this is a generous sum of allocation, as it is in this case nearly every other government department and agency in this Budget for obvious reasons. It becomes more obvious in this department, given the composition of youth votes that the Government is seeking to solicit for 2018.

Madam Speaker, the youth of any nation is a powerhouse of change. They believe in hope because they have aspirations and interests for which reasons they support policies and programmes that are appealing to them to realise those aspirations of their future, which they believe will do good for them - their country and the future. The youth as such realising these importance, participates in the national process contributing their share by sporting activities, excellence in education, volunteer service, exchange of ideas and contributing to the decision-making process. Once they realise they have been taken for a ride, they are smart enough to know what to do. I do not need to say that unless you want to do that.

What we have witnessed, Madam Speaker, in the sphere of youth and sports that there have been so many promises to entice and hoodwink them and none or very little fulfilled. I can give a dozen of examples, beginning with much promised sports complex in Vunidawa, which has not seen the light of the day. Is this how the Government wants to retain the faith of the youths of Fiji in themselves?

Madam Speaker, I will suggest to the Honourable Minister for Youth and Sports specifically and the Government generally to stop playing with emotions of our youths and get to the task of resolving their problems and what are their problems? Let me share that here and now. The youths of Fiji face problem with job creation. They need meaningful employment, better pay, working conditions not sweet talk promises and low national minimum wages rate and tampering with their right to collective bargaining.

The Youth of Fiji do not need to be high national debt burden to reap them off or to put it simply to deny them their future and entrap their future generation into the unending cycle of debt repayment. This Government has borrowed heavily from the future generations and this is a very dangerous thing that they have done putting the future geo-political and socio-economic stability and development of Fiji at a high risk.

As much as you may not like, this is an issue that is affecting and will affect the youths of Fiji and that you will need to resolve or any future government will need to resolve, and that means the issue faced by the youth of Fiji is climate change and its effects upon the Fiji Islands, given our vast exclusive economic zone, people in low laying islands and coastal regions, and the news that people from other smaller Pacific States will be resettled in Fiji. In addition, Madam Speaker, the present challenges on this front affecting the youths is environmental exploitation denying them the future enjoyment of these resources and endangering their environment and health.

In relation to sports, Madam Speaker, a SODELPA Government will establish a National Sports Commission, to work in conjunction with the Fiji National Olympic Committee and all the national sporting organisations, to develop sports and sporting facilities in order to create job opportunities for athletes, upgrade sporting facilities, develop sports laws, medicine and related policies and programs forming the core government funding in the future of sports and to these ends provide the seeding resources for the same.

Having said that, Madam Speaker, we in the Opposition continue to impress the ideology of a sports law, sports commission and sports medicine in Fiji. We also advocate and pledge to begin discussion as soon as we settle into government next year in establishing a National Sports Insurance Scheme to provide cover for athletes to cover most students and young people to participate in sports, stay healthy and immune from NCD cases. This is something which many sporting bodies, athletes and people are interested in as with regards to sports development in Fiji.

Furthermore, Madam Speaker, we have seen and continue to witness the abundance of potential we have in sports like rugby, football, netball, boxing and several others that our athletes are in demand in the region and in the international community. Along with the audio-visual industry, sports has a potential to emerge and grow into a national industry, paying of the highest pay packets to those involved but to realise that we need policies and programmes as much as we may have allocated funds and resources. There is a dire need for the will for capacity building.

The last point I wish to make on sports, Madam Speaker, is political influence creeping into sporting bodies which is not a very healthy sign for sports development in Fiji. This is more apparent with the unashamedly illustrated picture of the Fiji Rugby Olympic Gold Medallist Team on the special \$7.00 note, featuring the Honourable Prime Minister who had nothing to do with the success of the team, apart from attending the event in Brazil last year at the expense of the taxpayers of Fiji. That picture certainly need a replacement and will replace that in 2018. As if that was not enough, we have heard and seen how politics is taking toll on the Fiji Rugby Union and the sports of rugby. It must come to a stop if we are men enough to fight political battles on our own and not rely on organisational structure to give us publicity for electoral gains. This is simply outrageous.

The provinces of Serua and Namosi, Madam Speaker, are situated next to the capital city but are one of the most underdeveloped region in Fiji, comprise of more than 30,000 people, the region has rich flora and fauna for eco-tourism in our source high value mineral water, indigenous timber, diverse fishing found with beautiful lush green lofty mountains in the North and flat Navua plains in the South.

The economy of the area after its tryst with destiny with the sugar industry in the indenture period and the banana venture and rice industry in its aftermath has been dormant with an exception of tourism activities in Pacific Harbour.

Madam Speaker, this House will note that in the recent past, I have made a call to the Government of the day in the news media to seek to declare the Wainadoi to Pacific Harbour region, which is mainstay of the population are tax free zone based on the experience of the Kalabu Tax Free Zone. In this Budget we have heard how the Government is now raising revenue by the sale of the tax free zones in Kalabu which could become a model for the Wainadoi to Pacific Harbour region in the future.

In the last two Budget presentations, Madam Speaker, government declared to Korovou to Matawalu Bridge a tax free zone to boost a lot of activities and develop in the north-eastern Viti Levu which we welcome and support. We are of a strong view that a similar kind of declaration is needed for the Wainadoi to Pacific Harbour region to develop south-central Viti Levu. I have a number of reasons to back up this call which I want to put on the record.

Firstly, Madam Speaker, the area from Wainadoi to Pacific Harbour has abundance of freehold land, which is appealing to any developer, given the land ownership issues in Fiji. The Government has already penalising the landowners, overseas land owners of this land to develop in order to add to its list developments in the construction industry.

In addition, the Navua central area has a substantial amount of prime flat State land which I believe has been earmarked for development purposes by the government already and as a traditional leader of the region, I speak for the landowners of Namosi that we will have no hesitation to let our native land for good developments of the province. I believe the province of Serua will be no less eager to be part of this success story. So here you, the land issued which is production factor number is resolved.

Secondly, Madam Speaker, alluding to the labour as another factor of production, let me state in this House that the people from Galoa in Serua to Wainadoi in Namosi travel to Lami and also to Nausori, spending as low as 20 percent and as high as 60 percent of their weekly wages on transportation which diminishes their purchasing power, resulting into their stagnant quality of life and standard of living over the years, despite so much hard work and sacrifice.

It does not need any sense of assurance, Madam Speaker, to say that had similar jobs been available in Navua and Pacific Harbour areas, these same labour force would have willingly worked and shopped in Navua, resulting in the growth of the Navua economy and a substantial rise in their quality of life and standard of living.

Additionally, Madam Speaker, the Serua/Namosi region is not a poor region in terms of education, skilled labour force and resilient people. We have a diverse class of people, who can manage the local economy as labourers, managers, but those who are unemployed lay idle at home, fishing, farming and doing menial jobs here and there. A tax free zone would certainly put these people to productive use and contribute to revenue-generation and economic development.

This brings me to my third point on the tax free zone issue which is capital. Madam Speaker, I think more than half of this Parliament knows the kind of people and business firms, who have been investing in properties in Navua. Realising that once the Suva and Nausori corridor is full, the development will move from Suva City to the West, towards Navua. They were quite strategic about that, and we welcome them. However, these properties continue to lay idle by the reason of lack of proper infrastructure in terms of roads, drainage, access to water and electricity, security reasons and the current state of the nation, given the continuing low private investments in Fiji. In short, the capital is there which needs infrastructure development and investor-confidence.

Madam Speaker, the Opposition strongly opposes Navua becoming a town and we propose a tax free zone instead. As we have said before and we state it again, Madam Speaker, we do not need band-aid solution to solicit votes to win elections and enrich ourselves. If we believe in the development, peace, growth, progress and prosperity of Fiji, we need to look at and seek to resolve the problems, and realise the potentials of our country on long-term basis, based upon which the Opposition is proposing to declare Wainadoi to Pacific Harbour region a tax-free zone, as opposed to Navua being declared a town.

In conclusion, Madam Speaker, the 2017-2018 Appropriation Bill is a glaring example of failed governance, poor leadership, living beyond means, a daylight robbery and systematic loot of the national treasury emptied to enrich those in the Government. It is time that we call it a day for this kind of extravaganza and this Government.

This is not my views or views of the Opposition, it is the view of the people who are getting fed up of finding themselves that this nation in a mess when, in fact, they were promised a clean-up when we were deposed from Government in 2006. The real clean up begins now on two fronts. On one front, we have a government who is a product of a falsified clean-up campaign now cleaning up the national treasury empty and on the other hand, Madam Speaker, we have an Opposition which is united, resolved and is launching its campaign here and now, to clean up Fiji in 2018 by making Fiji free again. Thank you, Madam Speaker.

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

HON. A. NABULIVOU.- Madam Speaker, the Honourable Prime Minister, the Honourable

Leader of the Opposition and Honourable Members of Parliament; I offer my support to the 2017-2018 Appropriation Bill and my congratulations to the Honourable Minister for Economy and those who have assisted him in constructing a Budget that is great for the people of Fiji because it delivers for all Fijians. It is based on fairness, opportunity and security, and it provides and sets out the right choices for Fiji's future. I want to highlight some of the best features of the Budget for the nation as a whole.

On that note, Madam Speaker, I am a farmer and I love farming, however I do not aspire to a farmer living in poverty, neither does my wife nor my children, no one in my village wants it and no one in my province. In one sense we are rich, we are surrounded by magnificent forests and rich agricultural land, but we lack the means to put it to proper advantage. It is the same story throughout rural Fiji, especially and disproportionately amongst the *iTaukei* community.

Madam Speaker, the Ministry of Agriculture is responsible for supporting the livelihoods of all Fijians who rely on farming by providing technical crop and livestock extension services and conducting research for Fiji's agriculture sector. In 2017-2018, the Ministry plans to implement the Fiji 2020 Agriculture Policy Agenda.

Madam Speaker, to be specific, the Ministry is working to restore the agricultural sector's economic contribution to 15 percent of GDP, increase the value of non-sugar agricultural exports to \$100 million over a period of three years, and reduce the annual imports of fruits and vegetables to \$80 million over three years.

Madam Speaker, the Ministry of Agriculture is promoting farming as a business, as opposed to farming as just a way of life. The Government has provided specific funding support to further Fijian competitive advantages by modernising the agricultural sector. The Government expects this to bring about significant changes to production levels and increase GDP.

Madam Speaker, the Ministry of Agriculture has allocated \$86.3 million in the 2017-2018 Budget. This is a 24.4 percent increase from the 2016-2017 Budget.

Madam Speaker, the FijiFirst Party, of which I am proud to be a member of is a party of reform and which seeks to change the status quo. That is why I sought election to this Parliament. FijiFirst makes no apologies for that. What I aspire to and my ambition is to allow every rural Fijian to get the best out of life which is possible. This Budget is going in the right step along the road to doing something about that.

There are many reasons why *iTaukei* land is under-utilised. In some cases, it is the remoteness and lack of infrastructure. In other cases, it is because individual members of the *iTaukei* community lack the capital resources to do so. The small scale of land usage and lack of collateral, combine to exclude normal commercial financing.

The underlying reality is that, small scale hand worked plots will only provide a bare living as best. Nothing will be changed unless the productivity of each farmer is increased by farming greater areas, introducing high value crops and by moving further along the agricultural processing and distribution chain.

Madam Speaker, I have long advocated that farmers should combine together to improve access to mechanised equipment, secondary processing and improved control of the marketing and distribution process. It is commonly said that agricultural produce doubles in value at each stage of processing and distribution. This Government intends to shift some of that increased value back to

the farmer so he can help himself, help his family and help his community, have the things we all aspire for.

A prosperous and productive rural population is good for the nation as a whole. That has been amply demonstrated in past generations when easily accessible agricultural land, nearer the coast and in most instances, passed into the hands of non-indigenous farmers, who carved out profitable and comfortable lives for themselves and their families. On the other hand, many *iTaukei* became marginalised economically through dispossession from their land or its remoteness.

Madam Speaker, it will surely lead to a fairer and more balanced society if all *iTaukei* are given an opportunity to participate in the wealth of the nation through sensible exploitation of *iTaukei* land. This would be up to the *iTaukei* community to participate in this opportunity. They are now given the means to use their land efficiently in the national interest and in their personal interest. Let us move away from the paternalistic inaction of the colonial past and the protection of vested interests.

Madam Speaker, I am not saying we should take from the rich, or some other ethnic group but making a gift to the *iTaukei* farmers. Rather, we are making an investment in the national interest, an investment for the future for us all. We are about creating a level playing field for the rural *iTaukei* to give them a real chance of full participation in the wealth of the nation. In the long term, this will benefit the nation as a whole, by unlocking a huge economic potential now lying dormant.

Madam Speaker, this Budget makes important steps down the path. It is not intended as an overnight fix but it will do a lot of good in encouraging participation in economic growth.

Madam Speaker, rural poverty needs not be a fact of life and rural prosperity should become a norm. With prosperity comes spending power and the ability to build and develop communities, to improve infrastructure and the standard of health and education. The potential dividend is so great. We cannot fall to invest and keep investing in this sector until success is achieved. This Budget provides a comprehensive and multi-pronged platform to address these problems.

Madam Speaker, a key Government policy is the encouragement of sustainable forestry. The great majority of Fiji forests are located on *iTaukei* land. The key word is “sustainable”, so that forests can be regrown and provide continuous employment in harvesting regeneration and management for generations to come.

In the past, there has been an unplanned and royalty-based exploitation of forests with insufficient attention to regeneration and with little economic benefit to the average *iTaukei* owner. This must change. I am pleased to note that the Government forestry programme in the Budget includes funding for generation, restoration of degraded forests and the development of plantation opportunities.

Madam Speaker, I would also like to highlight that the FijiFirst Government Budget makes a very worthwhile contribution to a number of rural initiatives, in particular I would like to mention the rural water supply project, the rural electrification projects and the subsidised housing scheme.

Madam Speaker, this Budget shows that it does not want rural families to be condemned to subsistence agriculture in sub-standard housing with poor sanitation without clean water and no connection to the electrical grid. A farmer like everyone else, needs to house his family in a decent manner and participate in economic growth, so he will be encouraged to stay and work the land.

Madam Speaker, this has been done by the FijiFirst Government and will continue to do so for the interest and well-being of all Fiji citizens.

Madam Speaker, in the Budget allocation, there are provisions for agricultural loan subsidies provided through the Fiji Development Bank. This will enable farmers to have access to funding of their commercial projects. Usually, farmers are left at their own peril. The *iTaukei* with low income and lack of direct ownership of land, are two factors holding them back. With small cash flows and lack of collateral, deprive them from Capital and borrowing capacity, without which they are unable to develop farming or secondary processing enterprises. This initiative by the Government through loan subsidies will greatly benefit the farmers, who wish to pursue commercial farming.

Madam Speaker, the ongoing work of the Agricultural Marketing Authority is also very important. I am very pleased to see the Budget containing significant funding for infrastructure development for market access programmes. Long term sustainable markets are one of the key factors in the development of the agricultural sector, particularly in the production of high value processed produce for the export market. Important though, it may be to produce low cost domestic staple foods, but farmers need to be able to diversify into high value goods to enable them to reach their economic potential. This is where the Agricultural Marketing Authority Capital Grant can be accessed.

Madam Speaker, this is the initiative by the FijiFirst Government, a Government that intends not to leave anyone behind. We must remember that we now live in a global economy, where technology and transportation has improved in leap-folds. We, the people of Fiji, should take into consideration that every sector of the economy and its people are connected through threads of which we can enhance for a better future for all.

With that statement, Madam Speaker, I fully support the 2017-2018 Appropriation Bill.

HON. SPEAKER.- I now give the floor to the Honourable Ruveni Nadalo.

HON. R.N. NADALO.- Madam Speaker, the Honourable Prime Minister, the Honourable Leader of Opposition, Honourable Ministers and Honourable Members of Parliament; I rise to also contribute in support of the 2017-2018 National Budget which was presented to this Parliament by the Honourable Minister for Economy.

Madam Speaker, it is my privilege to present some complimentary comments in relations to the Ministry of Fisheries' budget as per the allocations for its Offshore Fisheries Division, the establishment of the Ministry of Waterways and the strengthening of the Ministry of Environment.

The Offshore Fisheries Division, Madam Speaker, is a highly technical arm of the Ministry, with its prime responsibility to carry various works and functions that would conserve, manage and develop Fiji's fisheries and in particular, Offshore Fisheries to ensure long term sustainable use for the benefit of the people of Fiji.

Madam Speaker, the Division derives its core ethics, responsibilities, ambitions, and innovations from international laws and its derivatives, as well as regional obligations out of the Western Central Pacific Fisheries Commission (WCPFC), in a manner for achieving sustainable fisheries development nationally. With the various increases totalling \$171 million, it has been anticipated that technical work will ramp up to a much greater scale.

This is already perceived for certain functions, such as the Regional Fisheries Observers in

providing services to the Ministry, as well as the wider Pacific region. With the current increase, it is expected that the already-expanding scope of their work is to cover areas, such as electronic monitoring which will greatly validate the Ministry's continuing drive to have our Fisheries Observers become a global commodity.

Madam Speaker, this is capacity strengthening in the smoothening offshore fisheries pipeline, and is exactly what other aspiring fisheries managers would be looking out for in tertiary institutions.

The Ministry's intent for Fiji is to continue to grow as a regional as well as international leader for sustainable fisheries. Newer methods of tracking and decoding documents to link up the entire chain of custody of fish, has brought fruition and so the work ahead is to approach the increase with greater sourcing and resourcefulness.

Madam Speaker, the Division manages living resources in such a vast area of ocean within Fiji's jurisdiction that greatly dwarfs our total land mass. Every buck will be put to the Division, which will continue to grow in its stature to validate further its current and emerging work.

Madam Speaker, the establishment of the Ministry of Waterways and the Ministry of Environment will greatly assist to deliver the improvement of the health of the ocean. The surcharge of 10 cents per plastic will go a long way to reduce our use of plastic, and the amount of plastic in our waterways will ultimately end up in the ocean. It has been proven that this exercise has reduced plastic by 80 percent in countries and States that have legislated this in their jurisdiction. It is believed that if the world does not carry out active reduction of plastics, there will be more plastics than fish in the year 2050.

Madam Speaker, since the preparatory meeting for the Oceans Conference, the Ministry of Fisheries has been advocating that land pollution ultimately affects our ocean and its resource base. In national, sub-regional, regional and international forums, Fiji has strongly advocated for strong pollution and control. Therefore, the strengthening of the Ministry of Environment is a welcome development for the Ministry of Fisheries. The allocation of \$7.3 million will go a long way to provide the necessary action to combat pollution.

Madam Speaker, the establishment of the Ministry for Waterways is again seen by the Ministry of Fisheries as a move in the right direction. Pollution control and the impact of health of ocean is dictated by the overflows from waterways and rivers. Ridge to Ocean is a huge challenge and the Ministry of Fisheries hopes that the control of pollution on land will be better controlled by the reduction of rubbish dumped in our waterways and in rivers. Madam Speaker, if you empower the Ministry of environment and the Ministry of Waterways, they will dictate the health of our ocean.

Madam Speaker, before I conclude, I would also like to briefly cover rainwater harvesting. Rainwater harvesting involves the collection of water from surface on which rain falls and storing the water for later issue. The main way that rainwater is harvested is from the roof of the building and storage in the tanks. Rainwater harvesting can be a very useful method to ensure that all rural and maritime areas lacking a viable and consistent water supply have access to water on a regular basis.

I applaud the Government's concept through Water Authority of Fiji in promoting rainwater harvesting, particularly in the rural and maritime areas where communities face an acute shortage of water. Madam Speaker, through this Government's initiative of rainwater harvesting programme, it has enabled to address the lack of regular water supply in rural and maritime areas, particularly areas outside the main water supply grid.

Madam Speaker, harvesting rainwater can also reduce the flow of storm water and lessen the impact of flooding. Harvesting rainwater will reduce reliance on National water supply system, for example, dams. With the rainwater harvesting programme, rural and maritime communities would be able to save more money, compared to consumers who pay more when connected to the main water supply grid.

Schools, Madam Speaker, have become more attractive because of the availability of clean drinking water. Education, poverty alleviation, gender equality objectives, the implementation of environmental plans and community development programmes can be achieved through rainwater harvesting.

The current Government concept of rainwater harvesting is now taking its toll in all dry-stricken areas, especially in all cane belt areas around the country. Also, rural dwellers and cane farmers who used to regularly complain to WAF are now sighing away, as they now enjoy their newly installed water tanks in the comfort of their homes.

Madam Speaker, I commend the Bill before the House and I thank you for indulgence. Vinaka.

HON. SPEAKER.- I now give the floor to the Honourable Minister for Forestry.

HON. O. NAIQAMU.- Madam Speaker, the Honourable Prime Minister and Cabinet colleagues, the Honourable Leader of the Opposition, Honourable Members of the House, distinguished guests, ladies and gentlemen; as my fellow Honourable colleagues have stated before, I rise to commend and congratulate the Government and also to affirm my Ministry's support for the 2017-2018 Budget that was presented by the Honourable Minister for Economy on 29th June, 2017.

The 2017-2018 Budget is truly a people's budget as it is inclusive in nature, increases social stability and further stimulates economic growth, empowering Fijians, raising productive capacity and ensuring that all Fijians share in the country's prosperity. The essence of this Budget is that, it prioritises our national needs, stemming from the vision of a better Fiji for all and build on the pillars of inclusive social and sustainable economic development. Unlike, the opposition they are confused, thrive on politics of division and fear. They fail to understand and appreciate the overwhelming support of the Budget by all Fijians.

Madam Speaker, the Honourable Kiliraki continued to mislead this august House and all Fijians on issues he is unaware of. The facts on the Mahogany Industry Act is the saviour of the mahogany landowners in Fiji and the State.

In terms of carbon trading from the REDD+ project areas, payment for Emalu Carbon Credits will be from 2019 based on results achieved under the Agreement. Government is providing assistance to the landowners through alternative livelihoods, such as honey production and the payment of \$115,062 had already been paid to the landowners.

Madam Speaker, the lease is just an instrument to prove the security of the land, the real money will come from the carbon credits. Government is now paying the lease for the REDD+ site but this lease agreement will be transferred to the landowners in the future.

As for carbon trading, from the rest of Fiji's natural forests, there has been no discussions on this as it will need to be first discussed with landowners and iTLTB but is planned to take place from

2020 onwards, so we have ample time to discuss this issue.

The Emalu REDD+ site is operating under the UNFCCC. Countries that have been ripped off are not operating under the UNFCCC Framework. Carbon credits do not qualify under the UNFCCC in conservation areas, including nature reserves and forest reserves.

As for Sovi Basin Conservation area, this was a Government initiative but Conservation International only came into the scene to provide assistance to Government in moving the issue forward by proving the international funding that is needed from the private sector through an innovative financing mechanism. Sovi Basin consists of 16,340 hectares and not 20,000 hectares as stated by the Honourable Kiliraki, who should get his facts right. This is the first of its kind in Fiji by which the private sector pays \$169,000 per year as rental and royalty compensation, which is the way we want to take conservation forward for Fiji.

This is in contrast to the current compensation which Government is paying for all legal conservation area. Sovi Basin is currently managed by the National Trust of Fiji and Conservation International is no longer part of the management team for Sovi Basin.

As for the capital and operational budget ratio for this year being 74 percent operating and 26 percent capital, this is due to the salary increase to accommodate the salary review increases is really a non-issue.

Madam Speaker, the Budget is indeed based on a very strong, decisive and visionary leadership of our Honourable Prime Minister and the FijiFirst Government. I wish to thank the Honourable Minister for Economy and his hardworking staff for the budget allocation for my Ministry which will pave the way for sustainable transformation that is needed within the sector. This budget will allow my Ministry to continue to work with our various key stakeholders to promote investment, boost income and create jobs and business opportunities. Please allow me to present my Ministry's annual portfolio budget statement for the coming financial year and how these activities contribute to the Fijian Government's priorities.

The Ministry of Forest is allocated a total budget of \$16 million, of which \$11.8 million is for operating expenditure and \$3.6 million for capital. This is an increase of \$3.2 million from the Ministry's 2016-2017 Budget allocation. The increase of \$3.2 million, Madam Speaker, is mainly attributed to an increase in operating expenditure due to salary adjustments as part of the Civil Service Reforms and an increase in capital expenditure due to the investment and equipment for the improvement of our services to both our commercial and rural based stakeholders.

Madam Speaker, in the short to medium term it is estimated that the forest sector will generate a total of \$161 million consisting of:

- a. Export of \$150 million;
- b. \$15 million from the sale of timber from private community timber harvesting; and
- c. \$1 million paid to communities in terms of timber royalties.

And in the long term on these trees that we will be planting from this budget alone for the purpose of providing ecosystem services, a total of 750 hectares will generate \$33 million in 50 years.

Madam Speaker, my Ministry has received a budget of \$972,000 for two new initiatives of which \$250,000 is allocated towards promoting, revitalising and further expansion of the planting, management and awareness on our various indigenous tree species to ensure the sustainable supply

of various multiple forests benefits.

Madam Speaker, \$722,000 is allocated for the purchase of forest harvesting equipment for improved operational efficiency and productivity at the forest community level. This forest harvesting equipment, Madam Speaker, will also further enhance the capabilities of our trainers in forest harvesting and licensing of forest harvesting machine operators.

The Ministry has been allocated a budget of \$5.8 million for the strengthening of support systems under policy and administration. This includes salaries and wages, utilities, office administration, IT support services, trade shows, consultations and trainings.

Madam Speaker, the capital component of our support services includes \$0.32 million for the refurbishment and upgrade of our office buildings and staff quarters. This will ensure maintenance of our capital assets and improvement of the living and working environment for the staff of my Ministry to ensure continuous compliance to OHS requirements which is also conducive to an acceptable standard of living.

A budget of \$1 million has been allocated for on-going forest related research and development activities through our Silviculture Research and the Timber Utilisation Division. This includes the establishment of growth for a number of tree species in order to further expand on the range of species. Better understanding is also required on the current utilisation of various timbers, for example pine and mahogany are mostly used for sawn timber and not much for veneer due to little understanding in their potential for veneer or plywood. Further awareness is also needed on the expansion of non-timber forest commodities such as aromatic oils and wood pellets for biofuel.

Madam Speaker, the budget allocation for training, education and awareness for this fiscal year is \$1.2 million. My Ministry has two training centres; the Forestry Training Centre in Colo-i-Suva and the Timber Industry Training Centre in Nasinu. Training provided are for students, industry and landowning communities within the Forest Sector. Plantations and natural forest provides multiple economic, ecosystem and social benefits which needs to be managed and protected to ensure their continued availability for current and future generations. We will continue to train and empower Forest Wardens who will be our key service delivery counterparts as we strengthen our collaboration with rural communities.

Madam Speaker, the budget allocation for forest production, management and assessment under the 2017-2018 Budget is \$0.9 million which is for the management and control of forest harvesting operations to ensure resource and environmental sustainability. This budget will ensure the on-going improvements on awareness and implementation of new forest management elements such as the control of harvesting diameters for various timber species.

Madam Speaker, under this key activity, the continued support to maritime pine communities is for a total value of \$1.4 million. This will ensure their meaningful participation in Fiji's social and economic development within the Forest Sector. Furthermore, my Ministry will continue to develop and strengthen our collaboration with communities who are involved in the expansion of forest pine plantations managed and facilitated under the Fiji Pine Trust Extension programme. A budget of \$0.56 million has been allocated for the development of community owned pine schemes.

Madam Speaker, the forest conservation and management activities have a budget allocation of \$0.36 million for the continuous management of our forest parks and reserves. Capital investments under this activity include a budget of \$0.7 million for the upgrade of the Colo-i-Suva Forest Park and the restoration of degraded forest areas.

Madam Speaker, climate change adaptation, mitigation and resilience is a cross cutting issue across all land based sectors of which forest plays a central role and forms a major component. We are working with a number of key organisations in this particular area such as the German Agency International Cooperation (GIZ), World Bank and International Tropic Timber Organisation. A key element of this particular activity is the continued implementation of the Readiness phase of our REDD Plus activity in preparation for our participation in the carbon fund for carbon trading from 2020 onwards. This activity is co-implemented with GIZ and the World Bank with an allocation of \$2.4 million of which \$0.4 million is provided for as Fiji Government's contribution in support of this activity.

Madam Speaker, Fiji's forest sector is at a crucial point in its development as it tries to capitalise on new opportunities and at the same time address emerging challenges. This budget, Madam Speaker, will put the Ministry on a secure platform in order to progress with confidence towards our national goals, international commitments and most importantly providing an enabling environment to drive the transformation that is now needed within the sector in order to realise the aspirations of our people.

In conclusion, Madam Speaker, again I commend this well thought-out budget to the august House for addressing all elements from commercial, environmental and social perspective in a balanced manner.

Madam Speaker, through this budget, Fiji will be stronger, safer, resilient and better positioned to capitalise on emerging opportunities. My Ministry looks forward to a prosperous 2017-2018 fiscal year for the forest sector and the nation. Thank you.

HON. SPEAKER.- Thank you, Honourable Members. I have been notified that Honourable Ratu Sela Nanovo will not be in Parliament this week due to illness and therefore we will move on to the next speaker. I now call upon the Honourable Assistant Minister for Infrastructure and Transport to have the floor.

HON. V. NATH.- Madam Speaker, the Honourable Prime Minister, the Honourable Leader of the Opposition, the Honourable Cabinet Ministers, Honourable Members of Parliament and all those listening from the comfort of their homes, good evening.

Madam Speaker, I rise to thank the Honourable Minister for Economy and his team for the presentation of the 2017-2018 Budget that was presented to Parliament on Thursday, 29th June, 2017. It is an all-inclusive and forward thinking budget that is beneficial for ordinary citizens of Fiji.

Madam Speaker, these includes budgetary provisions to complete rehabilitation work as a result of *TC Winston*.

Madam Speaker, I will focus my contribution to this august House on the highlight of my Ministry's allocations for the Maritime Safety Authority of Fiji (MSAF), Government Shipping Services, Department of Works and Department of Transport Planning.

Maritime Safety Authority of Fiji, Madam Speaker, plays a pivotal role in discharging its regulatory functions covering maritime safety, maritime enforcement and prevention of maritime pollution. For the 2017-2018 Budget, MSAF will receive an operational grant of \$1.145 million. MSAF will also receive technical assistance of \$222,259. This technical assistance is preliminary for the advice of ship operations, maintenance and naval architecture.

Madam Speaker, Government Shipping Services (GSS) has been allocated a further \$8.1 million to complete the purchase of a new multi-purpose vessel. This will significantly enhance our ability to maintain our aid to navigations. The ship will also have a small hospital facility to provide health care to our maritime communities. These include the ability to undertake minor surgery. I am pleased to inform this House that the progress of the multi-purpose vessel is ahead of schedule and our advice from the ship builder's indicates that the ship will reach Fiji's shores as early as March 2018 subject to continuing good progress of the ship building. GSS will continue to improve the existing fleet and \$1.01 million has been allocated for the upgrade of Government Shipping vessels.

Madam Speaker, while adding our vessel numbers, it is important that we have appropriate berthing facilities to ensure that our vessels are built in safe and controlled environment. In this regard, \$1.175 million has been allocated for the completion of the Government Wharf upgrade and \$0.5 million for the construction of retaining walls to prevent erosion at the Government Wharf at Walu Bay.

Furthermore, Madam Speaker, the Department will receive an allocation of \$400,000 for the purchase of standby generator to ensure stable electricity supply during the period of disrupt power supply at GSS wharf.

Madam Speaker, the Department of Work comprises of three divisional engineering units, this is the only engineering arm of Government and is responsible for building, operating, maintaining and upgrading of Government buildings, quarters and electrical services. In the 2017-2018 Budget, the Department received an allocation of \$500,000 to continue to provide electricity to rural Government stations such as Lakeba, Vunisea, Nabouwalu and the construction of a new powerhouse in Rotuma.

Madam Speaker, to ensure that proper maintenance and upgrading are carried out on the deteriorating Government buildings throughout Fiji, \$1 million has been allocated for rehabilitation and upgrading of elements or building such as ailments of public building such as flooring tile, polishing, mosquito netting, mosquito screens, lighting and other carpentry works. Madam Speaker, \$0.5 million has been allocated for the upgrading of water supply and sewage line in selected locations in the three divisions specifically for Government facilities.

Madam Speaker, the Department of Transport and Training is competent to ensure that citizens and visitors in Fiji have access to safe, affordable, efficient and environmentally-friendly and transparent system. In ensuring the ability of efficient transport data for backup planning and policy advice, \$500,000 has been allocated for the Fiji National Transport Database and Household Travel Survey. Madam Speaker, to complement the Transport Planning Data and Household Travel Survey, the Ministry has been allocated a budget of \$58,000 for transport of licence. The money allocated is to allow for subscription fee, hosting services, purchase of new equipment, backup services and other related cost. This will allow transport policy makers and planners to collaborate data to better gauge us in terms of passenger and flight movement and their impact on carbon emissions.

Madam Speaker, the main objective of Government Shipping Franchise Service is to introduce the shipping service to service uneconomical routes to maritime islands which would otherwise be un-serviced. The movement of cargo and passengers through the Government Shipping Franchise Service is essential in the economical linkage between these uneconomical routes. In 2015, this service was provided by six private vessel operators and five in 2016.

The Government Shipping Franchise Service which includes 70 ports of call to nine routes is

vital for the provision of service. In 2015, approximately 14,917 passengers and 8,320 tonnes of cargo were moved and in 2016, approximately 17,186 passengers and 6,636 tonnes of cargo were moved respectively. The frequency of service has increased from 10 trips in 2015 to 14 trips per month to-date. That shows Madam Speaker, that more people are moving around now, if you see the 14 trips per month to-date. In order to successfully provide these services, Government has provided budgetary allocation of \$2.3 million. The vessel operators engage through an open tender process to ensure that efficient and effective service are provided. Madam Speaker, with those words I support the 2017-2018 Budget.

HON. SPEAKER.- Thank you. I now call upon the Honourable Niko Nawaikula to take the floor.

HON. N. NAWAIKULA.- Thank you, Madam Speaker.

Madam Speaker, I wish to make a comment first in relation to the point made by the Honourable Minister for Forestry and to correct him in relation to the Mahogany Decree. I think he has misconstrued what the Honourable Ratu Kiliraki said that this Decree had taken away or was in breach of the rights of the indigenous owners. . He was pointing of course to the promise by the Honourable Prime Minister to return to them the ownership of the mahogany and the concern about the or the evil about the Mahogany Decree, of course, is that it was passed without the consent, without the consultation of indigenous people in this country removing or taking away the management of the leases where the mahogany's were.

HON. A. SAYED-KHAIYUM.- Don't mislead Parliament.

HON. N. NAWAIKULA.- That is the concern There was no consultation, there was no prior or informed consent and I know probably the Government is hoping this will all go away. It won't because that is our human rights and I can tell that side of the House now, that that will be one of the first laws that we will put in the rubbish bin.

The other thing that was wrong was that the Honourable Minister for Forest said that the Sovi Basin was an initiative of the Government. No! Sovi Basin was an initiative of iTLTB, and I know because I was there unless he implies that by iTLTB means Government.

But in relation to the debate, Madam Speaker, I will speak in general on the budget and as Shadow Minister for Housing and Local Government, and Environment, I will also comment on the budget as it affects those areas and I am responsible for areas extending from Dawara in Wailevu, Cakaudrove to Savusavu, to Vaturova, Saqani, Natewa Bay and what is known as Cakaudrove West. So I will also be making some comments on how this Budget affects all those who live in that area.

On the budget in general, Madam Speaker, I am no economist and nor accountant but I have sought the views of real accountants and real economists. I am not sure what kind of economist is advising the Government, probably some crooked economist or crooked accountants because their advice is totally wrong or possibly politicised. I think their advisors are acting according to what their political masters want and that is very very wrong, it is totally unprofessional but the real economist and accountant that I have consulted, they all say the same thing and their conclusion on this Budget are the same. It is that, this is a very extravagant, irresponsible and deceptive budget. The budget speaks out to the public with the voice they are saying, "come support and vote for FijiFirst Government in the coming elections." It is clearly a vote buying measure, in my view and it does that by increasing everything by way of spending in all sectors but the deceptive thing is that many of those increases like increase in wages are really not increases and some are subject to

conditions. So they are not genuine.

The budget deceive the public into believing something that is not real. This budget is a very very widely specialist fiscal policy without a solid base. I can say that and the average economist can see that it is a recipe for financial meltdown. This budget, they say would continue to be sieve and trap this country to a low wage economy as it further widens the gap between the rich and the poor. Not only that, the budget exerts heavy taxation on the poor by indirect taxes.

Madam Speaker, this has been the habit of this Government for the last ten years.

HON. GOVERNMENT MEMBER.- Like what?

HON. N. NAWAIKULA.- I am happy that they will be going out next year which is to spend the public's hard earned money irresponsibly and recklessly. The public, of course, will have the opportunity to vote out this Government in the next elections and I am sure they will, all because of that.

Madam Speaker, real economists as I have said, say that this Government in presenting this budget is very extravagant, irresponsible and deceptive. Well, I will say that again - extravagant, irresponsible and deceptive and the trademark of this Government, of course, in all these years is to spend, spend and spend to buy itself support and to legitimise a regime that is fathered by a *coup* and unlawful in its beginnings. So you can see where the motive is and if handing out money on one thousand dollars handshakes was a vote buying exercise then this budget with nearly one billion increase from last year with corresponding increases and giveaways in nearly all sectors is the biggest vote buying exercise. It is quite normal for Government to handout a so-called election budget but with spending already stretched to the limit, real economist and I stress those words again "real economist" worry that elasticity can snap at any time and we will all suffer a financial meltdown.

It is common sense, we only have three streams of secure foreign income earners, sugar, tourism and lately remittance. We are also because of our precarious position subject to the slightest changes in the world economy and currently we are being cushioned by decrease in world fuel prices but the slightest change here, there and any impact on those three foreign income earners will have direct consequences to our economy.

The total expected income for the next financial year is \$3.8 billion. Last year it was \$3.1 billion, an expected increase of about \$700 million which is to be achieved by both direct and indirect taxes and increase in fees and charges, but the expenditure is \$4.3 billion for the next financial year compared to \$3.4 billion last year such that the increase, what I call the irresponsible extravaganza is an increase of nearly \$1 billion. This huge increase for a single year against a projected revenue of \$700 million, so you therefore have a deficit of nearly \$500 million, add to that Fiji's debt repayment and the net deficit is \$760 million.

(Hon. Government Member interjects)

HON. N. NAWAIKULA.- It is all here, it is all in the book, I am just telling you what you gave to us.

The picture we have, Madam Speaker, very clearly is that we are living beyond our means. We are living beyond our means. Add to that, our national debt of nearly \$5 billion or more than \$6 billion if you add all the debts like FSC that the Government guarantees. Not only that, there are loans which are termed as "bullets" I am told that we have to be paid all at once like the \$200 million

that is due in 2020. Now this kind of background does not give anyone any comfort.

The Honourable Minister of Economy can go to the moon and back with his assurance that our debt is manageable or that everything is alright but you cannot avoid the fact that we have a very small income stream and we are susceptible to the slightest fluctuation in the world market. It is important therefore to be conservative in our budget outlook.

Madam Speaker, let me illustrate how this budget has been very deceptive. Firstly there are some capital projects that are announced year after year but are never done. They make people feel good but nothing happens. One example is the Nabouwalu Town development that has been reoccurring year after year that never happens. It is very deceptive.

Another example in this year's budget is the increase in Police pay. In fact, it is not an increase, but it is an adjustment. In previous years Police pay was much more than the Military but for some odd reason that changed and the Military pays surpassed the Police pay. So the amount budgeted this year is an adjustment to realign this.

Another sad example is the announcement of increase in Civil Servants pay. Firstly it is conditional so it is not genuine on them signing a contract to surrender the security of the tenure of their employment. The Government is not genuine at all and I hear that two Teacher's Unions are taking the Government to task in the courts asking for a judicial review.

Another example is that Government in announcing the increase with no consistent rate so it allows it to change and introduce draconian formulas. One civil servant found out that after taking all into account she was going to only receive \$10 increase in her pay pack and I can tell you Madam Speaker, that the Honourable Minister of Economy cannot deny here that a lot of these Civil Servants or their representatives have been coming to him or trying to discuss this with him on exactly those issues and that as I have said, two union representatives have taken the additional step further of taking the Government to court in relation to this.

We must admit that this Government through budgets like this has been very reckless, negligent, irresponsible and deceptive in its dealing with the nation's money and wealth. As a matter of fact, FijiFirst Government has been riding on the building blocks that were put in place by the Qarase Government.

(Chorus of interjections)

HON. N. NAWAIKULA.- That is how you are all surviving.

The accountants and economists of that era had followed closely the wise advice of the late Ratu Sir Kamisese Mara which is to be conservative because of our various precarious position. So the taxpayers of this country in the last 10 years have suffered enough under the FijiFirst regime, they have realised and felt all these recklessness and negligent extravaganza, so next year during the elections they will have a chance to vote them out and I hope and I am sure they will.

Madam Speaker, on housing I wish to make some comments on the implication of this year's budget to our national housing needs. The Department of Housing has been allocated \$34.6 million; that is an increase of \$9 million from last year's budget. Of the increase, \$7 million is allocated for new subdivisions in Nepani and Davuilevu and I know that the remainder is for a building in Nadi and the remainder is to pursue the first home owner's policy. But, Madam Speaker, the foolishness in all these and this has been happening year after year in the last 10 years is that the FijiFirst

Government is only assisting people who live in towns and cities and who represent 56 percent of Fiji's population.

HON. P.B. KUMAR.- You got it wrong.

HON. N. NAWAIKULA.- No, you are wrong. You are the Minister but you are wrong.

The Government has been totally ignoring 44 percent who are village and rural dwellers and who occupy 30 percent of the total housing units in Fiji. So the message that we are giving to the rural dwellers is, "leave your villages and come to town because your housing needs will be looked after better in the towns and cities." Not only that, these measures are totally discriminating against villages and rural dwellers who have received nothing at all from this Government in the last 10 years.

Madam Speaker, I want to say that this Government has no excuse at all to be ignoring the housing needs of 46 percent of the population who live in villages and rural areas were the wants who recently suffered by the onslaught of *TC Winston*.

It is sad to see that the Government cannot guarantee that the structures of these houses that they are rebuilding can withstand the same force of the cyclone because according to the Government, the issue is affordability, not only that the government has no policy to support evacuation centres such that another *TC Winston* type hurricane will cause an even worse catastrophe.

Madam Speaker, the point I wish to emphasise here is that, the Government has nothing in its budget for the last ten years to address the housing needs of 46 per cent in the country's population who live in villages and rural areas. This is despite the fact that Section 35 of the *2013 Constitution of the Republic of Fiji* states that we are equally entitled to a right to housing and it is as well discriminating, totally against Government's own policy.

The National Housing Policy came about in 2012 recognising three separate areas of housing needs: firstly those who secure employment with fixed income, dividend and plan township areas; secondly, informal housing in urban areas including squatters and thirdly, village and rural housing.

So, the point I am making here is in relation to the third sector which is village and rural housing. One can see is that this Government, this year's budget as well as many years before is only addressing the housing needs of fixed income and informal housing in towns and cities, ignoring the house village of 46 per cent of Fiji's population who occupy 30 per cent of Fiji's housing range.

Madam Speaker, on local government, there is an allocation there of \$303.9 million, it was \$15.4 million last year, so there is an upward turn by \$18.4 million. One thing that the Government in emphasize in addressing this head is the need for effectively review of the Local Government Act also we were told that the Municipal elections were going to be held, when that did not happen, the Government changed its tune to announce that it will first review the Local Government Act, to be followed by the Election.

HON. P.B. KUMAR.- That have been saying from day one.

HON. N. NAWAIKULA.- Yeah but it is not happening, I know that, I know you have been saying it but it is not happening. Now in terms of timing this means that the Elections will never happen during the lifetime of the current Government despite its promise, but that is not all, because despite their rhetoric on review of the Local Government Act, I find nothing at all in this year's

budget allocation to fund that review. I stand to be corrected but I look here and there but I find nothing.

(Laughter)

So, we can all say that the promise to conduct the review and Elections will also not happen so, Madam Speaker, most of the money of course is going to vote buying measures of big capital projects that appeal to the public to make them feel good and vote for the FijiFirst Government. Things like constructions of markets, stadiums, swimming pools but some of these are only under Requisition and are being announced to make people believe when in fact there is no money to pay, it makes me wonder why you ever announce things that are really on acquisition.

(Laughter)

HON. J.V. BAINIMARAMA.- Do you know what are you saying?

HON. N. NAWAIKULA.- Yeah, I will give an example; one item that illustrate in this announcement by the Honourable Minister for Economy of \$5.6 million to build the new Nabouwalu town. Now Madam Speaker, this item comes up year after year but nothing happens. Last year it was mention in that budget, an allocation of \$1 million for the establishment of Nabouwalu where nothing happened and this year, the Honourable Minister announced \$5.6 million but I also I looked through the whole Estimate and I do not see \$5.6 million there.

HONOURABLE MEMBERS.- It is there.

HON. N. NAWAIKULA.- All right, I have been corrected it is there. If it is there then I hope it happens.

(Laughter)

HON. N. NAWAIKULA.- I hope it happens for this year. Year after year, after year and you know that I have going to Nabouwalu from Natovi nothing happens all the time, so I am praying and for the sake of the Honourable Radrodro too because you are from Nabouwalu too.

HON. S.V. RADRODRO.- Yes, yes.

HON. N. NAWAIKULA.- It will happen this year.

(Laughter)

Madam Speaker, on some constituting issues, I wish to address the development issues in my constituency and how the budget impacts on them.

HON. P.B. KUMAR.- How about your constituency?

HON. N. NAWAIKULA.- Well, it is how we manage it, I know you do not have a constituency so you cannot talk about any constituency. These people of course, Madam Speaker, indigenous Fijians who live a subsistence livelihood in their villages but their issues are the same with any other indigenous who live in the same life style whether they are from Lau, Yasawa or Nadroga it is sad that the issues I raise here applies across the board to all the indigenous Fijian living in villages.

There are 1,100 villages in Fiji and more than that if you include informal settlements that are not yet gazetted. 45 per cent of the indigenous Fijians or nearly 200,000 live in semi-subsistence live style in their villages, they face the same development issues like a need for better roads, communication, transport, water, health and of course, they need a steady source of income.

Madam Speaker, I discovered in my visits to these villages that Government attended to their development as the least of its priority, normally as an afterthought, except of course, .....

(Chorus of interjection)

MADAM SPEAKER.- Thank you Honourable Members, that bring us to the last speaker that can be accommodated within the time that has been agreed to.

The Parliament is suspended until tomorrow morning at 9.30 a.m.

The Parliament adjourned at 10.01 p.m.