

MONDAY, 4TH JULY, 2016

The House met at 9.34 a.m. pursuant to adjournment.

HONOURABLE SPEAKER took the Chair and read the Prayer.

PRESENT

Hon. Josaia Voreqe Bainimarama, Prime Minister and Minister for *iTaukei* Affairs and Sugar
Hon. Aiyaz Sayed-Khaiyum, Attorney-General and Minister for Economy, Public Enterprises, Public Service and Communications
Hon. Faiyaz Siddiq Koya, Minister for Industry, Trade and Tourism
Hon. Parveen Bala Kumar, Minister for Local Government, Housing, Environment, Infrastructure and Transport
Hon. Mereseini Rakuita Vuniwaqa, Minister for Lands and Mineral Resources
Hon. Ratu Inoke Kubuabola, Minister for Foreign Affairs
Hon. Dr. Mahendra Reddy, Minister for Education, Heritage and Arts
Hon. Commander Semi Tuleca Koroilavesau, Minister for Employment, Productivity and Industrial Relations
Hon. Osea Naiqamu, Minister for Fisheries and Forests
Hon. Lt. Col. Inia Batikoto Seruiratu, Minister for Agriculture, Rural & Maritime Development and National Disaster Management
Hon. Captain Timoci Lesi Natuva, Minister for Immigration, National Security and Defence
Hon. Jone Usamate, Minister for Health and Medical Services
Hon. Lt. Col. Laisenia Bale Tuitubou, Minister for Youth and Sports
Hon. Rosy Sofia Akbar, Minister for Women, Children and Poverty Alleviation
Hon. Lorna Eden, Assistant Minister for Local Government and Tourism
Hon. Commander Joweli Ratulevu Cawaki, Assistant Minister for Rural and Maritime Development and National Disaster Management
Hon. Veena Kumar Bhatnagar, Assistant Minister for Health and Medical Services
Hon. Vijay Nath, Assistant Minister for Infrastructure and Transport
Hon. Iliesa Delana, Assistant Minister for Youth and Sports
Hon. Mosese Drecala Bulitavu
Hon. Mohammed M.A. Dean
Hon. Jiosefa Dulakiverata
Hon. Viliame Rogoibulu Gavoka
Hon. Semesa Druavesi Karavaki
Hon. Ro Teimumu Vuikaba Kepa
Hon. Ratu Kiniviliame Kiliraki
Hon. Jilila Nalibu Kumar
Hon. Dr. Brij Lal
Hon. Mikaele R. Leawere
Hon. Alvik Avhikrit Maharaj
Hon. Ratu Suliano Matanitobua
Hon. Alivereti Nabulivou
Hon. Ruveni Nadabe Nadalo
Hon. Ratu Sela Vuinakasa Nanovo
Hon. Niko Nawaikula
Hon. Mataiasi A. Niumataiwalu
Hon. Alexander D. O'Connor
Hon. Viam Pillay
Hon. Prof. Biman Chand Prasad

Hon. Aseri Masivou Radrodro
Hon. Salote Vuibureta Radrodro
Hon. Lt. Col. Netani Rika
Hon. Balmindar Singh
Hon. Prem Singh
Hon. Ashneel Sudhakar
Hon. Ratu Isoa Delamisi Tikoca
Hon. Anare Tuidraki Vadei
Hon. Samuela Bainikalou Vunivalu

Absent

Hon. Ratu Naiqama T. Lalabalavu
Hon. Roko Tupou Takeiwai Senirewa Draunidalo

MINUTES

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

That the Minutes of the sitting of Parliament held on Wednesday, 22nd June, 2016, as previously circulated, be taken as read and be confirmed.

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

Question put.

Motion agreed to.

COMMUNICATIONS FROM THE CHAIR

Public Accounts Committee Membership

HON. SPEAKER.- I welcome all Honourable Members to the first day of Budget debates.

I would like to inform the Honourable Members that Honourable Ratu Sela Nanovo will be replacing Honourable Professor Biman Prasad in the Public Accounts Committee membership.

Acknowledgement of Visitors in the Gallery

The Budget process is an integral role of any Parliament. I welcome members of the public joining us in the gallery and those watching proceedings on television, the internet, and listening on the radio. Thank you for taking interest in your Parliament.

Honourable Speaker's Ruling

Honourable Members may recall that during the Communications from the Chair on the sitting on Friday, 3rd June, 2016; I made reference to three requests for written rulings, which I indicated would need to be considered and delivered at a later sitting. The requests were received from Honourable Salote Radrodro, Honourable Niko Nawaikula and Honourable Prem Singh. They all raised matters of privilege and requested a determination of a *prima facie* breach of privilege. All three Members took issue with the

exact same comments quoted from the *Daily Hansard* from the sitting on Wednesday, 1st June, 2016. It was the exchange which led to the incident which resulted in the suspension of Honourable Tupou Draunidalo, and as Parliament has already made a determination that the words uttered during the latter part of the exchange incited ill-will, I will only read the portions quoted which precede it, being the tail end of a contribution by the Honourable Minister for Education, I quote:

“Madam Speaker, we have also recognised our toppers, our great minds who are the ones who will be pushing the frontier, Madam Speaker. Therefore, we have got a policy for them, to look after these people who will come and push the frontier in this country, Madam Speaker. I cannot see any toppers from the other side, Madam Speaker, I cannot see, Madam Speaker.

(Laughter)

HON. DR. M. REDDY.- If there was any topper from the other side Madam Speaker, they would not have raised the issue of petition. Madam Speaker, unfortunately, there are no toppers there. Madam Speaker, I tell you in another ten years’ time, five years’ time, there will be some toppers sitting that side but they will be part of this side, Madam Speaker.”

The three Honourable Members concerned raised issues from varying viewpoints, all of them referenced the quoted passage which I have just read out, and proceeded to lay out why in their opinion there had been a *prima facie* breach of privilege and were therefore requesting a referral to the Privileges Committee pursuant to Standing Order 134(2)(a). All the three Members indicated that in their opinion, the remarks provoked feelings of ill-will in the community and that the remarks in their words, I quote; “derided, deeply wounded and viciously accused the Opposition of intellectual inferiority.”

The Honourable Radrodro advanced the argument that she felt especially demeaned as a female Member. The Honourable Nawaikula and Honourable Radrodro both indicated that they felt the finger pointing was particularly demeaning, with particular reference to paramount chiefs. The Honourable Singh also supported this view. All three Honourable Members made reference to certain gestures which they described as “ape-like”.

Honourable Members, having considered the matter, I rule as follows:

I am not convinced that there is, in this case, a *prima facie* breach of privilege pursuant to Standing Order 134(2)(a). The feelings of ill-will they referenced are impossible to extricate from the incident which involved the Honourable Draunidalo which is better left alone, particularly as the Honourable Draunidalo has reserved her right to legal recourse.

I will, however, inform Honourable Members that although it is not, strictly speaking, un-parliamentary to cast aspersions on the mental prowess of other Members, neither is it very becoming of Honourable Members. The rule about interjections is generally that they are tolerated as long as they are apposite, which is to say, relevant to the debate at hand. Although in other parliaments, it is almost an art form, undercutting the opposite side with snide remarks, it is much better to show up the other side with the quality of contributions to the debate itself.

In one of the debates in the previous sitting period, there was even a reference to the mentally ill, which is most distasteful. Such discourse, is unbecoming.

Finally, if there are contributions which you find objectionable, I would invite Standing Orders to be invoked and they be dealt with as soon as they arise – a Point of Order

would quickly clear up any misunderstanding, as the Member could easily withdraw a comment before it is taken any further.

Honourable Members, not all breaches of the Standing Orders are breaches of privilege and I invite Members to familiarise themselves with the rules of debate in particular, so that the focus is on the quality of the contributions. After any such remark is withdrawn, the Member will be allowed to continue speaking.

In the same vein, please, whilst your fellow Honourable Members are speaking, I notice that some Honourable Members are often in conversation or otherwise disturbing the proceedings, and I would appreciate if Honourable Members refrain from the practice. Thank you.

Procedural Suspension Motion

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 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:

That under Standing Order 6(2), so much of Standing Orders 23, 34 and 46 be suspended to allow the following during the sitting period beginning Monday, 4th July, 2016 and ending Friday, 8th July, 2016:

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

Thank you, Madam Speaker.

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

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

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Thank you, Madam Speaker. Again, this motion is purely procedural issue. We know how important the Budget is for the country and, of course, we have urgencies in the issues that will be raised before this House. Therefore, we would expect that Parliament would sit beyond 4.30 p.m., as outlined in Standing Order 23 and likewise, Madam Speaker, in Standing Order 34, the Order of business in Parliament probably will be different from the other sittings and, of course, our motions as well. There will be motions during the course of the conduct of Parliamentary procedures during the week and does not necessarily have to follow the Notice of Motions required under Standing Order 46.

Madam Speaker, as I have stated, this is purely to facilitate the Budget debate and it is purely a procedural issue for this Honourable House.

HON. SPEAKER.- Thank you. The motion is now open for debate.

There being no input....

HON. N. NAWAIKULA.- (Inaudible)

HON. SPEAKER.- Thank you. I give the floor to the Honourable Nawaikula.

HON. N. NAWAIKULA.- I am hoping that this motion will take care of Standing Order 99 and Section 144 of the Constitution. Madam Speaker, I am a little bit worried that Standing Order 99 specifically says the period, "November" unless Parliament

HON. LT. COL. I.B SERUIRATU.- You were not here.

HON. A. SAYED-KHAIYUM.- It has been amended.

HON. N. NAWAIKULA.- Very well, then I am happy.

HON. SPEAKER.- Any other input?

HON. N. NAWAIKULA.- Can I get a clarification, when was it amended because my Standing Order does not say that? If I could be allowed to read my Standing Order, Standing Order 99 as I am holding it now says, "In November or December of each year...." Also Section 144 of the Constitution also says that, "unless amended", so when was the amendment made? Please, when was the amendment made and that can only be done by a motion.

HON. SPEAKER.- Thank you.

HON. N. NAWAIKULA.- Because otherwise I seek a ruling from you, Madam Speaker, specifically on Standing Order 99 and Section 144 of the Constitution on the question of whether or not because that has not been amended, this proceedings is out of order. I beg you, please.

HON. A.T. VADEI.- Hear, hear!

HON. SPEAKER.- Thank you. You did not raise it as a Point of Order, you raised this at a debate and therefore the issue will be responded to in the Right of Reply. The debate is still open.

HON. N. NAWAIKULA.- Could I seek clarification? I am raising it now as a Point of Order and I seek a ruling, not now, but later, please. Can I have that ruling?

HON. SPEAKER.- Thank you. Yes, we will do that, we will provide a ruling later in the day.

HON. N. NAWAIKULA.- Thank you.

HON. SPEAKER.- Are there any other input to the debate?

Honourable Leader of the Government in Parliament, would you like to make concluding remarks?

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Thank you, Madam Speaker.

Referring to the issue raised by the Honourable Nawaikula, when we changed the calendar year for the budget for the country, Madam Speaker, this was one of the Consequential Bills and, of course, the necessary amendments in the Standing Orders was also discussed with it. Probably, the SOP has not been changed, but we recall correctly, Madam Speaker, that all these arrangements were made, the decision was taken and it was also debated in this House.

Again, I have no further comments to make, Madam Speaker, as I have stated and I wish to acknowledge all the Honourable Members for their co-operation on this, knowing the significance of this week's sitting.

Question put.

HON. SPEAKER.- The Parliament will now vote on the motion. 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, 4th July and ending Friday, 8th July, 2016:

- 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?

HON. MEMBERS.- Chorus of "ayes" and "noes".

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

Votes cast:

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|-----------|---|----|
| Ayes | : | 32 |
| Noes | : | 16 |
| Not Voted | : | 2 |

Motion agreed to.

I thank the Honourable 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 the approval and appropriation of the supply of Government finances is a fundamental role of any functional democracy.

I now call upon the Honourable Minister for Economy to move the second reading of Bill No. 35 of 2016.

DEBATE ON THE 2016-2017 APPROPRIATION BILL 2017

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

A Bill for an Act to appropriate a sum of Three Billion, Three Hundred and Two Million, Two Hundred and Twelve Thousand and Seven Hundred and Sixty Five Dollars for the ordinary services of Government for the financial year ending 31 July 2017 (Bill No. 35 of 2016), be now read a second time.

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

HON. A. SAYED-KHAIYUM.- Madam Speaker, as per convention, we do not want to take the wind out of the sails of the spokesperson for the Opposition, who will be speaking as a rebut to the Budget Address, so I will not say anything further. Thank you.

HON. SPEAKER.- Thank you. 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 Honourable Professor Biman Prasad, who may speak for the same amount of time as taken by the Honourable Attorney-General and Minister for Economy. I now call upon the Honourable Professor Biman Prasad.

HON. PROF. B.C. PRASAD.- Thank you, Madam Speaker. It is my task today to respond to the Budget Address of the Honourable Minister of Finance, now the Minister for Economy.

Madam Speaker, there is a good deal of politics in this Budget and I will certainly return to that later. However, in every budget, Madam Speaker, there is also a lot of detailed analysis which is the hard work of many public servants, and I thank them for that hard work. The Government gets one chance a year, Madam Speaker, to use a budget statement to set out its vision for the country, for the coming year and the longer term, and this Budget, I am afraid, has none. Unusually, the Budget does not even have a theme. The Government's thought trail seems to be like those under-used FSC locomotives in the cane belt, which has run out of track.

A few days ago the Honourable Minister attacked my Party, the National Federation Party, and by extension the Opposition, as having no vision for Fiji. This is, Madam Speaker, one of those rare moments when the Honourable Minister is actually required to listen to others, so let me set it out for him.

Our vision, Madam Speaker, is for Fiji to be an economically self-sustaining liberal democracy made up of confident, self-reliant people who participate actively in the Government. In our vision, those whose views are different from ours are respected and their ideas are taken into account. In our vision, the benefits of economic growth are shared equitably, and our people, particularly our young people, see opportunities and are free to act on them, free of the dead hand of Government bureaucracy and control.

In our vision, the Government gives the people all the information, even when it is unfavourable because we understand that this is the people's right.

In our vision, people are free to scrutinise and criticise their Government and hold it to account when it fails them.

In our vision, Madam Speaker, we understand that from time to time, the government will change hand in elections. So, we must see our political opponents as our partners, despite our differences. This

means that we must discuss and agree with them on the broad future direction of our country and must take so when governments change, social and economic growth continues.

In our vision, we have first class health services and an educational system that responds to the demands of the 21st Century and in our vision, our poorest people have hope that their children's lives will be better. Madam Speaker, what is the vision of this Government? It is of a staged managed democracy. Under this Government opposing views are treated with suspicion and paranoia and critics must be punished and suppressed.

(Hon. Members interject)

HON. PROF. B.C. PRASAD.- Under this Government, people look over their shoulders to see who is listening before they speak their minds. Under this Government, economic growth is created by frantically spending money and increasing debt but the benefits of that growth go to the rich while the incomes of working people are stagnant. Under this Government, poor people are only seen when the Government is giving them handouts and the *Fiji's Sun's* cameras are ready. Under this Government, Madam Speaker, our education system is bumbling bureaucracy and our health system is appalling and this Government is afraid to listen to alternative ideas because above all, they fear losing power. They will do anything to keep it for themselves even if it means distorting democratic principles and undermining our institutions such as an independent Public Service. This, Madam Speaker, is a reality of our so-called democracy.

Unfortunately, the FijiFirst Government seems to think that all that is involved in a vision is to spend taxpayers' money and never mind the deficit and the debt. It seems to think that roads, bridges and schools are something new. It behaves that there was no development in Fiji before FijiFirst Party arrived on the scene. They forget that Fiji was once a thriving democracy, not a manufactured one, when we robustly debated ideas, listened to and learned from the people's criticism. Until the people regain the right to participate actively and vigorously in the Government, we will not be a confident, prosperous and equal society, Madam Speaker.

Madam Speaker, this to me is a small minded budget. It is big on vote catching spending promises but it offers no vision on how to prepare our country for the many economic challenges before us. Let me give you just one example.

After the worst natural disaster in its history, *Cyclone Winston*, we face in 2017 a new economic disaster. There will be a crash in our economic returns for sugar from about \$192 million in sugar receipts that we received in 2015, we will probably receive no more than under \$135 million in 2016. This will not just affect cane farmers, it will affect communities, towns, regions and ultimately, the whole country. The social and economic disruption will be severe. We have all known this for years and what is the Government's plan, what is its strategy to prepare for this? It is a subsidy on fertiliser that is it. The same type of strategy that we had for some more than 10 years and the results have been uninspiring.

There is another initiative that apparently excites the Government. They have renamed the Ministry of Finance to Ministry of Economy. We hope the Government will forgive us when we say we are underwhelmed. Changing the Ministerial letterhead is not vision, Madam Speaker, it is merely self-importance.

Madam Speaker, in November last year, I called the Government's last budget, the 2016 Budget, 'A deceptive Budget of a Confused Government.' It had no clear theme or direction, it was all over the place. VAT was reduced for the rich but the poorest people will pay more VAT, the 2015 tax incentives for the tourism industry was taken away for 2016. In 2015, it was an increase duty on luxury items then in 2016, it reduced that. To put it simply, the 2016 Budget was consistently inconsistent.

The 2016-2017 Budget is no better. It may be good politics but it is bad economics. It fails the test of fiscal responsibility. Fiji is running another huge deficit, 4.7 per cent of GDP using *Tropical Cyclone Winston* as an excuse. Of course, we must pay for cyclone recovery but we must do that by cutting back on spending, re-prioritising and raising taxes in the right places. There have been no attempts to cut non-priority expenditure such as some on the Fiji Roads Authority allocation, subsidising golf tournaments and covering Fiji Airways and FBC losses.

Government debt, Madam Speaker, will pass \$5 billion by July 2017. We will be paying for *Cyclone Winston* for many years in the future. When economic growth begins to slow down, how will we pay for all these or is the Government simply thinking “we must get past the 2018 Elections, we will worry about that later.” Which government will be left to clean up this mess?

Madam Speaker, the Government’s decision to change the financial year to July 31st year end was very convenient. In fact, it enables the Government to bury their economic bad news for a little bit longer. The Honourable Minister, Madam Speaker, talked at length in his Budget Address about all the money he will spend but he was strangely vague about how we will raise it, “we will improve tax compliance”, he said. He said nothing about asset sales. This is the sale of shares in Airports Fiji Limited and the Fiji Electricity Authority, which he has promised for two years, and which is supposed to raise \$500 million in the last two years. Of course, it is not good economics, Madam Speaker, to sell assets to pay for recurrent expenditure – but he has budgeted to receive this money, and it has not come in. This delay is costing taxpayers millions of dollars in interest payments each month.

Madam Speaker, there are a few aspects of the Budget that we support. This includes the fact that the Government seems to have now come on board and realise that disabled people exist and need support. The budgetary allocations towards their facilities are welcomed. The 300 per cent tax incentive on their wages sounds very impressive, but the question remains whether it is going to be effective. Actually, it means, Madam Speaker, that an employer who employs an employee with disabilities for \$10,000 per year actually avoids paying \$6,000 in taxes.

I know there are some very good employers in Fiji who already incorporate the employment of people with disabilities into their business culture. I would have thought that they would be consulted and perhaps more effective ways to bring people with disabilities in the workforce would be considered. I think we need more imagination than an ineffective tax incentive which cannot do all the tricks all the time, Madam Speaker.

We also welcome bus fare concessions for people with disabilities - but we do not see incentives for other public service vehicles that take due care of the dignified transportation of those who are permanently wheelchair bound.

Further, Madam Speaker, we look to you to ensure that this House, the People’s House, and its precincts lead the charge by ensuring disability access everywhere including rest-rooms and parking spaces.

We also welcome the increase in excise tax on sugar sweetened and carbonated drinks by 20 cents per litre, particularly in the fight against NCDs. This is not a big long-term deterrent. What we need to hear from Government now is, what it plans to do with this tax after this year? Progressive increases in these taxes should be mapped out in consultation with the Ministry of Health and the drinks manufacturers. This enables everyone to work together and the affected businesses to adapt their products and marketing campaigns without losing profitability.

The most effective way to change the fizzy drinks culture is for the manufacturers to make healthier choices. They can do this if they understand that the Government will be consistent about increasing

taxation on unhealthy products and the Ministry of Health will give them support in promoting healthy ones. For the benefit of the Government, that is an example of how you show a little bit of vision.

Madam Speaker, additionally, I am not sure if the decision to remove the requirement for special labelling for baby formula, which the Honourable Minister pointed out in his Address is the right thing to do. Addressing NCD issues start very early and a special labelling is important to ensure that mothers have the right baby formula to use. In fact, Fiji, in some ways, Madam Speaker, was the leader, Fiji was looked upon by many Pacific Island countries as a country which required this labelling. I am not sure why this has suddenly changed. I hope it is not an attempt to help some manufacturers and importers in Fiji.

In addition, Madam Speaker, we need to adequately address the eyesore of plastic packaging that is choking our land and marine environment. We ask for appropriate tax measures with incentives for alternative and environmentally friendly packaging to be looked at soon. Our oceans need as much help as they can get and our tourism sector, I am sure would agree with us that it is good business to maintain a pristine environment.

Madam Speaker, we remain disappointed that the 9 percent VAT on zero-rated goods remains in effect. Changing this would have been a win for the people. This is particularly true at a time when thousands must divert their already small incomes to cyclone recovery. The poorest people continue to be affected by the new regressive tax on the basic food items, probably they have not been compensated in any way, even by an increase in transfer payments through the Social Welfare assistance.

Madam Speaker, the Government has repeatedly boasted about sustained economic growth for the last few years. However, in reality, most wealth is created by Government spending money that it does not have. Perhaps, renaming the Ministry of Finance to Ministry of Economy is the right thing! Government is not just trying to manage it, it seems to be mainly responsible for creating it, even if this means piling a debt which is close to about \$5 billion now.

Government, Madam Speaker, seems to be proud of a long period of positive economic growth. But if you average it over the last eight years, that is between 2008-2015, the average growth rate has just been 2.8 percent. Compare this to other countries like Mauritius and other similar fast-growing countries, countries that the Government sometimes want to emulate, where sustained economic growth has been much, much higher than the 2.8 percent average.

But, Madam Speaker, while our economy has grown modestly in the years since 2006, Government's debt has increased by about 40 percent. Government's debt cannot increase faster than the size of the economy. This is the path to economic disaster.

Economic growth driven by Government spending and consumption is obviously not sustainable, we all know that. Growth in tourism is modest, and now seriously impacted by excessive taxation. There is nothing significant to report about growth in other sectors of the economy.

The Honourable Minister said nothing in his speech about growth in jobs or growth in the real incomes of working people. What is the vision to achieve this? What is the plan? There is a tax-free region here, there is a tax incentive there, but no one knows when the Government will change its mind.

So, Madam Speaker, real investors who will create jobs and growth and new industries do not have confidence and the business community, Madam Speaker, might I add, is still afraid to speak about what needs to be done in case it is marked 'punishment at a later date.'

Madam Speaker, in the *Fiji Times* of June 18th this year, Mr. Liam Hindel spoke about the effects of taxation on his business. He has operated restaurants and nightclubs in Suva for 40 years. I do not know

him, Madam Speaker, but I read this in the *Fiji Times*. He described the current combination of VAT, Service Turnover Tax and the so called 'Environment Levy' as "the most serious challenge to our business in that time". He has had to reduce operating hours, reduce staff, and he has made some reasonable suggestions about how to improve the fairness of the tax system to help his business and others in Suva.

This article caught my eye, Madam Speaker, because it was one of the few times when a business person has had the courage to publicly criticise the Government. His courage was important. This is not because it made the Government look bad, but because it offered the chance for people like me to understand his business better and to contribute to the debate on how we could help in the creation of jobs and wealth.

But, I have no doubt, Madam Speaker, that when the Minister in his Budget speech kind of attacked business people for blaming the tax system for their problems, he may have been actually taking aim at Mr. Hindel.

(Laughter)

After all, Mr. Hindel had the courage and honesty to suggest that all was not perfect in the country, Madam Speaker. The Government, meanwhile, had the temerity to suggest that people like Mr. Hindel, a man with 40 years' experience of business did not understand finance.

In the last Budget, Madam Speaker, the Honourable Minister lectured businesses about lowering their prices and selling more products to be successful. However, Madam Speaker, the Honourable Minister and I probably have at least one thing in common. Neither of us has ever owned nor run a business. Actually, Madam Speaker, to be very honest, I am trying to run one now. The difference between the Honourable Minister and me, however, is that I am certainly not going to lecture business people on how they should run their businesses when I do not know what I am talking about.

HON. A. SAYED-KHAIYUM.- You don't even know!

HON. PROF. B.C. PRASAD.- Let me get on to some of the common features of this Budget, Madam Speaker.

This Budget, Madam Speaker, has common features as the last few budgets of the FijiFirst Government. First, the capital expenditure programme is high. The Government is very proud of the fact that its capital expenditure is more than 30 percent of the Budget and past budgets.

Maybe, Madam Speaker, it is the Government which does not understand finance or basic mathematics. If you borrow and spend large sums of money for capital expenditure, of course, the proportion of capital spending in your budget will increase. Nothing could be more obvious. The real question is, how are we spending this money? How are we going to pay the debt that we have created?

The FRA, Madam Speaker, has huge budgetary allocation. There have been no proper audits, no efficiency assessments and no assessment of value for money. Madam Speaker, it is not unusual, not unusual for dictatorial-type governments around the world, who are hell-bent on remaining in power to show this kind of extravagance on infrastructure programme. In fact, Madam Speaker, this is one of the many reasons why I have described this Government's budget as more about politics than economics.

This Government forgets that many of the projects were delayed because of the events in 2006. As a result, the infrastructure cost the people of Fiji much more for some of the projects.

Nabouwalu road, Madam Speaker, a very good project was due to have started in 2007 and I am told that the estimated cost was about \$72 million, and what we have ended up paying was close to about \$220 million, more than three times the budgeted cost.

Even if you take the inflation into account, Madam Speaker, still the cost is very, very high. The question is, are we getting value for money? Have we had any audit or an evaluation of how this money was spent? Similarly, the allocation to Water Authority of Fiji (WAF). The same questions need to be asked. What lessons have we learnt? These are very, very important issues, so, that is one feature.

The second feature, Madam Speaker, we have seen increases in Social Welfare such as free tuition, free textbooks, free meal, free medicine scheme, water and electricity, as well as being good ways to catch votes with taxpayers' money, some of these could be good initiatives if they are well thought-out and managed. However, the question I want to raise to the Government, how effective are they? If you read the *Fiji Sun*, of course, they are all perfect and everything is fantastic. In reality, free textbooks has been a two-year fiasco, and free medicine has proven elusive. If the Government was truly concerned about how well these initiatives are working, it would call for an objective evaluation of these schemes so that they are better targeted and implemented. In reality, Madam Speaker, the Government does not really care about how well these programmes are implemented, as long as they can keep telling everyone that they are doing this.

The third feature is a continuing increase in allocation to the Military, and I know my colleague Honourable Bulitavu talked about restructuring the RFMF; \$78 million for peacekeeping. What are we gaining from this expenditure? These are regular features in all the budgets. What is the value for money there?

The fourth, Madam Speaker, and again, Honourable Bulitavu has talked about this in his statement. The fourth feature of the recent budgets is a massive allocation to Head 50. Head 50, Madam Speaker, so-called 'Miscellaneous' allocation, how can there be an allocation of just under \$400 million? This is like more than 10 percent of the total Budget. This allocation reflects poor planning in the allocation and the lack of trust in other Ministries and Ministers to oversee the execution of the expenditures. It also allows the politicisation of expenditure by the Government.

Madam Speaker, if you add this amount in Head 50 to all the amounts on requisition and requisition, Madam Speaker, is not necessarily a bad thing. I mean, Ministers of Finance put certain amounts on requisition because they need to monitor and evaluate the performance and how expenditure is done, but in this Budget and in previous Budgets, the requisition is quite big. So, if you add the allocation in Head 50 and all those amounts on requisition, it actually comes to roughly about 50 percent of the total Budget of \$3.6 billion. In other words, \$1.8 billion would be within the ambit of the Ministry of Economy.

The question I want to raise; will the Ministry have the capacity to centrally deal with this volume of expenditure and requisition? Will it lead to better efficiency in expenditure management? Will the staff in the Ministry of Economy have the capacity and the time to respond and facilitate all requisitions? It is more likely that this zeal for control will stifle timely and appropriate expenditure by different Ministries.

GDP growth forecast, Madam Speaker: The growth rate of 2.4 percent projected for 2016 and 2017 is merely a reflection of the reconstruction work, cash contributions from FNPF, Help for Home initiative and other post-cyclone related expenditure, much of it funded from increased foreign aid. The 3.7 percent and the 3.2 percent rate for 2017 and 2018 respectively are optimistic. The Cyclone has destroyed productive assets as well as people's homes and when the cyclone rehabilitation spending goes down, there will be little to replace that, Madam Speaker, and as I said before, what we are talking about here are very ordinary performance by this Government as far as economic growth is concerned.

I raised the question in the last Budget, Madam Speaker, about growth and that is, where did it come from or where is it coming from? Let me remind the House of what I said and in doing that, I will comment on what the Government has done or is not doing to address those issues.

Firstly, we had Elections after 2014 and return to democracy, build-up of some confidence and the releasing of some pent-up demand for investment. The real question is not how well we are doing now but how much we might have lost over the years.

Secondly, we have been borrowing and spending to keep our economic growth, and we all know that a time will come (and perhaps, it is already there) that it is not sustainable.

Thirdly, Madam Speaker, no one seems to talk a lot about remittances, \$430 million estimated in 2015 and the second largest source of foreign exchange income ahead of sugar and behind only tourism. I noticed that the Minister for Economy never talked about the contribution of the remittances to the economy, because it does show that it is something that comes anyway without Government policy or Government cannot take credit for that.

We receive remittances because of the economic growth of other countries and because our people who work in those countries, Madam Speaker, feel for our people and they send money/funds for their families and friends.

What about the future, Madam Speaker? Even after all the borrowings and spending, is the Government's growth sustainable? Apparently, not. The 2014 growth was 5.3 percent, in 2015 it is projected to be 4.3 percent, it falls further to 2.4 percent in 2016 due to the impact of *Cyclone Winston* and 3.6 percent in 2017 and 3.2 percent in 2018. Madam Speaker, this growth forecast for 2017 and 2018 as I have said before, are overly optimistic and are expected to be lower as the reconstruction work slows down.

The Government ought to know that you cannot keep borrowing and spending your way to economic growth. Like every household, you can borrow to have a party and everyone feels good for a while, but pretty soon the party ends and then it is time to pay the bills. We cannot have a government spending party on roads and airports every year. Yes, infrastructure is critical, but not at the expense of three square meals a day for the taxpayers, the very same taxpayers who pay the bills for the party and for whom much is demanded in every budget session.

I also said in my last address, Madam Speaker, that the Government is running out of tax tricks to keep consumer spending high. For 2014, income tax was reduced. This pleased many people, particularly the richest people, whose tax bills went down. However, it also put money in consumers' pockets to spend, so increased consumer spending boosted the growth figures but the Government cannot cut income taxes again. That was a one-time trick.

So this year, the Government, in its 2016 Budget, had cut VAT and import duties on luxury items. This is the real reason why they had reduced VAT so that people supposedly had more money to spend. Their spending will, again, boost the growth figures, but they cannot cut VAT again. This, Madam Speaker, was also a one-time trick, and there are no more one-time tricks left.

(Laughter)

Perhaps, Madam Speaker, I was wrong. Perhaps, judging the fiscal year in the last one-time trick. After all it means that the Government can, in those last few critical months before the 2018 Election, avoid revealing to the people the true results of its economic performance.

In February, 2016, Madam Speaker, we were hit by the worst cyclone ever to reach Fiji's shores. This has created a real human tragedy, and those of us on this side of the House have been shocked and saddened at the devastation caused by *Cyclone Winston*. We are also saddened that the Government did not take this opportunity to work co-operatively with us. Despite the Honourable Prime Minister calling for unity and we supported his call for unity, the Opposition extended their hand of support to the Government. We even contributed from their own salaries towards the Prime Minister's Disaster Fund. However, our offer of help was rebuffed, even at the time of a national crisis, the Government wanted to see a new cyclone rehabilitation as a political opportunity.

For Government, cyclone rehabilitation and relief was again added to the Government's ability to increase short-term consumer spending. The FNPF withdrawals, Madam Speaker, (which I first suggested, they will not admit it) to deal with the aftermath of the destruction, including the call for housing grants (again which I had suggested in the first place, Madam Speaker) that will boost demand in 2006 and some of this may continue in 2017, the Government took on board our ideas and we appreciate that, although they may not credit the Opposition for bringing in those ideas. In fact, there is a saying, Madam Speaker, (and I want to say this to the Government side) which goes like this, "There is no limit to what a man or a woman can do, if they do not mind who takes the credit". So, Government can take the credit for those short-term grant but the Opposition is happy that people have benefitted from both, the FNPF withdrawals and housing grants.

Having said that, there are clearly significant levels of abuse of these grants and the Honourable Prime Minister himself is on record, making his concerns quite rightly well-known. It does not seem clear to us why people in Suva were handed grants so easily when clearly, there was less damage and destruction in the Suva area. There needs to be some learning from this experience, Madam Speaker. In fact, what we had suggested was that, relatives of those who were affected in different areas should only be allowed to withdraw FNPF funds.

There needs to be some learning from this experience, Madam Speaker. I am not saying that everything was haywire, but we need to learn from this experience. If people are silly enough to destroy their own pension plan by taking funds from their account, we will need some better way to manage these schemes.

Grants for reconstruction of homes destroyed by *Cyclone Winston* is a good initiative, and some of us suggested that. In some ways, Madam Speaker, the Help for Homes initiative by Government lacks imagination and there are a lot of problems and I know some of my colleagues on this side are going to talk about that in detail. Government had the time to think and plan on how these rehabilitation funds could be spent. In the end, however, it just opted for grants.

Madam Speaker, climate change is here to stay. We would be blind if we did not believe that there are many more destructive cyclones in Fiji's future. So, it cannot be a good use of public money simply to give people money for building materials to repair homes which may be destroyed again in the next cyclone. Why is there no scheme by which Government, perhaps with the help of skilled non-government bodies here and overseas could work to build more permanent homes for the people most exposed to cyclones?

We understand, Madam Speaker, that there is not enough money to build everyone a cyclone-proof home, that is understandable. However, if we could apply limited funds to at least building cyclone-proof central cores for people's homes, this would ensure that they were kept safe from destructive winds and had basic shelter afterwards, even if the rest of their home was destroyed. Over time, people could be encouraged to extend the construction of their homes to cyclone-resistant standards as their incomes allowed.

This is another example of how the Government's main concern to push money into the hands of the people without any thought for the longer term. Thousands of people remain homeless despite that, Madam Speaker. After the next cyclone, this will be repeated, with more loss of life, and we will have to borrow and spend more money because we have not planned ahead. The lack of thinking, the lack of vision and the lack of any genuine interest in long term solutions is deeply frustrating for those of us who care about the long-term future of this country, not just the next Elections.

Third, disaster is looming for our sugar industry. In 2017, prices for our sugar will fall to less than half of what we are earning now. We all know this. We have known this for many years and in 2017, the collapse in the cane belt economy will begin. The incomes of farmers, cane cutters, rural shopkeepers and their families will be slashed. There are no tax tricks to turn this around and Government has no plans ready for this. The closure of Rakiraki Mill will ruin the economies of Rakiraki and Tavua. Once again, Government has not dealt with this issue properly. Government has no plan. It has certainly not consulted those communities about how it can help them plan for their long-term future.

Madam Speaker, the Government is hoping that its spending and tax tricks will create a growth cycle that will encourage private sector investment. This is a gamble and if it fails, Fiji will be deeper in debt and with bigger bills to pay. Private sector investment will not follow unless our politics is stable, our economic fundamentals are right and our economic policies are consistent.

Madam Speaker, some of the revenue measures in the Budget, again are a continuation of strange and contradictory smorgasbord that we saw in 2016 Budget. If we analyse the 2016-2017 revenue collections, we see an increase in overall revenue. Direct taxes collections showed an increase of about 12 percent from 2015-2016 to the 2016-2017 financial year. This is a huge increase. We cannot see how this will be realised.

Collections of indirect taxes (VAT) show an increase of about 9 percent. You would recall, Madam Speaker, that in the 2016 Budget while Government reduced the VAT from 15 to 9 percent, it also imposed a VAT of 9 percent on basic food items. This was, as we said then and continue to say now, a wrong move. Let me remind the people of this country, that decision by the FijiFirst Government broke the promise of the FijiFirst Party in its 2014 Elections Manifesto. It was a broken promise, other increases in indirect taxes such as customs, duties, STT, water resources tax, airport departure taxes, stamp duties, levies, fees, fines and other charges and penalties are all going to add additional burdens on our people.

Despite all these increases in revenue measures including those which are promised from asset sales, we will continue to see the people of Fiji being burdened with more debt and eventually the people now and in future will have to bear the burden.

Madam Speaker, let me now turn to our debt levels and borrowing - a very important issue in the Budget. Between 2006 and 2014 Government debt rose by \$1.136 billion- nearly 40 percent. This has now been increased further.

Total debt does not include Government guarantees for statutory bodies and Government companies. These are contingent liabilities. They are not budgeted and accounted for but any of these guarantees whenever it is called on, government debt would again go up. The liabilities are about \$2.4 billion in June 2014, that is another 30 percent of GDP. In 2015 it was 30.7 percent. These contingent liabilities are real exposures and some of them are, Madam Speaker. If we add this to our debt to GDP ratio of 50.4 percent, we would end up with a total exposure of about 81 percent of GDP.

Our spending and debt levels have put the Government in a tight fiscal space. In 2015, Government restructured the payoff methods for a US\$250 million debt of which US\$200 million remains. In 2014 and 2015, most of the planned asset sales that were factored into revenue projections remain unsold. So, half

way into 2016, we had no news and this is not surprising that the Government is ready to draw down another US\$50 million borrowing facility that was approved in 2014.

Madam Speaker, if you look at the total debt repayment, the repayment as percentage of nominal GDP and as a percentage of total revenue, it is quite alarming. In the 2016-2017 Budget, the Government will have to borrow another \$620.6 million. Of this, \$329.1 million will be from overseas loans and \$291.5 million from domestic loans. The total debt projected as of July 2017 will be close to \$5 billion.

Madam Speaker, this means that as of July 2017, every citizen of this country (children, men and women) will be burdened with a debt level of about \$6,000 each. One worrying feature of the debt trajectory of Fiji is an increasing trend towards more overseas borrowing. External debt is projected to be about \$1.6 billion amounting to 16 percent of GDP and 32 percent of Fiji's total debt.

The total debt to GDP ratio of about 50.4 percent, this is about 10 percent higher than it should be in a well-ordered economy. In many countries it is of course worse than this, but we should not be measuring our economic performance against those countries. Total debt increased from \$4.2 billion in 2015 to an estimated \$4.5 billion in July 2016 and then to \$4.9 billion in July 2017.

This means that every year we could be paying more than 30 percent of our total revenue for debt repayments. For every \$3 we raise in revenue, we could be paying \$1 to our creditors in interest and debt repayments. That is money that is denied to the people for health, education and other services.

So, when we borrow money, Madam Speaker, we must know that we are borrowing for good purpose and not just to pay for another of the Government's slogans, publicity and campaign stunts. When are we going to pay back this debt? And when are we going to stop the spending party?

High external debt, Madam Speaker, is also a worry. Historically if you look at Fiji's debt composition, the domestic debt was always or much bigger proportion than the external debt. So, high external debt and the trend towards high external debt is worrying and it has implications for our foreign exchange.

Our export base is weak and the projection for total exports for 2016 shows a decline over 2015. The prospects for increasing our major commodity exports remain weak and unlikely to increase in the future given the declining prospects for sugar. Timber exports remain weak and here I want to pose this question to the Government - what happened to the so called mahogany exports? I do not see any discussion on it at all? What happened to the plans for mahogany guitar exports that was launched by the Prime Minister in April 2012? Huge potential for both the exports, but I do not see anyone of those there, Madam Speaker.

Employment, Wages/Salaries, et cetera, just before the Budget announcement, the Minister for Economy went on yet another so called consultation tour, closely followed of course by the *Fiji Sun*, this time was kindly talking to school students, he told us in his Budget Address that these young people will soon be going to the universities and the workforce, but he did not say much about how many of them will remain home desperately searching for any kind of job, just like the universities graduates who have now left the university. Some may be able to find low paying jobs that do not enable them to develop the skills they have acquired and they may consider themselves as the lucky ones.

Employment remains a major issue for our people, Madam Speaker. Youth unemployment, in particular, has been on the rise and the Government has not been able to address this issue. Growth as we have always said must lead to productive, inclusive, well-paid employment. Many people are asking the important question that if growth is taking place, if what we see if what the Government claims that growth is very good or is unprecedented, then where are the jobs?

The reality is that very few jobs are being created in an economy driven by consumption led expenditure. The so-called employment creation reform by the Government is merely about the services of the National Employment Centre (NEC). It is an important institution, we recognise that, that does help young people find some avenues to search for jobs but, Madam Speaker, if there are very few jobs available, then even the NEC cannot help the people. Yes, we can send some of them to New Zealand and Australia under the seasonal workers scheme and Government's effort to facilitate that is commendable, but it does not solve the underlying problem of unemployment, low wages and salaries, for those who manage to find employment.

The national minimum wage rate of \$2.32, Madam Speaker, it has become a joke around grog bowls. What we need Madam Speaker, is a just and living wage for our people. Employers who were quick to embrace the \$2.32 minimum wage and continue to laud Government's policies and some continue to obsequiously support Government policies which they know are detrimental in the long-term. This culture of sycophancy and servility that has beset this country has killed debate and honest discussions of Government policies. Employers have to understand, Madam Speaker, that ultimately is just a living wage for workers will increase productivity and create real demand which will be in the interests of everyone. If workers earn more, employers are also likely to benefit. There will be more demand and there will be more multiplier effect. So, having low wage economy is not necessarily always a good thing, Honourable Minister.

I acknowledge the Minister's assurance that this ridiculous national minimum wage rate of \$2.32 will be revisited and I intend to hold him to that promise.

Madam Speaker, let me come to Civil Service Reforms, Wages and Salaries.

I said a lot about Civil Service Reforms in my address last year and not much has changed. The promised reforms are still under consideration. However, no plans have been presented to Parliament for us to understand what is the nature of the reform, As usual I know, Hon. Radrodro has been asking for that plan for some time. She may ask that again. As usual, the talk is well ahead of the delivery

Madam Speaker, an independent, efficient and effective Civil Service is necessary for any government, for this Government too. Some of the good things that this Government wants to do cannot be done because the Civil Service is not efficient, is not effective, it is not delivering in some way, but it is not their fault and I will tell you why.

Madam Speaker, this is the first government which has turned the Civil Service into a nightmare.

(Chorus of interjections)

Madam Speaker, I just got this letter from Mr. Saverio Baleikanacea, addressed to the Honourable Prime Minister, Honourable Leader of the Opposition, to me and all Honourable Members of Parliament. Some of the things that this gentleman talks about are spot-on.

HON. GOVT. MEMBER.- Do you know his background?

HON. MEMBER.- Yes.

HON. PROF. B.C. PRASAD.- "Civil servants are under siege. Indecision, inefficiency and a culture of fear and intimidation have become the order of the day. Some ministers and senior officials in some ministries are on a rampage under the protection of the Constitution, which allows the Minister to have the final say on any appointment. In some ministries: nepotism ...

(Hon. Members interject)

HON. PROF. B.C. PRASAD. -... promotions based on whom you know, disregard for established MQRs and other criteria have thoroughly demoralized the Civil Service.

(Hon. Members interject)

HON. PROF. B.C. PRASAD.- Madam Speaker, let me implore on the Government to relook at the Ministry of Public Service. We recommend that Government appoints an independent body within the Ministry of Public Service which could operate like the Public Service Commission because you cannot have the Public Service Commission now to look after the civil servants because they have changed the Constitution and is one of the disastrous provisions in that Constitution that is going to forever politicise the Civil Service in this country, no matter who is in Government and that something that they need to understand. I want to ask the Government to appoint an independent body, even within the Ministry of Public Service, so that they have an oversight of all public service appointments.”

In fact I will go further, Madam Speaker, in some countries they have already strict entry exams, whether you come from a university, x,y or z, to get into the Civil Service you have to pass a very, very strict merit based exam and recruitment into the Civil Service is very important and that could help the Government in the Civil Service Reform.

I also want to say, that switch to contracts in the Civil Service has created chaos, instability, insecurity of employment and arbitrary decisions by Ministers. I know a gentleman whose contract was not renewed and he was at home for a month. And when he got the contract renewed, he did not get the pay for that month. So, there are civil servants on the edge, uncertain, waiting for their contract renewals.

(Hon. Members interject)

HON. PROF. B.C. PRASAD.- That when they finish their jobs on a Friday, they do not know whether they are coming back to that job on Monday, Madam Speaker. These are real examples. This is unacceptable, Madam Speaker. We need to go back to tenured appointments in the Civil Service. Some Ministries maybe more efficient than the others but this is what is happening. We need to go back to tenured appointments in the Civil Service. Recruitments should be based, as I said on strict merit criteria, maybe a Civil Service entry exam and that practice could attract young, bright people into the Civil Service.

Madam Speaker, Civil Service historically in most countries have any priced job. People want to become civil servants. In this country, no one wants to become a civil servant. They have no choice.

HON. GOVT. MEMBER.- Prove it?

HON. PROF. B.C. PRASAD.- I am coming to Health, wait!

(Laughter)

HON. PROF. B.C. PRASAD.- Government’s commitment to raise doctors’ salaries is commendable, it is something that was long overdue and we support that. I think it was a very good decision.

Madam Speaker, other civil servants too, including teachers, nurses, police officers have not had decent pay rises over the last nine years. Madam Speaker, teachers are one of the most demoralised group of civil servants in this country for a number of reasons...

(Chorus of interjections)

HON. PROF. B.C. PRASAD.- ...and one of them is very, very poor salaries. Last time, they had a five percent pay cut which was restored, then they had a small rise and then no rise. If you go by the calculations, if you look at the cost of living, we used to have things like COLA in the past and if you do those calculations, back of the envelope calculations, I think, Madam Speaker teachers, nurses, police officers deserve more than a 20 percent pay rise. This is very important and there is no point talking about Civil Service Reform when you do not want to address it in the fundamentals within the Civil Service.

Poverty and Social Welfare, Madam Speaker. The Government in the last nine years has not been able to address the issue of poverty. I do not believe the figures on poverty that Government took so long to arrive at with the bureau. We believe that the poverty rate remains around 32 percent...

(Hon. Member interjects)

HON. PROF. B.C. PRASAD.- ... an estimate suggests that another 35 percent are just above the poverty line. This means that about two thirds of our households are barely making ends meet. Government claims that its Social Welfare Programmes are cushioning the effect of low wages and those unemployed. For some, that may be true, but for a large majority despite that help, the life is still a struggle.

The Honourable Minister in his Budget Address talked about “a journey that all of us will make together with no Fijian left behind.” A very noble statement which we would all support if we could see it being implemented.

However, Madam Speaker, much of the other measures for enhancing social welfare are band-aids. They are not going to cure the long and sustainable diseases of poverty and destitution in this country. In fact, we should separate support for destitution and support for those in poverty because some of the policies for addressing destitution are good and we support them. They are good and they are working, but those in poverty, Madam Speaker, will need Government policies that will reduce the burden of high cost of living, address the problem of low wages and indeed, unemployment. That is where you are going to really attack their own issue of poverty.

Madam Speaker, as I have said, an estimated 72 percent of the population, in our calculation, earn below the income tax threshold. Therefore, the majority of them would be hit by the imposition of that 9 percent VAT on basic food items. If you look at Government policies all over the world, Madam Speaker, developed countries or developing countries, the Government in these countries always make sure that basic food items remain cheap and adorable because that helps the low income earners and those in poverty.

It is simple, Madam Speaker, if you are going to hit the poor by a 9 percent VAT on basic food items, then we have to find other means, and the Social Welfare Programme is not addressing that. Madam Speaker, I call upon the Government to remove the 9 percent VAT on basic food items. In fact, they should add another four items to that six items because the trolley that the low income earners get out of the supermarket is not those six items, in fact, there would be close to about 10 items that have become very basic for men, women and children. So, we should not only reduce the VAT on the basic food items on those six items but also add another four items.

Health Service Delivery, Honourable Minister for Health. If you randomly ask, Madam Speaker, ten people today about the delivery of health services in Fiji, eight out of 10 will tell you how pathetic the

services have become. You go around the country, you will see the dirt, the lack of cleanliness, lack of proper equipment, lack of medicine, lack of emergency services and long waits, et cetera. Madam Speaker, children, men and women are dying because of lack of care and facilities in our health centres and hospitals. I have had the first-hand experience in witnessing the deterioration of health services and facilities, whether it is in major hospitals, health centres or nursing stations, the situation is the same.

Recently, Madam Speaker, I was in Vanua Levu and I took a sick lady to a health centre. I was appalled to see the condition, I have the pictures with me. The waiting shed which was blown away during the Cyclone is still not repaired five months after the Cyclone. There is a qualified doctor there, but if you look at the little office which is a little cubical where he is looking after the patients, it is cramped and does not look like a doctor's room. Obviously, the doctor and nurses are demoralized and helpless in not being able to get themselves heard.

More on a macro scale, Madam Speaker, the Ministry of Health Budget for 2016-2017 has been reduced to 2.6 percent of GDP. This will put us just over half of the World Health Organisation (WHO) recommended ratio of 5 percent of GDP. Instead of increasing our health budget, we are regressing. I think in my view, Fiji remains the country with the lowest health budget in the Pacific as a proportion of GDP. In fact, I sympathise with the Honourable Minister of Health, Madam Speaker, he is not being given the tools to meet essential needs. What could be more essential than health? Why cannot some of the Head 50 fund be given to the Ministry of Health instead?

Much of the health programme seems to be for political consumption. Implementation and effectiveness leaves much to be desired, Madam Speaker. The Free Medicine Scheme with an allocation of \$10 million remains disjointed and ineffective since 2015, and we have talked about this. Under Amendments to the Pharmacist Decree 2015, retail private pharmacists are forced to be part of the Scheme under threat of fines. Yet, 18 months after its announcement, no one has access to the wonderful list of items said to have expanded to 140 odd items. There is no logistical support, no IT centralisation and backup, no storage space and no human resources provided for the efficient and effective delivery of free medicine for those eligible. Medication and consumables are also not provided, and some have expired without being used. There is always an expiry provision but more drug is being expired because it is not being distributed.

Only an estimated 20,000 people registered for the Scheme in the last two years. They are frustrated by the apathy of staff and health management. It is a programme which looks good on paper only. The implementation of the Scheme needs a review and a total overhaul. Of course, the Honourable Minister of Economy will never agree to this. He cannot afford for his Government to look bad in the short term, even if the review would give longer-term benefits. I would urge the Minister for Economy to consider that.

Notwithstanding, we strongly recommend, Madam Speaker, a re-evaluation of the medical positions and the structure because there is a lot of issue about specialists in hospitals and a general increase in manpower as expatriate engagement is a short term measure. In the meantime, Madam Speaker, I want to ask the following 12 questions and the Honourable Minister for Health, in his response, may wish to answer these:

1. Why is Government not filling the Specialist Gaps in the system? We are told that there has not been a single recruitment in the last two and a half years to bring in expatriate doctors to fill needs in Ear, Nose and Throat (ENT), Skin, Radiology, Psychiatry and Pathology specialists, as we do not have many.
2. Why is there so much delay in the right sizing of the Medical Establishment? It seems we are working on an old establishment structure which is not coping with new specialty and

new specialists returning without positions to keep them engaged locally in the public sector.

3. When will the Minister review the Fiji Pharmaceutical and Biomedical Services which needs a major overhaul? Madam Speaker, are we getting the right services from tendering for High Technology Biomedical Equipment to certain local companies? Do they provide the backup services? Can they, on time, provide those services and parts?
4. Why has the Ministry of Health MRI machine been down for over six months? Why is the General Laboratory equipment not operational most of the time and patients are sent to private centres, who use the same technology and equipment?
5. Why are we reverting to buying old style medicines when new items come off the patency period with marked reductions in cost per item?
6. Why are we short of life saving medication in Emergency Departments for over six months? I am told, Madam Speaker, that the clot dissolving medication is out of stock and some people actually die because someone has not placed the appropriate order. We are also told that we do not have the basic penicillin and its derivatives in hospitals.
7. Why has the NCD allocation been reduced to \$600,000 when \$1.2 million was allocated in 2013 and 2014, when you are constantly heard telling the public that NCD's are Fiji's biggest public health threat,? Why has the additional and alternative revenue generated by tobacco taxation been taken away from the Health allocation? If 80 percent of our deaths are NCD-related, the Government allocation does not indicate any resolve to address the crisis.
8. Why is the Emergency Department at Lautoka Hospital making slow progress on the additional operation theaters? A very important question, Madam Speaker.
9. The Nadi Sub-Divisional Hospital has not been coping well, we have heard a lot of stories and had many problems, including cases of negligence and death. A large growth area with tourism sector development needs urgent decentralisation of health services from the Nadi Hospital.
10. What is the status of Votualevu and Korovuto Health Facilities? Was Keyasi Sub-Divisional Hospital upgrade a priority when the population base is small, scattered and the current Health Center has developments with an inpatient facility? The Makoi Birthing Centre has been in the incubator for rather long. We have heard of its completion from 2013. The Naulu Health Facility, Madam Speaker, we note a budget allocation in 2014, what is happening there? Is it that we early announce allocations and then we do not follow up because when he announced, people very good that something is going to be done. Nausori area, a large segment of the population covering Nasinu, three provinces of Rewa, Tailevu, Naitasiri needs urgent attention. This hospital has dropped off the radar after three years on the planning, an overcrowded fragmented facility next to a burial ground, old market place in the town centre. What is the problem, who is responsible for this hold up?
11. CWM Maternity Development Unit had an allocation of \$2.9 million sometime back. What is the status of the work there?

12. Why is there no mention of Radio-oncology Unit Development in this Budget when we have committed to the International UN, WHO Forums that the service will be opened by 2020?

These are very, very important questions for the Honourable Minister for Health and I hope that these questions will be answered and be taken on board.

Madam Speaker, as I said before, the Opposition wanted to move a motion, we never had time and I want to use this opportunity to call on the Government, this is not casting any slight or expression on the abilities of the Minister for Health or his Assistant but what we need is an expert independent inquiry into the health services in the country and recommendations from the inquiry could be implemented urgently to address the worsening health situation in the country. That will help everyone including the Government.

Education, Madam Speaker, the allocation has been increased to provide for the reconstruction of many of the schools that have been damaged and we do hope that it is managed efficiently and effectively so that we can get the children out of the tents and temporary shelters to more permanent classrooms and facilities.

Madam Speaker, in my last Budget I said that the Honourable Minister for Education quite honestly talked about very poor rates of passes in Maths and in Sciences, he also talked about the quality of education generally and I think, as I said, there was some honesty in his admission of where we are in terms of the education system.

However, Madam Speaker, I am not sure that I am actually confident that many of the reforms and the solutions that he is trying to put through is going to deal with the issue of quality in education. All I want to say to him, Madam Speaker, education is not a political football, education is a long term issue which needs to be addressed over a long term without regard to Elections, without regard to votes because education is one area where we need a bipartisan co-operation. So that even in the future, if a government changes, our education policies stays on course. It is not about how much vote the Honourable Minister for Education is going to get, if he goes around shaking hands to management and teachers, it is about assessing what are the long term impact.

In the last Education Commission that we had, Madam Speaker, which looked at in detail what was happening within the education system right from pre-school to tertiary education was in 2000. I want to again implore on him and the Government to consider a suggestion to appoint an Education Commission, it has been 16 years, many changes have taken place, even under the Bainimarama Government. It would be a good thing for the future of the education to have an independent group of experts to review the policies, reforms over the last 16 years and assess whether we are making progress towards quality education; that would be the right thing to do.

Madam Speaker, let me turn to agriculture, the twin objective of export promotion and food security for the agriculture sector is an important one. However, we have to understand that agriculture sector is increasingly coming under stress because of shortage of labour, mechanization even on a small scale is the way to go. It is therefore disappointing that the budgetary allocation of just \$1 million has been provided to support farm mechanization.

One of the other key obstacles to efficiency and productivity in the agriculture sector, Madam Speaker, especially in the non-sugar crop sector, which has a huge potential and given the decline in the contribution of sugar to GDP, we have a huge potential in the non-sugar crop sector, to not only increase our export but to increase our production, link it to the tourism industry that will help raise the incomes of our people.

One of the biggest obstacles, Madam Speaker, is the lack of good advice, research and extension to our farmers. I know in the 70's and 80's, Fiji probably had one of the best Research and Extension Facility Programmes where farmers had direct support on a number of issues. For example, if sheep or goats get sick. Farmers were telling me in an area, before there used to be a veterinary officer. You go to that person and you get the services straight away, now they do not have anyone around that area right up to Seagaqa or Labasa and again it is disappointing to know that a total of less than \$1 million is provided for research for the crop sector and just under \$1 million for livestock research. Madam Speaker, I think this is a sad indictment on this Budget that we have such an important sector. We know where the problems are, yet we have not allocated what should be rightly allocated to the agriculture sector.

Let me say a little bit about the sugar industry, Madam Speaker. We have said a lot on this before and I know the Minister made reference to the Sugar Industry Bill and I want to say a little bit on that. Madam Speaker, as we said in the second reading of the Bills that Bill No. 19 (Reform of the Sugarcane Industry) and Bill No. 20 (Sugarcane Growers Fund Amendment Bill) is really going to enslave our growers, our farmers in this country. There have been questions raised about the management of FSC, we have asked this Government in the past to tell us what is happening within FSC, how much is the Executive Chairman of the FSC being paid?

HON. A. SAYED-KHAIYUM.- In the Annual Report.

(Chorus of interjections)

HON. PROF. B.C. PRASAD.- What we have heard, Madam Speaker, because this Bill intends to take the FSC as part of Government entity. Yet, we are not looking at what is happening to the corporation itself, its management, its profitability, why it has gone down and made losses over the last six or seven years and yet we have not done anything about the management? In any organisation, one would sack the officer on the top, we have not done that.

Madam Speaker, the Sugar budget has increased by \$5.7 million, we believe the increase is fictional. The Budget document show us a sum of \$11 million allocated towards Sugarcane Development and Farming Assistance and \$9.7 million was subsidy to South Pacific Fertilizers Limited. Now my question is, is this really a subsidy or is it a loan to be recovered from the shareholders of South Pacific Fertilizers which is mainly the Sugarcane Growers Fund. This was certainly the case in the last two budget announcements, so I am not sure whether the narrative that it is a subsidy is actually quite correct because ultimately it is administered by FSC.

How is the amount of \$11 million for Sugarcane Development and Farmers Assistance Programme to be used? Government has not provided any comparative figures of how cane replanting programme funds of \$5 million annually were used and what percentage of growers benefited from this funding because the size of the sugarcane crop has not increased.

Madam Speaker, the Budget also lists over \$31.5 million as Aid-in-Kind for social mitigations scheme, supposedly from the European Union.

Last year, an amount of \$33.7 million was similarly listed as aid. What is this money? We fail to see what this aid-in-kind was going to be used for last year. We believe it did not see the light of the day. Now this year, we have the Budget documents, stating a sum of \$31 million again. Madam Speaker, who is going to benefit from this aid? Is it the growers, or the FSC? And no one knows because there is no explanation.

The budgetary provisions on sugar also reflect on the possible enactment on the Reform of the Sugar Cane Industry and the Sugar Cane Growers Fund (Amendment) Bills. On 29th May, 2016 we saw

the Honourable Prime Minister and the Minister for Sugar through FSC's Executive Chairman, delivered his statement to the ISO Council in Turkey, where he described those criticising the Reform Bills as a "conga line of politicians and naysayers" who have politically motivated.

Madam Speaker, nothing can be further from the truth. In 2006, when the industry structure was intact, we had input from our politicians in the industry, there were 18,000 growers who were producing 3.2 million tonnes of cane. The four mills produced a total of 310,000 tonnes of sugar at TCTS of 10.4.

So, this argument about politicising the industry and it has an impact on sugar production, cane production is a red herring, it really is to divert the attention.

We acknowledge the improvements in the TCTS tonnes of cane, Madam Speaker, to make one tonne of sugar and of course this has come at the expense of extensive mill upgrade programme, first resource through an Exim Bank of India loan negotiated in 2005 by the deposed Government which was drawn down by the military regime after 2007.

So it is clear, Madam Speaker, there is no point talking about the politicians, the state of the sugar industry, the decline of the sugar industry, the responsibility of that rests with this Government. Let me also say, they are politicians. When they talk about the sugar industry, it is not politicisation, when they want to take over the industry it is not politics, when people like us talk about the sugar industry, it is politics.

The Honourable Prime Minister maybe himself leading a "conga line of politicians" who do not know what is happening in the sugar industry.

Madam Speaker, there has been overwhelming rejection of the Bills by the sugarcane farmers and we have heard that there is a strategic plan and we do not know what is in that plan. No one knows and maybe the Honourable Prime Minister in his address should talk about what is there in that strategic plan and what will it cost if they have a strategic plan. It is no point having a strategic plan without appropriate costing. So if you have a strategic plan, it must also have a cost on how to implement those strategic plan. So we need to know what is happening there, Madam Speaker.

The Sugar Cane Growers Council, Madam Speaker, is a toothless tiger. So any representation from the Sugar Cane Growers Council on the sugar industry really is not necessarily the views of the cane farmers. There has been a general loud cry out there amongst the sugarcane farmers and Honourable Members who are in the Committee would know this and I happened to be attending some of those public submissions and I have never seen, Madam Speaker, the passion, the hurt, the anger that farmers have now with respect to what this Government is trying to do about restoring the sugar industry. They want their own body, they want the 38 member council to be restored. Government should listen to the farmers, Madam Speaker, it will do good if they listen to them.

So this Budget, Madam Speaker, apart from the recent allocation, apart from keeping that so-called subsidy which is really not a subsidy which is the shareholder portion and when we need clarification from the Honourable Minister in his right of reply whether it is really a subsidy. There is nothing else, Madam Speaker, to deal with this issue of declining sugar industry. We want to call upon the Government again, we have offered this before and I want to in reply to this Budget, I want to offer that again to this Government; stop concocting theories about what politician are doing in the sugar industry. Let us out of this Parliament set up a joint Parliamentary Committee, let us all get together and find a way forward, Madam Speaker, because there is nothing in this Budget, nothing that we have seen, the strategic plan that they are talking about is not out there and no one knows what is there. There is no mention of allocation of funds for implementing this strategic plan in the Budget to take that suggestion on board. Let us work together to bring this industry back on track, Madam Speaker.

On Tourism, Madam Speaker, before I finish. We talked about the increase in STT and so-called the environmental levy last year and indicated that these taxes will make Fiji a costly destination for

tourists. I see that many of the tourism operators, silently and privately, they are complaining. Of course they will not say this to the Honourable Minister for Economy or the Attorney-General, but they say it to me ...

(Laughter)

... that the tourism industry is becoming a high cost industry.

Madam Speaker, our tourism numbers have risen in the last five years by an unimpressive 2 percent, a year compared to similar and more isolated island countries like Mauritius and even the Maldives. These countries remain consistent, long-term incentives for their tourism investors, they do not chop and change the regulatory environment every year. The Government seems to be ignoring that idea of certainty, that idea of confidence.

Most tourism operators, Madam Speaker, depend heavily on the business of tourism wholesalers, whose agreements with those operators run from April to March each year. When Government increases taxes to take effect from 1st January, this disrupts the wholesale agreements and it could have various implications for them to absorb the increase until 1st April.

The change in financial year may make a difference, unfortunately there are no increases in tourism taxes in this Budget, but in future, if there are tax changes taking effect from 1st August, the effect of this may have to be borne by tourism operators for a longer time. It would be a simple matter, Madam Speaker, to ensure that the timing of tax changes for the tourism industry were consistent with the financial years of the most important customers.

In reality, the almost unanimous view of the industry is that the tax burden that they have to now carry which is too great and is harming the long-term future of the industry. I referred earlier to Mr. Hindle's comments. These are views shared privately by most tourism operators. As I said previously, Madam Speaker, tourism is one of the few industries, where Fiji has a competitive advantage. Research has shown that habit persistence is a predictor of demand and visitors are willing to visit again because of experiences during the previous visit. The challenge, Madam Speaker, therefore for the tourism industry in Fiji would be to convert this desire into more visits.

This means ensuring Fiji tourism products and services remain globally competitive through continued investment in announcing quality of experience and improved infrastructure and keep the prices competitive. There is nothing in the Budget, Madam Speaker, to encourage diversification of tourism products. I know the motion by Honourable Gavoka for supporting the setting up of retirement homes, medical tourism but defeated by the Government side. That was a good motion, the support for it would have at least demonstrated our resolve to diversify the tourism product market in Fiji.

Allocating more budget for promotion and marketing to enhance Fiji's image will not be enough. In order to improve the effectiveness of the tourism industry, we need policies and incentives to encourage diversification of tourism offerings, address seasonality issues and manage tourism strategically.

Let me conclude, Madam Speaker, all the hype about the new financial year and a new budget in my view will remain an exercise in futility. This Budget is simply a continuation and cover up for the confused and deceptive Budget of 2016.

HON. OPPOSITION MEMBERS.- Hear, hear!

HON. PROF. B.C. PRASAD.- The Government was being vilified by almost all the sections of the population. In the 2016 Budget, Government had put out a confusing set of policies, more burden on the poor by the imposition of 9 percent VAT, more taxes, fees and fines for businesses.

The Budget touted as a budget to respond to the reconstruction efforts after *Tropical Cyclone Winston* remains only one of re-allocation, but nothing innovative to prioritise expenditure and live within its means. Instead, it has continued with the expenditure which is not a priority, large allocation to FRA, \$9 million to golf, \$18 million to Fiji Airways and others. What we have now ended up, Madam Speaker, is more debt projected to be about \$5 billion which will be paid by both current and future generations.

Madam Speaker, a people's budget from our side would see this happening:

- (i) Removal of 9 percent VAT on zero-rated food items;
- (ii) Removal of Environment Levy and Service Turnover Tax;
- (iii) Increase of \$20 million to Head 5 with a focus on ensuring that climate change relocations comply with free, prior and fully informed consent, backed up by robust protection measures for traditional knowledge and genetic resources on the current *yavu* and *iqoliqoli* of those seeking to relocate;
- (iv) Reduction of \$5 million from Head 10 - Fijian Elections Office;
- (v) Reduction of \$35 million from Head 17 - Ministry of Civil Service;
- (vi) Increase of \$50 million to Head 18 - Ministry of Rural Development and National Disaster Management - I am surprised with the allocation to this Ministry;

(There are several other changes that we would propose, Madam Speaker, in relation to the allocations that we have seen and some of them, we will be raising in the Committee of Supply.)

- (vii) Increase of \$20 million to Head 35 - Sugar Industry Support and Development, because if the Government has a strategic plan which we do not know and they need more money to be able to implement this strategic plan, and we are also calling on the Government to reduce \$300 million from Head 43 - Fiji Roads Authority, so that we can re-prioritise our expenditure into more critical areas..

Further, Madam Speaker, we are asking the Government to:

- (i) Improve its economic management and reporting. If the Budget is to be a meaningful exercise, not mere political rhetoric, we must have facts and figures and we need more detailed reviews and evaluations of policies that have been implemented in the past so that we understand new allocations and how effective it is going to be.
- (ii) Develop a vision for economic management. We do not mean the old tired slogans about democracy, transparency and accountability. We mean a clear vision which the Government is prepared to commit to implement consistently. The Government should become fully transparent on its spending and economic policies. The Budget really should not be a surprise, it should be an opportunity for Parliament to critically review Government policy.
- (iii) If the Government is not going to remove the VAT exemption on basic food items, then we need to see more support to help almost 60,000 households who have been directly, Madam Speaker, affected by this 9 percent VAT on basic food items.

- (iv) Relook at some of the unproductive expenditures, for example, terminate the services of Qorvis Communications. Why do we need to pay all these money to a PR firm and sometimes pay them to put out false propaganda, even if it means some in the Government will have to write those speeches?
- (v) Decide upon a strategy to save the sugar industry, Madam Speaker, as I have said before. We in the Opposition are ready to help. Once that strategy is developed, we will need to act urgently to implement it. We call upon the Government to abort the Sugar Cane Industry Bills and create a Joint Parliamentary Committee to deal with the problems of the industry.
- (vi) I want to repeat that the budget allocation for the Fiji Roads Authority is too much, it is not a priority. Until we see a review, a re-evaluation, an audit and value for money of what we have spent over the last two years, we should reduce that budget allocation.

Madam Speaker, I will finish on this note, and this is what I had said the last time and let me repeat; in a parliamentary system, the side which is not the government (which is this side) is a loyal opposition. We are loyal to Fiji and we want the best.

HON. S.V. RADRODRO.- Hear, hear!

HON. PROF. B.C. PRASAD.- That is why we choose to sit here, despite the daily mockery that this Government makes of our democracy, to make good on our promises to represent our voters. We may differ with the Government of the day on how to achieve those results, but it is airing those differences and sharing ideas that yield the best decisions. If the Government is firm in its belief of its standing, they have no reason to fear such a process. Dissent, after all, Madam Speaker, is the highest form of patriotism.

Parliament, Madam Speaker, is not (as I have said before) a church, temple or a mosque; it is a temple of democracy. It is a place where we can have a robust, sometimes heated and passionate debate. We can use abject tricks yet we can all go after the debate and have a cup of tea, and have a good yarn. Suspension of Members of Parliament for debate and comments in the House is a sure way to kill debate and discussions in this House, Madam Speaker.

Additionally, Madam Speaker, the idea of consultation, sometimes I feel that the Government has difficulty with the idea of consultation. This idea of “we know it all”. Madam Speaker, no one group or person has a monopoly of ideas. We all, as experts in our own field, we learn every day. We learn from ordinary people, we learn from those in the streets, in villages, in the market, on the buses, in rice and sugarcane fields, in the *teitei*; people give us ideas. Madam Speaker, I think we need to build that culture of consultation.

The economy may have surged for a while through borrowing and remittances, but we all know that this is not enough. We will need to re-look at our strategy. We need political reform to restore trust and faith in our people and the international community. Without this, we will be continuing to muddle through the economy.

Madam Speaker, the Fiji First Government should move away from its petulant politics where it wants to win every argument and decide every point. They managed to replace me as Chairman of the Public Accounts Committee. I do not know what they were afraid of, me chairing the Committee. I know that some journalists from the *Fiji Sun* and FBC were asking whether I should be delivering this Opposition response today, Madam Speaker. I do not know why.

Madam Speaker, suspension of Members of Parliament from the Opposition side using their majority is not going to inspire confidence in this country. If you want to establish genuine democracy,

inclusive economic growth and improve the livelihoods of families, we need to change course. We will not always agree, but if the Government is honest about its weaknesses, we can help. Let us as lawmakers leave a future that our children will be proud of, we need to strengthen our intangible assets, our laws on property rights, efficient law and justice systems, skills, knowledge and trust, transparency, accountability and freedom.

Madam Speaker, one last point; trust. Trust is very important, Madam Speaker, in economics, politics and in anything. We need to build trust in our system of governance, in our parliamentary process, in our delivery and accessibility of services, of information, only then, Madam Speaker, we would be able to take this country forward.

Thank you and God bless Fiji.

(Applause)

HON. SPEAKER.- Thank you, Honourable Members.

We will now suspend the sitting for refreshments. I am afraid we will be cutting down on refreshment's time, we will meet again at 11.40 a.m.

The Parliament is now suspended.

The Parliament adjourned at 11.24 a.m.

The Parliament resumed at 11.45 a.m.

HON. SPEAKER.- Honourable Members, before we continue, the Honourable Nawaikula raised a Point of Order on Standing Order 99 and certain provisions in the Constitution.

Honourable Members, I will refer us also to the Point of Order raised by Honourable Nawaikula on 26th April, 2016, the ruling for which I delivered on 28th April, 2016.

Honourable Nawaikula questioned the admissibility of the Suspension Motion moved by the Honourable Leader of the Government in Parliament which sought leave to suspend Standing Orders to allow the Honourable Attorney-General to move his motion to amend Standing Orders 99 and 37.

In the ruling on 28th April, 2016, I allowed the Suspension Motion Without Notice to allow the Honourable Attorney-General to move the amendment to Standing Order 99 only, and referred the proposed amendment to Standing Order 37 to the Standing Orders Committee. I ruled in this way because the amendment of Standing Order 99 was necessitated by, and indeed consequential to the amendment of the Financial Management Act 2004 which had passed earlier that week.

There was thereafter a debate on the amendment which was voted upon and passed on 28th April, 2016. The reason it is not in the copy before you is because the amendments had not been consolidated as yet, but the amendment is nonetheless valid.

With relation to the Constitutional provisions cited, in our reading there is nothing preventing the amendment to Standing Order 99 as it is consequential to the amendment of the Financial Management Act 2004. Thank you.

RESUMPTION OF DEBATE ON THE 2016-2017 APPROPRIATION BILL 2017

HON. R.S. AKBAR.- Thank you, Madam Speaker.

The Honourable Prime Minister, the Honourable Minister for Economy, the Honourable Leader of the Opposition, Cabinet Ministers and Honourable Members of Parliament: a very good morning to you all. I rise this morning to commend the 2016-2017 Budget, a budget that I describe as smart, decisive and inclusive national budget, presented to this august House by the Honourable Minister for Economy.

Madam Speaker, the Fijian Government's commitment to building our communities to be better, safer and stronger is the underlying foundation for this Budget. The Budget provides funds for rebuilding homes and infrastructure devastated during *TC Winston*.

Please allow me to reply to an information provided to the honourable House this morning by the Honourable Professor Prasad saying that people in Suva were assisted through this Help for Homes Initiative. That information is not right.

We had a centre in Suva to assist the people from the maritime areas, and to-date that centre at the Fiji National Council for the Disabled Persons has assisted 3,119 recipients from the Eastern Division. That included Vanua Balavu, the Lomaiviti Group, Yasawa, Qamea and Yacata and a total of 6,375 recipients have already been assisted under this Help for Homes Initiative after *TC Winston*.

Madam Speaker, the Budget also provides funding for other affected areas during *TC Winston* and that is to rehabilitate and improve damaged schools, health facilities, also looked into agricultural programmes, funding to empower women and children, restoring affected SME programmes, protecting senior citizens, mainstreaming people living with disabilities into the workforce and, of course, promoting

gender equality and equity. All of these budgeted programmes work effectively to deliver real opportunities for sustainable development, alleviating poverty and promoting socio mobility.

Madam Speaker, the focus on resilience in this National Budget will prepare us as Fijians for the challenges for the future. However strong the headwind, this Budget puts us on a great course of achievement and reflects our Government's vision to create and maintain a Fiji where anyone who aspires to, can make a better life for themselves and their families.

Madam Speaker, I would also like to thank the Honourable Minister for Economy for the planning and delivery of the 2016-2017 National Budget, which included a number of specific provisions to empower ordinary Fijians, and I was very happy to see that for the first time, the Budget Address was televised with accompanying sign language interpretation; a very welcomed step in making our budget more inclusive and participatory.

Madam Speaker, the Budget aims to broaden our economic base by creating more educational opportunities, expanding the labour sector, particularly for our young people. Of course, Fijian women, children, the elderly and people living with disabilities will also benefit from the budget provisions and incentives.

Madam Speaker, there are other initiatives in this Budget that span a wide range of sectors as Government has taken an integrated approach to advance the welfare of our Fijian women in the country, whether it being through infrastructure development, building of new roads, hospitals, bridges, water, small to medium enterprises projects, these projects will have a positive impact for all Fijians including (as I had mentioned), women and, of course, children.

I am very much pleased to say that the Budget reflects Government's efforts to help Fiji meet the Millennium Development Goal (MDG) 3 - Promoting Gender Equality and Women Empowerment and MDG 1 - Eradicating Extreme Poverty and Hunger.

Madam Speaker, in the long-term, this Budget establishes a pathway to sustain economic growth and effective responsive Government services. This is a journey that we are determined to make together, leaving no Fijian behind, enabling families to meet their basic needs and constantly seeking out new challenges and opportunities.

Madam Speaker, the measures taken by the Fijian Government in this Budget speaks on our Government's effort to foster the growth of an inclusive and supportive society that makes every Fijian feel valued and appreciated. As my Ministry is responsible for looking after the disadvantaged groups in Fiji, this Budget is very reassuring. I am very much proud of this Budget and believe that its significance will be felt by many and for many years to come, especially for those which my Ministry is mandated to serve.

Madam Speaker, the Ministry's budget for this year is an increased allocation and our allocation stands at \$56 million for the portfolio of Women, Children and Poverty Alleviation. There has been a progressive increase in the Ministry's budget allocation over the last three years. This brings to reality that the Fijian Government promotes social-safety security nets for the marginalised people, while at the same time advocates self-reliance. In fact, Madam Speaker, we have received an overwhelming response from the people we serve and many people and organisations in Fiji that help the poor and the disadvantaged, and of course from communities that we have visited since this Budget announcement. They have praised this Government for making the welfare of disabled persons, the elderly, women and children a national priority and a national cause.

Madam Speaker, our Government is inclusive and pro-development, and it will continue to focus on targeting the needs of women, children and families, senior citizens and persons living with disabilities,

especially those who are disadvantaged. To achieve this objective, the Fijian Government will continue to support existing Social Protection Programmes which we have, such as the Poverty Benefit Scheme, the Child Protection Programmes, the Social Pension Scheme and the Food Voucher Programme.

Madam Speaker, with the 2016 and 2017 budgetary allocation, the following Social Protection Programmes will continue:

1. The Poverty Benefit Scheme has been allocated \$23.2 million in the 2016-2017 Budget. This includes the monthly social welfare allowances with monthly food vouchers for our recipients. Currently 22,793 families are benefitting from this assistance, and this Scheme will also be reconfigured so that support is given to those who truly deserve and need it.
2. Welfare Graduation Programme complements the Poverty Benefit Scheme. The Government has increased the budget for the “Welfare to Workfare Programme” from \$500,000 to \$1 million in this year’s Budget. This, of course, will boost the livelihood opportunities for many families and individuals to acquire the skills and resources they need to venture into SMEs and graduate from the Poverty Benefit Scheme. To-date we have graduated a total of 522 welfare recipients from this Programme, and we look forward to doing this for many more families, to put them on a path towards self-sufficiency. We believe that this will allow them to enjoy a financial independent livelihood.
3. The Government has also strengthened the Social Pension Scheme which has been increased by \$1 million, from an existing \$13 million, this year’s Budget with an increase of \$14 million in the new financial year to cater for the new age eligibility, which has been reduced to 66 years and comes into effect as of 1st of this month.

Government has reformed the Social Pension Scheme and in this Scheme, Madam Speaker, senior citizens who have never received any form of superannuation in their lives will receive monthly allowance and of course, they have expressed gratitude to Government for this compassionate nature which honours them to age with dignity in return for their many years of hard work and sacrifice to build this nation.

Currently, Madam Speaker, we have 18,632 senior citizens who are benefitting from this Pension Scheme and we expect \$4,000 to benefit as the age decline this month. The disabled and the elderly aged 60 and above will also continue to receive bus fare subsidies which allow them the mobility that is part of that dignified life and the budget for bus fare subsidies, Madam Speaker, is set at \$150,000.

Madam Speaker, 57,904 individuals continue to be assisted through this initiative, with more to be covered next year. Once again, Madam Speaker, this demonstrates our compassion for our senior citizens and our desire to make the retirement years more fulfilling.

Madam Speaker, in the history of Fijian politics, this democratically elected government is the only government in the history of Fiji, to place children’s affairs at the top of national agenda, with a budgetary allocation of \$4.5 million. Of course, if you look at the allocation from the education sector, the allocation given to the education sector for the education of our children, is in addition to that.

Madam Speaker, \$1 million is for increased advocacy and community awareness on child protection programmes that my Ministry coordinates in partnership with UNICEF and other Non-Governmental Organisations. Apart from awareness programmes, Madam Speaker, the Ministry in partnership with the Medical Services Pacific will continue to operate the 24/7 National Child Helpline, which provides a responsive platform for our children, our parents, to seek free counselling and advice.

The Care and Protection Allowance Programme, Madam Speaker, assists children from low income families, single parent families, prisoner dependents, children living with disabilities and children under our residential care, will also be funded at a substantial level. This also includes monthly allowance with their food voucher. And for this programme, Madam Speaker, we have been given an increased allocation of \$300,000, the total allocation stands at \$3.5 million and this will allow to cater for 250 new recipients in the next financial year.

Madam Speaker, this also includes children who are cared for by family members or guardians and children in all our residential homes such as the Dilkusha Girls Home, Homes for Hope, *Lomani Au* Children's Home and Saint Meena's Home.

Madam Speaker, this Budget also caters for children living with disabilities and at the moment, this funding under the Care and Protection Allowance Programme enabled 3,398 children, including those in these residential homes to benefit.

Madam Speaker, further on, the Juvenile Rehabilitation and Development Centre is the only State owned facility to provide an enabling and caring environment for the rehabilitative care of juvenile offenders from around the country. Since its establishment in 1932, the centre has grown in the focus so that offenders continue with education and those who are technically inclined attend vocational training. There is an annual allocation of \$952,883 to cover the management, operations and capital works for this facility.

Madam Speaker, there are success stories to show that juvenile offenders have attained higher education and have been able to secure employment and business opportunities when leaving the centre. On the same token, some of the young boys have also been able to reunite with their families on union with love, care and better understanding by parents and guardians after leaving the centre.

Madam Speaker, the Ministry also manages the only girls' home, known as the "Pearly Gates Home" that caters for young girls who are victims of abuse. The rehabilitation in this facility provides a safe and a secure environment for them to be educated and also seeks psycho-social support. An annual allocation of \$150,000 allows the Ministry to outsource the holistic care and management of the centre.

Madam Speaker, pregnant women in rural areas will continue to receive assistance through the Food Voucher Programme to reduce cases of malnutrition and complications during pregnancy. \$500,000 has been allocated for this programme and currently we have 2,899 women have benefitted from this programme.

Madam Speaker, the 2016-2017 Budget allocates \$3.4 million for the advancement of the socioeconomic rights of women. This allocation will enable the Department of Women to implement Fiji's first National Gender Policy, which outlines the way forward in empowering our Fijian women and girls, and particularly those in rural communities by equipping them with the skills and education and opportunities they need to participate as equal members of the society.

Madam Speaker, the core principle of the National Gender Policy is based on the conviction that empowerment of women is not a simple policy choice. Rather, it is but essential for charting a progressive pathway for sustainable development. And as Minister responsible, I am sincerely committed with my team to ensure that we will reach out to women and equip them with skills and training to enable them so that they can evolve as successful leaders and entrepreneurs in their homes and communities, regardless of where they are or what situation they may be in now.

Madam Speaker, in recognition of the role that non-government organisations, faith-based organisations and civil-based organisations play in our communities, the Government has allocated \$150,000 to enable them to “advance the interests of women and girls around the country.”

Madam Speaker, eradicating domestic violence and abuse against women and children remains a key priority for the Ministry and our Fijian Government. We work very closely with the Fiji Police Force and other stakeholders like the UN Women and the Fiji Women’s Crisis Centre to fight this battle against violence. We also work with the Fiji Police Force to reinforce strategies for the implementation of the Domestic Violence Decree and the Child Welfare Decree.

To tackle violence against women and girls, a 24-hour domestic violence helpline, at a cost of \$170,000 is on the way and this will provide both emergency and non-emergency counsel and assistance to victims of such abuse. This helpline, Madam Speaker, will bring domestic violence out of the shadows and let women and girls and the society know that victims are not alone. It is a free call, Madam Speaker, and even a 10-year old girl can pick up the phone and get help and the protection she or her mother or a family needs.

Madam Speaker, we will also continue to fund the Women’s Plan of Action at \$1 million and the Fiji Women’s Federation at \$200,000. The Government, through the Ministry for Women Children and Poverty Alleviation, will promote equality and equity through national and community initiatives, including the following:

Service Delivery Protocol: This funding will allow us to carry out four divisional consultations and a national interactive session towards the development of the Service Delivery Protocol on the elimination of violence against women and children. This Service Delivery Protocol will ensure that there is a mainstreamed service for dealing with cases of gender-based violence, of course

Of course, Madam Speaker, we will continue with our Male Advocacy Programme and the funding for the Women’s Plan of Action will also allow continuous dissemination of information on the National Gender Policy and sessions will be undertaken with all Ministries in this regard to ensure that gender concerns are mainstreamed within all Government agencies.

Madam Speaker, this will also allow us to implement community of practice in implementing the National Gender Policies and strengthening our MOU that we have with the Fiji Police Force

Madam Speaker, the Women’s Plan of Action funding will also help in the development of women, human rights and gender based violence training for our Fiji Military. Fiji is a signatory to a number of international human rights instruments and has gone further to adopt their provisions and principles in the 2013 Constitution and subsequent legislation. It is therefore, imperative to build and strengthen capacities within our Military Force of the implementing agencies that are at the forefront of human relief for example, during times of disaster and emergency needs.

Madam Speaker, the Ministry, through the Department of Women, is working towards training the security forces, like I said, in particular the Military Forces, to understand and take into account the different needs of men and women when responding to disaster mitigation and to understand that gender-based violence is not a private matter.

We are also going to work with the Ministry of Health to gender mainstream training and Madam Speaker, the Ministry has undertaken a review of the Ministry of Health’s “Training Manual”, which contains important strategies to ensure the wider understanding of issues of gender and mainstreaming of gender into health agencies, hospitals and other facilities, and I would like to thank the Honourable Minister and Assistant Minister for Health for partnering with us, to make sure that we get this initiative rolling.

Madam Speaker, in providing advisory role to the Government, the Department of Women ensures that gender mainstreaming becomes a reality within all sectors of development. The Ministry not only empowers women with skills and training opportunities, but helps them develop lifelong skills and talents, and for that the National Women's Expo has once again been given a budget of \$500,000.

The National Women's Expo which was inaugurated in 2014 has grown larger and more important as years go by. It brings opportunities for rural women artisans to fine-tune their skills which is reflected in the creativity and quality of their products and market goods, and wins them greater recognition and more orders. Madam Speaker, for that, we are thankful to the Ministry of Industry, Trade and Tourism for partnering with us when we do trainings.

Madam Speaker, the First Government has also taken a bold step to mainstream disabilities into inclusive developments to ensure that persons with disabilities are given the same opportunities that any abled person gets to determine their own future.

Madam Speaker, we have a budget (probably the biggest budget) allocated to persons living with disabilities. It stands at \$1.6 million and which has been allocated to fund NGOs that support the disabled and help them operate a new Joint Centre in the growing Western Division. This, of course, would also enable them to buy a bus to make transportation easier for them to and from the Centre. Services for their empowerment will be within reach through this new infrastructure that is dedicated to uplift the lives of our citizens living with disability, and of course, strengthening their confidence and helping them realise their true potential.

Madam Speaker, for this Centre, we are very thankful to the Fiji Sugar Corporation for its cooperation and partnership with Government to help us establish this new Centre in the West. This is a major part of our efforts to begin extending services to people throughout Fiji, beginning in the West. Of course, the people in the Central already have a Centre, and we look forward to the Centre in the West which will allow people to have better access to public accommodations, including footpaths, toilets and public transportation.

Madam Speaker, the Ministry commends the amendment of the Land Transport Regulations which will require public buses to provide priority boarding and seating in the first five seats for the disabled, the elderly and expectant mothers. Madam Speaker, this clearly aligns to our 'Show You Care' Initiative that we launched last year in partnership with the Fiji Bus Operators Association to nurture the values of respect and courtesy for the senior citizens.

HON. SPEAKER.- Thank you, Honourable Minister.

HON. R.S. AKBAR.- Thank you, Madam Speaker.

HON. SPEAKER.- I now give the floor to the Honourable Prime Minister and Minister for *iTaukei* Affairs and Sugar Industry.

HON. J.V. BAINIMARAMA.- Madam Speaker, it is my pleasure to further this discussion of my Government's Budget for 2016-2017. It is a discussion that I as the Prime Minister welcome.

But before I talk about the numbers, Madam Speaker, I want to discuss my Government's Vision and priorities in the upcoming fiscal year because a strong national budget is far more than the allocations to the different ministries.

Madam Speaker, a strong national budget is the continuation of a Government's Blueprint for the future of the Fijian people. It is a statement that we believe in ourselves and in our ability to work together with all Fijians with the right resources. And it is a declaration of consistency, sound management and long term vision that everyday Fijians, investors and development partners need to see. And, this 2016-2017 Budget, Madam Speaker, is a very strong national budget.

Madam Speaker, as we continue the hard work of recovery from *TC Winston*, my Government believes it is vital that we keep our focus on the future, a future in which we build better, a future in which we are more resilient, and a future in which we are more affluent. We make hard decisions in all budgets. We always have to choose, but in this Budget, Madam Speaker, we have not asked the Fijian people to choose between recovering from *TC Winston* and remaining on a solid course for the future. We must do both, and we have done both. We have not asked the people to pay for repairs today in exchange for years of stagnant growth in the future.

HON. A. SAYED-KHAIYUM.- Hear, hear!

HON. J.V. BAINIMARAMA.- That would be a fool's choice.

We will not tell the people that if they want their schools to be repaired today, they will have to delay repairs of roads and jetties, the electrification of villages and extension of fresh water; that there must be delay in doctors' salaries or delay in securing and equipping our youth. That would be a breach of faith. We have not asked people to deviate from seven years of solid growth, which would only mean prolonging the suffering that *TC Winston* caused in February. That would be stupidity and a sign of no vision.

Our Government has a track record of consistency, Madam Speaker. We have set the course to improve the quality of Government. By the way, Madam Speaker, Honourable Professor Biman Prasad held up a piece of paper that was supposedly written by a former very senior civil servant, but he has not told the Honourable Members in this House and the public at large that that senior civil servant's contract was terminated because of poor performance. In fact, he was terminated because of very poor performance. As a Deputy Permanent Secretary, he never turned up to work on Mondays, so we had to monitor his performance and the lack of which, we had to terminate him. That was the credibility of Honourable Professor Biman Prasad's information.

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

(Chorus of interjections)

HON. J.V. BAINIMARAMA.- I apologise, Madam Speaker, but I have to highlight that.

As I have said, Madam Speaker, we have set a course to improve the quality of Government. We have made taxation fairer and more transparent. We have radically reformed education to make it more equal and provide more opportunities. We are steadily improving infrastructure after many years of neglect. We are working hard to raise up the poorest among us, by extending the social safety net for those who need it, and helping others start and expand small businesses. In short, Madam Speaker, we are investing, and the investors are responding.

Investors are looking for long-term consistency and for a mature approach to budgeting and economic policy, and that is why Fijians and non-Fijians alike are placing their bets on Fiji in near-record numbers today. Consistency builds confidence and confidence yields investment. Investment produces jobs and encourages people to create businesses.

Madam Speaker, while the Opposition picks away at an expenditure here and there, or questions why we have gone into a larger deficit when the answer is all around them in the destruction left by *TC Winston*, my advice to them is to find the big picture and look ahead. That is where my Government is looking, and we find that the international financial experts in both, the private sector and the major international financial institutions, all agree with us.

We were again reminded of the confidence the international community has placed in Fiji, only this past Friday, Madam Speaker, when Fiji hosted its first *Super Rugby* match between the Chiefs and the Crusaders.

HON. GOVERNMENT MEMBERS.- Hear, hear!

HON. J.V. BAINIMARAMA.- Fiji was the first Small Island State to ever do so, and anyone who attended that match or watched it on television can tell you how inspiring it was to watch such a high-level sporting event take place in Fiji.

That game showed the world that we have the facilities, capacity and passionate fan base to host international sporting events, and it was a big boost for our sports tourism industry. An industry that has enormous potential to provide jobs and revenue streams into our economy. Only one example of many of how our progress is being recognised and rewarded on the world stage. And another example of how targeted investment in such infrastructure is necessary and must continue.

Madam Speaker, such investments will always give very good returns and build our capacity as an economic powerhouse amongst the Pacific Island countries.

Madam Speaker, I believe that no nation can truly prosper if it leaves people behind when it grows, that is why we are helping *iTaukei* landowners to develop their own land, and as you know, Madam Speaker, and the Opposition that this is unprecedented.

This year, we have again allocated \$10 million to help the *iTaukei* develop their own land. Four projects, namely in Yadua – Nadroga; Wairabetia, Saweni and Vuda, - all in the Nadi-Lautoka corridor are already in place, and the fifth in Tamavua will soon commence in a very direct manner to assist *iTaukei* landowners to not simply be people who lease out vast tracks of land to others for development, but for they themselves to become developers and they themselves to lease the land with the assistance of Government. They will take the cream.

Madam Speaker, landowners will only realise the true potential of their asset base and achieve sustained economic growth for our country through innovative and inclusive initiatives by my Government which are practical, they are tangible, they are real and they are positive. Not through the fear, negativity and the absence of practical solutions, as demonstrated by previous governments and by those from the other side. Only this side of the other side, that is a positive side, Madam Speaker.

(Laughter)

Madam Speaker, as I have continuously said, growth cannot be limited to the urban areas. We have to look after people in the maritime and deep rural areas by making an extra effort to extend services to them, to develop the infrastructure that links them to other Fijians and the market, and to give them a boost to develop their own livelihoods. Unfortunately, NFP cannot understand this.

This focus continues in the Budget, Madam Speaker. We are an inclusive Government. Before the Budget announcement, we had undertaken an unprecedented amount of public consultations. We spoke with high school students, young people, business houses, disabled people and anyone who wanted to

contribute to the Budget. The level of participation and democratisation reached record heights. And, by the way, Madam Speaker, we are the first Government to seriously and comprehensively prioritise awareness and assistance for the disabled and protect women and children from violence - first Government.

All of this is, Madam Speaker, because we have a vision to modernise Fiji, a vision to empower all Fijians, a vision where the Government provides an enabling environment for individuals and businesses to do what they do best - to use their God-given intellect, their drive and energy, their savings and their assets, their skills and their talents to improve their lives. A Government is successful if it believes in its people, gives them a level playing field and creates an environment that gives them confidence.

As I have said, Madam Speaker, we have both the moral and practical obligation to provide a social and safety net for those who cannot participate equally, who are on the margins of society. We have increased social welfare benefits this year, as you have heard, and we have again reduced the pension age this time from 68 to 66. This is for people who have no forms of superannuation.

The Honourable Minister for Women, Children and Poverty Alleviation has already detailed this initiative and we are continuing subsidising electricity, free water and free medicine. All of these reforms are targeted, of course, so that they go to the needy - they are means tested.

Then, of course, we provide truly free education - and for the first time in Fiji's history. We also have enhanced our focus to practical learning through the establishment of 10 more technical colleges and increase the number of Toppers Scholarships which the Honourable Minister for Education will discuss later on.

Madam Speaker, a vision is not enough. Our Government also needs a sound game plan to help people in their own chances for prosperity. That requires strong, decisive leadership, Madam Speaker, - and that is what precisely what my Government has been giving Fiji, not some dictatorship that is being harped upon by the Honourable Leader of the Opposition for the last six months. On the contrary, Madam Speaker, the dictator is coming around the corner, unfortunately, we do not hear vision, leadership or a game plan from the other side of this Parliament.

Madam Speaker, sometimes your opponents will attack you by going for the jugular vein; but when it comes to this Budget, the Opposition has shown an instinct for the capillary forum.

(Laughter)

They complain about this expenditure or that without specifics and instead of focusing on the merits of the entire Budget, they do not, for example, even understand the distinction between independent bodies and departments and ministries. They make unfocussed, personalised, often nonsensical comments. It is a lot of rhetoric, unfortunately, not a lot of substance. And, Madam Speaker, the confusion and chaos in the Opposition has reached new heights in the past week or so.

So they attack us for the deficit, the very deficit that has been deemed prudent and wise by international experts. But, I ask them, how could any compassionate human being, any leader worth of his/her people do anything else? How could any true leader still keep faith with the Fijian people and serve them at the same time? Because that, Madam Speaker, is what I as Prime Minister and leader of FijiFirst, my Ministers and my FijiFirst team is here for. We are here to serve the Fijian people, all of the Fijian people, including them.

(Applause)

That, of course, is lost on the Opposition because they are more concerned right now about their individual political careers.

The fact is, Madam Speaker, the Opposition have been static and reactive, but we have been forward looking and have presented another forward-looking Budget. Here is a fact everyone can take home with them, including Honourable Prof. Biman Prasad:

(Laughter)

Madam Speaker, we spent 40 percent of the Budget on capital works and this has been consistent - I use that word again - consistent" practice of this Government. Before 2006, Madam Speaker, 35 per cent of the Budget covered operating costs. No substantive assets were being built. No real effort was made to give our fellow Fijians the means to lift themselves out of poverty and improve their lives. So year in, year out, 85 per cent of the Budget was spent and nothing much was left to show for it in the new fiscal year. There was also no tangible programmes to maintain State assets.

Madam Speaker, some people think it is enough to simply help poor people by giving Government alms. That does not solve the root problem. It may make them feel good but they are only treating the symptoms of poverty. My goal, Madam Speaker, is to end poverty in Fiji.

(Applause)

(Chorus of interjections)

HON. J.V. BAINIMARAMA.- You listen to the *talatala*.

That is one reason why we are today spending 60 percent to fund operations and 40 per cent on capital expenditures. We are building for the future and we are building to connect our people to each other, to services, to market and of course, this is a major reason why our debt management has now been hailed by international agencies, Madam Speaker. Contrary to the Honourable Leader of NFP who by the way continues to speak for SODELPA. The Opposition is rather dogmatically clinging on to another theory but, Madam Speaker, they want to do it on the backs of ordinary Fijians. I say this with no irony, because we know that it is the underprivileged, the ordinary Fijians, the marginalised Fijians who will bear the brunt of the kind of cut-backs they are talking about. We, of course, do not criticise for the sake of it. We, of course, do what is right for our country. We of course build for the future.

In the 2016-2017 Budget, my Government has again demonstrated its unwavering support to the 200,000 Fijians who depend on the sugarcane industry. We have taken the calls from the sugarcane industry seriously. We have more than doubled the allocations for sugarcane development and farmers assistance programme to \$11 million, in order to restore sugarcane farms to pre-cyclone and pre-drought levels of production and of course for the future.

The majority of rehabilitation funds will target the affected areas of Rakiraki, Tavua, Ba and parts of Lautoka. An area of 1,500 hectares has also been identified for assistance in Labasa. Funds will help restore sugarcane crops in these areas and provide a solid foundation for farmers to keep production growing and keep quality levels high.

This is not about short-term fixes either. We are putting the priority on a long game by emphasising improvements in the value chain, harvesting practices and cane delivery. We are promoting good husbandry on all farms and, in some cases, modifying farms to better accommodate mechanical harvesting and make manual farming more efficient.

Mechanisation will also help address the shortage of cane cutters in many regions, and we are following the Australian model for revamping cane harvesting and transportation systems - introducing mechanical harvesters that can service topography to keep the mechanisation process efficient and cost effective.

Madam Speaker, we have allocated \$3 million towards improving cane access roads so that farmers can safely and conveniently bring the sugarcane to the mills. Furthermore, the maintenance and upgrading of over 100 cane access roads is now the responsibility of the Fiji Roads Authority - affecting an estimated 679,710 tonnes of cane each year. A significant step in increasing the access of sugarcane farmers to mills and markets.

Madam Speaker, since 2009, my Government has contributed funds towards the purchase of fertilizer, covering \$14.09 of the cost of every 50 kilo bag, leaving \$31.50 to be covered by the farmer. As every farmer knows, sugarcane crops need adequate fertilizer to produce quality cane and maximise farm yields. We have continued our commitment to subsidising fertilizer in this Budget, and this year's allocation of \$9.7 million will go a long way in helping our farmers increase sugarcane production.

Madam Speaker, my Government has already stepped up to cover the additional costs of carting sugarcane from the Penang area to the Rarawai Mill and is set to rebuild the Penang area Mill to better suit the demands of the modern market.

We no longer operate in a sugar market, where the quality of the sugar is an afterthought. The sugar we produce has to meet the very high standards of the global buyers, or else it will not attract a premium price.

Fixing the Penang Mill to the same standard as before does not set-up our industry for long-term gains and prosperity. We are taking an approach that rebuilds and upgrades the Penang Mill to produce sugar that meets the requirements of global buyers, making our sugarcane industry more competitive - and that is going to take some time.

It would be easy to ignore commercial and market forces in the interest of political expediency. Instead, my Government is taking real steps to keep our sugarcane industry competitive. Steps that secure the long-term prosperity of Fiji's sugarcane farmers and keep our industry healthy and thriving. Steps that will prepare Fiji for the close of our preferential market access to Europe in 2017 and make us capable of embracing new opportunities.

Madam Speaker, in this Budget, the Office of the Prime Minister has received an allocation of \$17.6 million to support the Head of Government and the Cabinet in their work to recover Fiji from *TC Winston*, while also remaining focussed on shaping Fiji into a modern country on a sustainable path of development.

In 2016-2017, the Office of the Prime Minister is allocated \$9 million for the small and community grant scheme to support rural community projects. While these projects can be minor, they make a real difference to the ordinary Fijians who benefit from them. Whether it be water tanks, outboard motor engines, refurbishing of school buildings in isolated parts of Fiji, water or electric projects, help facility or a new access roads - these projects form the backbone of our efforts to eliminate disparities between rural and urban populations- the have and the have nots.

Madam Speaker, as I have mentioned earlier, education is the most effective tool a government can use to eradicate poverty. Through the Foundation of the Education of Needy children, the Office of the Prime Minister will provide children with the resources they need to complete their education and put them on course to contribute to the economy and improve their socioeconomic standing.

The Ministry of *iTaukei* Affairs is allocated \$11.5 million in the 2016-2017 Budget. The Ministry promotes *iTaukei* culture and heritage, guided by the Fijian Constitution which recognises and protects *iTaukei* ownership of land, the unique culture, customs, traditions and language.

I am pleased to inform Parliament that the digitisation of the *Vola ni Kawa Bula* Records was completed just this last Thursday. In total, 646,200 individuals have been digitised - 450,129 of which have yet to register their accounts with the iTLTB. We anticipate a full launch in December.

To protect and preserve *iTaukei* villages, the Ministry will continue to survey village boundaries. This involves the demarcation, surveying and registration of village boundaries, identification of land reserves for future use and supporting village relocation for disaster risk reduction.

The Ministry of *iTaukei* Affairs will of course continue its work with the Provincial Councils and the *iTaukei* Affairs Board on the respective allocations that have been made to these entities, including the Administrators. The Ministry will also in the new Budget year through the Special Revival Unit create better understanding of *iTaukei* customs and language in addition to encouraging the transfer of traditional knowledge to youths.

Madam Speaker, the Budget will help build Fiji back better than it was before without compromising the vision my Government has for the future prosperity and well-being of the Fijian people. It says that even after *TC Winston* we are stronger than before. This is a strong Budget, a fair Budget and an inclusive Budget with unprecedented levels of consultations. It is a bold statement to the world of where Fiji stands today, and where we intend to go. It builds further confidence by ensuring that my Government's economic philosophy and its implementation are maintained through fair, transparent and consistent policies and processes. It says, Madam Speaker, that through strong and decisive leadership, we Fijians can continue to reach for new heights. A strong and decisive leadership, Madam Speaker.

(Hon. Members interject)

HON. J.V. BAINIMARAMA.- Madam Speaker, I support the Budget of my Government to Parliament. *Vinaka vakalevu* and I thank you.

(Applause)

HON. SPEAKER.- I now give the floor to the Honourable Minister for Local Government, Housing and Environment, Infrastructure and Transport.

HON. P.B. KUMAR.- Thank you Madam Speaker, Honourable Prime Minister, Honourable Leader of the Opposition and Honourable Members of Parliament: I rise in support of the 2016-2017 National Budget as delivered by the Honourable Minister for Economy.

Madam Speaker, the FijiFirst Government is committed to redoubling its effort to get Fijians and our beloved Fiji back on its feet from the effects of the *Tropical Cyclone Winston* as reflected in the 2016-2017 Budget.

Madam Speaker, it is designed towards rebuilding Fiji, after the crisis that redefined natural disasters globally. This is a Budget which addresses our economic growth. It is also designed to rebuild Fiji. Fiji's future is being rebuilt in the face of adversity. This is a Budget bound to stand the test of time. It will rebuild our nation as we grow towards a stronger and resilient, new age economy.

At the outset, I wish to acknowledge and congratulate the Honourable Minister for Economy and his team for crunching the numbers and coming up with the people's first budget. It is a budget of many firsts in its journey. For the first time, we had direct consultations with high school students, the leaders of tomorrow and the disabled communities. For the first time, the Budget has been announced at night, live to people's homes over our free-to-air TV stations. Finally, Madam Speaker, it is the FijiFirst Budget.

The 2016-2017 Appropriation Bill 2016 is a strong economic plan, not just a simple budget. While looking after the overall economic health and growth of our nation and meet the needs of fellow Fijians. So, Madam Speaker, this is an all-inclusive Budget that creates and establishes opportunities for Fijians to make their own choices for their own good!

Madam Speaker, to me and my Ministries, this Budget is a clear pathway to sustainability and progress in all areas of our operation. In the words of the United Nations Secretary General Ban Ki-moon, I quote; "Sustainable development is the pathway to the future we want for all. It offers a framework to generate economic growth, achieve social justice... and strengthen governance."

Madam Speaker, it is an expression of confidence in our fiscal policies that we believe in all Fijians, and that together, we will punch well above our weight even during times of adversity. A point that both the Honourable Prime Minister and the Honourable Minister for Economy have made at several points over the past years.

Madam Speaker, in the interest of clarity, I will breakdown my address as they relate to the various sections under my Ministry.

Madam Speaker, the Department of Local Government is tasked to improve local governance. The key focus for the Department of Local Government ...

HON. OPPOSITION MEMBER.- (inaudible)

HON. P.B. KUMAR.- I will come to that.

...for the 2016-2017 financial year and beyond is to strengthen and modernise municipal operations, improve well-being programmes, strengthen the economic base in towns and cities, and take a lead role in making local communities more disaster resilient. This latter role is of critical importance given the lessons learnt from *TC Winston*.

Madam Speaker, I am delighted that this Government has considered some new initiatives for the Department to implement in order to improve the service delivery at the municipal level. Madam Speaker, \$116,000 has been allocated to cater for the declaration of Navua Town and the town management support.

Madam Speaker, drainage and flood mitigation is one area that our municipal councils face major challenges. An allocation of \$900,000 is given to assist municipal councils to upgrade drainage and creeks upkeep for all the 14 municipal councils (and not forgetting the new Navua Town). The poor drainage conditions have led to the increase in the flooding and storm water in town areas which needs to be upgraded to mitigate flood risks.

Madam Speaker, I would like to acknowledge the continued funding of \$4 million through the Challenge Fund. The funding has been useful to the department in assisting the small and medium municipal councils and their local communities in various identified areas, and brings immediate benefits in the facilities, services and amenities. The focus for this year will be on the rehabilitation of the infrastructure works and other new developments in municipal councils to strengthen their economic base in towns and cities.

Madam Speaker, I also acknowledge the continued support grant to the National Fire Authority in the provision of \$3.6 million in expanding the number of fire stations around the country and equipping them with the necessary tools to conduct operations.

Madam Speaker, as we all saw the extent of which *TC Winston* devastated our people, and apart from the damages, it also left a reinforced will for us to create resilient cities and towns. We will utilise the relevant allocations towards city and town planning that is inclusive of all stakeholders.

My Ministry, Madam Speaker, has embarked on fruitful discussions between landowning unit towards a more inclusive and empowering collaboration and partnership between Government and landowners in the new town developments proposed for Nabouwalu, Seaqaqa and Keiyasi.

(Hon. Member interjects)

HON. P.B. KUMAR.- You do not worry. Half of the time you are not here.

(Laughter)

HON. P.B. KUMAR.- Madam Speaker, whilst we strive to create new towns, it is equally important that we manage the existing ones, as highlighted in the Urban Policy Action Plan UPAP (2007). An allocation of \$500,000 has been allocated to implement the activities of the UPAP.

Madam Speaker, strongly embedded in this plan are plans for sustainable integrated urban, encouraging high risk density development and vertical growth. This includes residential, commercial and industrial areas, considering the infrastructure and transport provisions.

Madam Speaker, I now turn to the area of housing. As we are all aware, the 2013 Constitution requires Government to use its available resources to gradually ensure the right of every person to adequate housing. Madam Speaker, the allocation to housing will enable the whole housing sector to work effectively in the provisions of decent and affordable homes.

Madam Speaker, the Housing Authority (HA), the Public Rental Board (PRB), the Housing Assistance Relief Trust (HART) and the People's Community Network continue to play a critical role in meeting Government's objective. The focus on housing support to all Fijians has been and will increase towards the low and middle income segment of our people.

The various allocations are presented in the Budget at hand, will further the FijiFirst Government's commitment towards ensuring housing for all Fijians. This includes initiatives under the PRB for low to medium income earners, including the first ever rent to buy model being rolled out in 2016 to 2017.

Madam Speaker, in line with the Bill of Rights relating to housing and sanitation in the 2013 Constitution, and to control the growth of informal settlements, the Government had allocated \$2.13 million for the Squatter Settlement Upgrading Programme in the last two years. Under this Programme, my Ministry is currently undertaking seven squatter settlement upgrading projects, namely:

- Omkar to be completed in December 2016;
- Caubati in Nasinu;
- Cuvu in Sigatoka;
- Ledrusasa in Nadi;
- Sasawiira in Nausori;
- Namara in Labasa; and

- Nakama in Savusavu.

Further to this, Madam Speaker, Government has proposed another \$3 million in 2017 for the Town-Wide Informal Settlement Upgrading Programme along the Lami-Suva-Nausori corridor with the total of 1,200 residential lots to be subdivided.

Currently, four engineering consultants are preparing the Subdivision Scheme Plans for approving authorities' decision, and later prepare the Engineering Plans for roads, sewerage, water and electricity reticulation and drainage and residential allotments.

Madam Speaker, Government's assistance to first time home-owners began in 2015, and will continue under the current budget allocation to provide much needed incentive for the disadvantage ownership.

Madam Speaker, the Department of Environment is a key player in monitoring and implementing policies to ensure sustainable human and environment interactions. The Department plays a key role in determining such impacts at local and national levels. The allocation to the Department of Environment is crucial in maintaining standards and ensuring further sustainability.

Madam Speaker, I turn next to the Ministry of Infrastructure and Transport, who had been equally glad of the well-considered budget it has been allocated to deliver its services. Most importantly, my Ministry will work hard to provide critical infrastructure, such as roads, jetties, bridges and delivering of basic services such as water supply and electricity to the most needy amongst Fijians.

Madam Speaker, as outlined earlier in the interest of clarity, I will speak on the budget provision affecting three main sectors under this Ministry, namely; Transport, Water and Energy. The Honourable Assistant Minister will speak on the Maritime, Transport, Government Shipping Services, Department of Works and Meteorological Services.

Madam Speaker, Fiji Roads Authority (FRA) was established as an independent entity in 2013 and embarked on a programme to improve the state of the nation's roads. Fiji Roads Authority was allocated a total budget of \$527.2 million, with an increase of rural roads funding of \$56.9 million. This is good news to our rural communities as better road network means access to markets and developments.

Madam Speaker, with more importance on continuous betterment of rural roads to improve the livelihood of our rural communities, the Ministry also ensures on-going maintenance and regular replacement of existing roads, bridges and jetties to avoid these assets falling into dis-repair. In this regard I welcome the \$79.8 million for the maintenance programme of which \$38.2 million is allocated to upgrade and maintain bridges in both rural and urban areas and \$7.4 million allocated to renew and maintain jetties, maintenance and renewals.

Madam Speaker, there has been a lot said about FRA in the last session and this morning. Well anyone who wants to talk about FRA, first they should know the number of jetties, irish crossing, bridges that we have and the total kilometres of roads that we have in this country. I do not have to come to Parliament and tell people such as Honourable Prasad about the allocation.

HON. PROF. B.C. PRASAD.- Tell the people.

HON. P.B. KUMAR.- But this allocation is not going to be there year-in and year-out. Let us understand, this is the fact. There will come a time when this amount will be reduced because by then all the roads will be done in the country.

(Chorus of interjections)

HON. P.B. KUMAR.- It is so simple but I know where the problem is. It took me some time to know this problem and the problem is that they are having difficulty in understanding how this Minister for Economy can do all these things, because wherever they go and drink grog, people say, “Oh, we have very good roads now.” This is what they cannot digest, this is the problem that they are facing and this is the real problem.

(Chorus of interjections)

HON. P.B. KUMAR.- We will wait for 2018. We will wait for another four years and then another four years, do not worry, Honourable Prasad.

Madam Speaker, many of our bridges are weak as a result of overloading. This will be taken care of by the \$4.5 million allocated for urgent repair of nine high priority bridges.

Madam Speaker, \$500,000 is dedicated to the urgent upgrade of the Ellington Wharf. This is important, given the increased development and economic activities in the Western and Northern Divisions, where it is also becoming a major port of entry for people travelling to and from the North.

Madam Speaker, we are working on upgrading and maintaining our existing roads, jetties and bridges and building new and better ones to last longer. Let me repeat, “last longer”.

Madam Speaker, FRA has made significant improvements in our roading network. For example, since its inception in 2013, they have completed the construction of six new bridges, five jetties, including 190 meter Qarani Jetty opened by the Honourable Prime Minister in your village, improving transport access for many Fijians.

(Laughter)

So what really saddens me is that at one point in time, you were asking about Vatuwaqa Bridge, Rakiraki Bridge, this road and that road; then why are you asking for reduction on the FRA’s budget? What for?

(Chorus of interjections)

HON. P.B. KUMAR.- And this morning, during tea time, I was very happy to consider the Honourable Leader of the Opposition’s request about a particular road to be done because she was very polite.

HON. PROF. B.C. PRASAD.- You want people to bow down to you?

(Laughter)

HON. P.B. KUMAR.- Not like Honourable Prasad.

Madam Speaker, the Land Transport Authority (LTA) in its 2016 -2017 budget has been allocated a total of \$25.5 million, which comprises of \$19 million for operating expenses and \$6.5 million for capital expenditure.

Madam Speaker, \$780,000 has been allocated for the rebuilding of its Labasa Customer Service office, administration office and inspection site which was destroyed by fire in 2013. This is aimed to

enhance customer service delivery for the people in the North. Together with this new office, a new Fully Automated Motor Vehicle Inspection System (FAMVIS) will also be installed.

Madam Speaker, Government is making an all-out effort to improve road safety in Fiji. As a responsible Government, funding has been provided towards promoting safer roads across Fiji, that would see implementation and enhanced awareness campaigns and outreach programmes.

LTA will continue to strengthen its enforcement and compliance in areas of overloading, speeding and illegal operations. In this regard, \$1.4 million has been allocated for the installation of roadside weighbridges at certain locations to assist in the enforcement of overloaded vehicles, with the aim to reduce expenditure on road maintenance. Also, Madam Speaker, \$700,000 has also been allocated for the installation of red-light and speed cameras.

Madam Speaker, water is essential to our livelihood and I note and welcome the \$308.6 million allocated to the Water Authority of Fiji (WAF). In 2010, WAF took over responsibility for providing access to quality drinking water and waste water services to residential and non-residential metered holders. This is largely in urban areas and setting up water supply systems in rural areas.

As I had mentioned earlier, Madam Speaker, having access to basic services such as water supply and electricity has always been one of the top priorities of the FijiFirst Government and in particular for our rural communities who have been neglected by the past government for far too long. The importance of this is reflected in the 2016-2017 Budget. A sum of \$7.5 million has been allocated for the rural water programme. This is an important initiative and it will interest the House to know that the Department of Water and Sewerage has established 58 EPS systems in the rural areas, providing clean and safe water to numerous communities across Fiji since the project commenced in 2012.

Madam Speaker, \$18.4 million has been budgeted for Rural Electrification including the extension of the electricity grid. The Government also no longer requires community contribution for rural electrification and may I inform the House, that all those who have contributed in the past years, the Ministry is refunding their deposits.

HON. N. NAWAIKULA.- How many years back - 10 years?

HON. P.B. KUMAR.- It is worthwhile noting that since the election of this Government we have provided 5,750 solar home systems which has brought power to numerous communities. This has improved their quality of life as it provides energy for cooking, light for school children studying at night and other productive issues, but let me say, there has to be more work done in this area.

Madam Speaker, I am happy to inform the House that the Policy on Free Water will continue in the new financial year. It targets households with combined member income of \$30,000 and to-date, around 25,338 households have benefited from this policy.

To conclude, Madam Speaker, the 2016-2017 Budget is inclusive and it lays a platform to turn our economic direction towards hope, confidence and a better future for all.

Madam Speaker, I thank the Ministry for Economy for the budget allocation given to all these valuable work being undertaken by my Ministry as outlined in my address.

HON. SPEAKER.- Honourable Minister, I thank you.

HON. P.B. KUMAR.- Madam Speaker, Honourable Prime Minister, Honourable Leader of the Opposition and Honourable Members thank you.

(Applause)

HON. SPEAKER.- Thank you Honourable Members, we will now suspend Parliament as we break for lunch and we will begin again at 2 p.m.

The Parliament adjourned at 12:54 p.m.

The Parliament resumed at 2.04 p.m.

HON. SPEAKER.- Thank you Honourable Members, you may be seated.

We will resume from where we left off and I now call upon the Assistant Minister for Health and Medical Services to have the floor.

HON. V.K. BHATNAGAR.- Thank you. Madam Speaker, a very good afternoon to all Honourable Members of Parliament.

I stand before this august House, Madam Speaker, today to register my full support on the Budget for the new Financial Year - August 2016 to July 2017, that was announced by the Honourable Minister for Economy a week ago.

I am pleasantly positive that the majority of the House is in agreement with Government's plan, expressed comprehensively in the Budget Announcement, which encompasses prioritising financial recovery and rehabilitation from the detrimental effect of *Tropical Cyclone Winston*.

Obviously, the aftermath of the Category 5 Cyclone had enormously and greatly affected our beloved nation and it is our duty as a Government to make sure that our people are assisted back to normalcy as soon as possible in all spheres of their lives: socially, educationally, economically, physically, emotionally and spiritually. Our responses must be targeted especially to the vulnerable, who are mostly women and children.

The Budget 2016-2017 has wide ranging provisions in these directions which majority of the expenditure targeted for the children of this nation - their education and wellbeing, with also an increase for the Ministry of Women and Children and Poverty Alleviation.

Along the same principle, Madam Speaker, the Ministry of Health and Medical Services also received a new allocation for the Natural Disaster Management, to assist the Ministry in strengthening and improving its responses to disasters. Currently, the Ministry executes the HEADMAP (Health Emergency and Disaster Management Action Plan) as its guiding tool in disaster response and the provision in the new financial year Budget is a concrete step forward that will assist the Ministry in revisiting the HEADMAP with better plans for future responses, thus saving more lives, prevention of injuries and communicable diseases during and post disasters.

Madam Speaker, the Ministry had done remarkably well in our response, particularly, in the immediate post-cyclone phase of *TC Winston* in the swift deployment of medical teams to all affected areas, to facilitate attendance to emergencies and the implementation of preventative public health, which I am certain that with this new allocation, the Ministry will raise our responses to another level.

In addition, the Ministry for Health and Medical Services had also noted an increase in allocation in our Capital Construction allocation. This is a sure indication of Government's commitment to improving accessibility, efficiency and affordability of our health services, especially in the more densely populated areas such as the Central and the Western Divisions.

The Ministry is eager to see the completion of the new Makoi Birthing Unit, which will certainly ease the load of the CWM Hospital and Nausori Maternity Unit and at the same time provide timely service to our mothers and pregnant women along the Valelevu-Davuilevu corridor. Subsequently, the upgrade and expansion of the current Naulu Nursing Station to health centre level will indeed improve accessibility to improved health services to this fast growing population.

Furthermore, Madam Speaker, Government's commitment to improving existing health infrastructures is indicative in its consistent allocation to the new Ba Hospital, Rotuma and the upgrade of Keiyasi Health Centre to a sub-divisional hospital. This will definitely respond to the evolving population health needs and demands of these communities and will assist and empower them to achieve their full health potential.

The other notable increases in various allocations of the Health Budget will form a more sustainable basis for the pursuit of the Ministry's Vision of a 'Healthy Population', as we anticipate a stronger means to facilitate and administer quality clinical, public health, ongoing education, modern technology, upgraded medical equipment, drugs consumables and a well-trained and a quality workforce that will enhance advance health services which will undoubtedly yield good health outcomes and results that the people of Fiji deserve.

The support to health centres and nursing stations is greatly appreciated as this will allow for greater improvement of health service delivery at the level which caters for most of our rural and maritime dwellers.

All in all, the Budget provisions for the Ministry of Health and Medical Services will certainly assist the Ministry in executing Government's priorities for the Health Sector, which is the provision for efficient, quality, affordable health service to all Fijians and also empower Fijians to take full ownership of their health through better preventative, curative and rehabilitative health care.

We commend the Minister for Economy for the well-thought of Budget for the new financial year, 2016-2017, which has great potential towards improving and sustaining the livelihoods of all Fijians.

I commend the Budget to this Honourable House, Madam Speaker. *Vinaka vakalevu.*

HON. SPEAKER.- Thank you. I will now call upon the Honourable Mosese Bulitavu to have the floor.

HON. M.D. BULITAVU.- Thank you Madam Speaker. The 2016-2017 Budget is unbalanced, lack good ideas and filled with wrong priorities.

Madam Speaker, FRCA should publish in the media the different tariff lines tailored so that consumers and traders can understand the different types of duties attached to any product they buy or sell. Consumers were hoping that the 9 percent VAT on basic food items will be removed because most rural-dwellers affected by *Tropical Cyclone Winston* rely on these items. Consumers are more concerned on the high cost of living, increase in costs of goods and services and costs of doing business, given a host of direct and indirect taxes been introduced by Government since 2009.

Madam Speaker, spending on climate change spreads across several portfolios but funds are controlled by the Ministry of Economy. The Department of Environment should be upgraded as a Ministry to oversee the Green Growth Framework, RED+ and all climate change programmes. A Trust should be set-up, Madam Speaker, to manage all climate finance coming into the country rather than using the consolidated fund.

Madam Speaker, the slow implementation of previous budgets questions the ability to deliver the promises in this Budget. I am of the view that many Fijians will be left behind.

Madam Speaker, to give an example, the 2016 Budget allocated \$11 million for Bio-Medical Equipment for urban hospitals. In this Budget, it has allocated only \$5 million. This is a priority area because patients at our hospitals have been told that equipment are out of order.

During the Budget consultation, a question was asked on how Government plans to ensure that hospitals are fully equipped. The answer given was that staff and patients have allegedly walked away with items at the hospital. The issue was on how Government plans to ensure that hospitals are fully equipped and not on why items are missing from the hospitals.

Madam Speaker, the reality is, there are less machines. The current machines lack standard of quality from the very basic to life support equipment. Some are obsolete, some are out of order and spare parts have not been bought, although requests have been sent to the Ministry for Economy. Madam Speaker, it will be useless to build new hospitals, upgrade health centres or expand services when we cannot buy basic spare parts to maintain our machines.

The \$500,000 is allocated for bio-medical spare parts and maintenance, and given the new capital projects announced, the spare parts allocation is insufficient. This allocation must be increased to \$1 million.

Madam Speaker, people are dying because machines are out of order. Government is breaching the right to health in the Constitution.

Madam Speaker, \$3 million to extend the CWM Maternity Unit, however I do not see any allocation to extend the CWM Emergency Unit which could not handle the many emergency cases post-*Tropical Cyclone Winston*.

Madam Speaker, rural health centres tend to improvise because they do not have the standard equipment or medicine. Millions of dollars are wasted in expired medicines. Most of our health centres are recipients of expired or nearly expired drugs because of poor stock monitoring and inventory control management systems. What a waste of taxpayers' money?

Madam Speaker, the Police will receive a set of new vehicles under the Government's Leasing Vehicle Programme. While Government provides for all ministries spare parts and maintenance for pool of vehicles it owns, at the same time, it leases vehicles.

Some Government officials with a three or four year vehicle lease, but on the second year decide to request another vehicle. The first vehicle is not returned to the firm when the new vehicle arrives. The old vehicle changes to a private number plate and the Government official has two lease vehicles. On the other hand, some Government departments have more vehicles and few drivers.

I recommend that Government consider a policy to transfer vehicles or for those departments that have extra to the Police Force rather than leasing out a set of new vehicles.

On another note, duty should be lowered for vehicles such as Toyota Twin Cabs, Chevrolet, Mazda sold through Asco Motors, Vision Motors and Niranjans, because not all people prefer hybrid cars and why this brand of vehicle is only enjoyed by Government, while ordinary Fijians are dumped to buy Japanese second-hand vehicles.

Why make Fiji a dumping ground, Madam Speaker? A second hand Japanese hybrid brand car, bought for \$8,000 is sold for \$22,000 in Fiji. What is the Commerce Commission doing?

These second hand vehicles were on zero-duty and still car dealers' mark up their price. The price will further increase when duties are applied on 1st January 2017. In addition, ordinary Fijians buy this junks like a 2005 model, with only the gear box board warranted for only 3 months, mileage being tampered by car dealers at their bonded warehouse and they pay a high interest rate at Credit Corp or Merchant

Finance which is another \$3,000 or \$4,000 from the \$22,000 buying price. FDB rates are quite low at 4 percent but the process for approval, Madam Speaker, takes ages.

Madam Speaker, it will be useless for FRCA from August to publish prices at which vehicles landed in Fiji and the price at which they were sold, for all the companies to help consumers make their choice when duty will increase on 1st January, 2017, and of course the prices of new hybrids will be more than \$30,000. At this price, it will take an ordinary Fijian three to five years to save money to deposit, given the price will increase on second hand hybrid due to increase in duty.

Madam Speaker, I will now highlight some incoherent policy intent of the Budget. Let me begin with FNPF Cyclone Assistance Scheme. While the intent was to assist members post-cyclone but most of these monies were spent on retail goods, cigarettes, alcohol at nightclubs, liquor shops, black markets, airline industry for those who travel overseas, transportation, recharge cards, motor dealers to deposit a second-hand hybrid vehicle.

The effect of such policy defeats the policy intent behind the sin tax - 15 percent increase on cigarettes and alcohol, based on NCD prevention.

It will be hard to discourage people not to buy cigarettes and alcohol when they can afford to buy them. This becomes a tax trap. Similarly, an increase in the salaries for special constables and doctors also defeat the policy intent behind the sin Ttx. Likewise, it will be useless to increase the salaries for special constables and doctors if the duty on second-hand vehicles will increase from \$2,000 to \$6,500 in 2017.

Madam Speaker, new employees will not be able to buy vehicles or provide a deposit for the First Home Buyers Scheme. Madam Speaker, these are just some disjointed policy intent in the Budget which employs deceiving tactics to give money in people's pocket to spend and be taxed.

Republic of Fiji Military Forces (RFMF): Madam Speaker, the RFMF budget is \$96.4 million. While we recognise our high profile in peacekeeping, the benefits peacekeeping has brought to the nation have contributed to international stability and the RFMF needs to reduce the unnecessary expenses through some internal cost-cutting policies.

The Basic Recruit Course is given about \$460,000, which means more people will be employed and the budget expenditure will increase.

Madam Speaker, weighing this with the forced changes in Fijian peacekeeping Missions in Sinai, we do not need more basic recruitment but redirect the RFMF manpower towards an international human resource development, where our current soldiers are trained to have tertiary qualifications to secure jobs in the UN and in other international security firms. The cost of the Black Rock project and the allocation on rapid deployment to peacekeeping missions should be reviewed and rationalised, given MFO's decision, Madam Speaker.

Madam Speaker, we all await the launching of the Defence White Paper. It must recommend options for the RFMF to consider, whether the RFMF should be restructured and down-sized because a large portion of the budget goes to salaries and allowances, and preferably a move towards a linear and more effective military structure.

Madam Speaker, only through the Defence White Paper, the RFMF can consider cost-cutting policies on salaries/allowance of military personnel, weapons, equipment, operations and infrastructure. This will justify the allocation of \$7.5 million for the RFMF to upgrade military facilities and the procurement of specialised vehicles. The involvement of the Australian Army and New Zealand Army post-TC *Winston* was a positive sign.

Last week, the New Zealand Chief of Defence held talks with the RFMF to co-operate to tackle transnational crimes and climate-imposed environmental threats in the Pacific, which is a positive move. Given Fiji's foreign policies and trade partners, the RFMF must be vigilant on the global security challenges that face the region.

The RFMF should re-activate the Military Council to give policy directions to its constitutional role to ensure the security, defence and well-being of Fiji and all Fijians from the impacts of governments' foreign policies and relations. In addition, the Military Council must steer the RFMF to strengthen partnerships with the British, US, Israeli, Australia and New Zealand Military to secure arms, military hardware and to update the RFMF with strategic intelligence related to its present and prospective peacekeeping missions. These partnerships will secure necessary backup in the mission field, Madam Speaker. The RFMF must review some ties with non-aligned nations who vote against Israel at the UN General Assembly and the UN Security Council.

Fiji Police Forces (FPF): Madam Speaker, the FPF's budget is about \$131.7 million. I call on the Honourable Minister to conduct an inquiry into the *Operation Cavouraka*, and a report to be tabled immediately in Parliament, given the complaints by drug suspects that they were assaulted by the police and confessed to allegations because soldiers were armed during investigations.

Madam Speaker, taxpayers expect the police to conduct themselves fairly and to comply with the rights of arrested and detained persons in Section 13 of the 2013 Constitution. The police needs to comply with Section 30 (3) (d) of the Illicit Drugs Control Act, 2004, and I quote: "any suspect or accused person in relation to the seizure has had reasonable opportunity to have samples independently analysed." Police cannot burn *marijuana* plants at the crime site without court orders and because the burden will have to shift to the defence to prove otherwise.

In addition, many police stations in Fiji do not have separate cells for suspects and convicted persons. This breaches Section 13(1)(e) of the 2013 Constitution. Taxpayers call on the police, Madam Speaker, to comply with the Constitution.

Madam Speaker, last year, the police received 30 vehicles under Head 50, but under Head 20 Programme 1, there is another allocation for spare parts and maintenance and I wonder when the vehicle phase out process will be completed. If the police is purchasing vehicles, leasing vehicles from Head 50, purchasing spare parts and paying mechanics for maintenance, then some cost cutting policies must be implemented to reduce their budget.

Madam Speaker, last year, the Honourable Minister for Defence said that the police are just waiting for money to get a Quality Assurance Systems for the Forensic Bio and DNA Lab and the Analytical Forensic Chemistry Equipment, and he said that it will be purchased in the first quarter of 2016. These items re-appear in Head 20 Programme 1 Activity 1 SEG 9 of this year's Budget. Something is obviously wrong here, Madam Speaker, and I ask the Honourable Minister why was the delay or whether the Honourable Minister for Economy had delivered the money that was promised last year, Madam Speaker.

National Security Council: Madam Speaker, I support the allocation for the operation of the National Security Council, which is about \$611,000. The National Security Council is a new Unit altogether in providing intelligence role to Government. Fiji needs a well-coordinated intelligence machinery to counter the influence and infiltration of the Al-Qaeda in the country, given that in the past few years, Fijian nationals were reported to have been recruited by Al-Qaeda-related terrorists movements, Madam Speaker.

Fiji partners with non-aligned nations and under our Trade Policy Framework, as the hub of the Pacific, points to say that Nadi International Airport is a potential terrorist target. The Al-Qaeda network has links to organisations in Southeast Asia, such as Jemaah Islamiyah and Laskar Jihad. The marketing support to Fiji Airways under Head 50 with direct flights to Singapore as a connecting point to our trade markets in Asia can be an opportunity for terrorists groups, and is a threat to our national security.

The Bali bombing in 2000, shows the havoc that can be caused by a single attack on an international tourist destination. Fiji is a prime tourist destination for Australians and even tourists, who connect through the Fiji Airways direct flight from Singapore. Australian tourists holidaying in Fiji can be specific targets for terrorists, like the Bali bombing, Madam Speaker.

Madam Speaker, in regards to potential terrorist attack on international airports, like what we saw last week in Istanbul, the Nadi International Airport can easily face a similar attack in the form of a bombing within or close to the airport terminal, the placement of a bomb on a Fiji Airway aircraft, the hijacking of an aircraft bound to Fiji from Singapore, or the launching of a short-range missile by a terrorist near the perimeter of the airport or against an aircraft landing or taking off. In addition, can the Honourable Minister for Defence tell us and also give us assurance whether the recently installed screening machine can detect guns and explosives at our airports? The screen may be able to give an edge matching, but this system has failed in other international airports.

Madam Speaker, Fiji is vulnerable, not only as a target for international terrorism, but also as a transit point for terrorists organising an attack elsewhere in the region. These transiting terrorists will enjoy the removal of the 3 percent credit card levy and the no departure tax for visitors who stay for less than 72 hours. The terrorist attack targeted against our airline or tourism industry will have a devastating impact on our national economy.

Madam Speaker, Fiji is a target and our troops being taken hostage in Golan Heights in 2014, prove this, and I recommend that Government make this a priority and allocate \$3 million for the full setup of the National Security Council. Where do we get this money from? I will tell you where, from the \$9 million allocated for the Fiji International Golf Tournament in Head 50, SEG 10, Activity 10, Madam Speaker. That is priority – national security.

Madam Speaker, the Suva and Nadi Detention Centres are allocated \$125,000. In a recent presentation by the Ministry of Defence and the Police at the Standing Committee for Defence and Foreign Affairs meeting on the 1996 Hague Convention on the protection of children and parental responsibility, they confirmed that safe houses are not secure and there is no facility to cater for children who are victims of cross border situations. I recommend that Government make this a priority and allocate \$2 million to construct special facilities.

Madam Speaker, the \$17.1 million that is provided to support rehabilitation efforts for non-sugar sectors is not enough. The allocation largely benefits *iTaukei* farmers who contribute to coconut, *dalo* and *yaqona* industry and the Budget has not provided any assistance to provide rural *iTaukei* farmers with an alternative market to trade while they continue with rehabilitation, Madam Speaker. Government should have assisted coastal farmers with outboard motors and fishing gears to harvest from the sea and directly sell to seafood traders, who are to get tax incentives. The budget should have provided tax incentives for sawmills to help inland *iTaukei* farmers, log their timber to raise capital. These are idle assets. There is no allocation based on gender basis for rural women, *voivoi* and *kuta* farmers affected by *TC Winston*, who contribute through handicraft to the tourism market.

Madam Speaker, \$1.5 million has been allocated to the Northern Development Programme (NDP) while the rural farmers still cannot access funds because they cannot secure a lease for their loan at FDB.

Now, that the Credit Bureau has been removed, loan applications become more difficult and banks will charge higher interests, Madam Speaker.

Madam Speaker, to our MSMEs, what type of resilient business has been identified that will recover faster after a natural disaster? Where will businesses relocate? How about the resources they use to rely on and market security?

Madam Speaker, we do not need a National MSME Council chaired by the Honourable Prime Minister to give policy direction when stakeholders can sign Memorandum of Understanding. Providing policy direction should be left to the hands of senior policy makers, unless there is a political element in there to parade the Honourable Prime Minister around to hand out cheques.

Madam Speaker, the taxpayers will pay more, given the high Government expenditure and additional loans for *TC Winston Rehabilitation Programmes*. A mini budget was a better option in my view, this Budget is an attempt to appease the voters while debt is projected to be 47.9 percent of GDP in July 2016 and forecasted to increase to 50.4 percent on GDP in July 2017. Given the new loans of \$103.9 million from the ADB and other World Bank borrowings, this is a burden to our taxpayers. We must exercise caution in our decision to support the 2016 and 2017 Appropriation Budget and I wish to categorically state that I do not support this Budget in principle.

Madam Speaker, before I take my seat, given the response that was given this morning by the Honourable Prime Minister about his vision for the country, the consistency of this Government and the issues that we have raised from the Opposition that we disagree with some of the methods and ideas and wrong priorities of the Government, I call upon the FijiFirst Party Leader and the Honourable Prime Minister, Commodore Bainimarama to have a public debate on television with the SODELPA Party Leader Major-General Sitiveni Rabuka on the programmes for the benefit of our people anytime soon, Madam Speaker. Thank you very much.

(Applause)

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

HON. CDR. J.R. CAWAKI.- Madam Speaker, Honourable Prime Minister, Honourable Leader of the Opposition and Honourable Members of the House: please allow me to comment and congratulate the Honourable Minister for Economy for the 2016-2017 National Budget that he delivered on the 22nd June, 2016. I join my fellow colleagues in supporting the Budget. The Budget, Madam Speaker, is based on the theme of a "Broad Based Growth" and support the welfare of the disadvantaged.

I will briefly focus on the Ministry of Rural and Maritime Development and National Disaster Management while my Minister will speak in detail on our two Ministries.

Madam Speaker, the Ministry of Rural and Maritime Development and National Disaster Management is in full support of the Budget, more so on the emphasis that the Budget has placed on priority areas of focus which include Education, Health, Infrastructure Development and Public Utilities, Water and Sewerage, Energy and Electricity, Information, Communication and Technology, Agriculture, Fisheries, Forestry, Climate Change, Women and Children and Youth and Sports. These areas, Madam Speaker, complement the priorities on rural and maritime development that promote integration of Government policies, ensuring productive, progressive, safe and resilient communities in Fiji.

The Ministry of Rural and Maritime Development and National Disaster Management is mandated to manage and coordinate Government's effort in rural and maritime development programmes under the

Integrated Rural Development Framework and supports the Bill of Rights provisions as espoused in the 2013 Constitution.

Madam Speaker, the estimated expansion of the domestic economy by 4.2 percent in 2015 is commendable, indicating an improved overall confidence in the economy both by investors and consumers. The Ministry is budgeted with programmes for Self-Help Initiatives, Rural Housing Assistance, Non-Cane Farm Access Roads, Community Capacity Building Programmes, CBUL Subsidy Programmes for the renewal of agriculture leases of *iTaukei* land, Emergency Water Supplies Programme, allowances for our District Advisory Councils and a wide range of social, economic and administrative programmes under the Divisional Development Project allocation.

Madam Speaker, the intention of these programmes are to enable our rural and maritime communities to become resilient, while at the same time, empower them through allowing them to take ownership of the development planning process through a bottom up approach.

Madam Speaker, to allow members of the public and rural communities to access Government services through cost effective means, the Ministry will again be hosting four road shows in 2016-2017.

Madam Speaker, Fiji is susceptible to high intensity cyclones such as the Category Five *Tropical Cyclone Winston* that hit us in February this year. To accelerate immediate response to any disaster, \$1 million has been set aside for Disaster Relief Rehabilitation Fund and \$2 million for the Disaster Risk and Climate Change Adaptation.

Madam Speaker, the Ministry's 2016-2017 Budget represents about 0.88 percent of the total Government Budget. However, this does not reflect totally Government's commitment to rural and maritime development, as funding for sectoral development programmes have been allocated to respective line Ministries, Departments and agencies.

Madam Speaker, the Ministry is content with a slice of budget we have been allocated and we will continue to build, we will continue to strengthen and we will continue in enhancing the resilience and growth of our rural and maritime communities.

On that note, Madam Speaker, I commend the 2016-2017 National Budget for the endorsement of this august House. Madam Speaker and Honourable Members of the House, I thank you for your indulgence, *vinakwa*.

(Applause)

HON. SPEAKER.- Thank you. I now call upon the Honourable Mohammed Dean to have the floor.

HON. M.M.A. DEAN.- Thank you, Madam Speaker. The Honourable Prime Minister, Honourable Ministers, Honourable Leader of the Opposition and Members of Parliament, a very good afternoon to you all. I rise to give my contribution to the 2016-2017 Appropriation Bill. I essentially support the Bill as a whole, with the prime focus on the budget allocation towards Special Education and the Rights of Persons with Disabilities. Madam Speaker, normally the word "special" is attributed to people who need special attention in education because after all, they are very special people in our nation.

The Fiji Government has just ratified the UN Convention on the Rights of Persons with Disabilities and the Bill is currently in the process of scrutiny and finalisation by the Standing Committee on Social Affairs. Trust me, Madam Speaker, by being part of this Committee, we have come to realise the serious need to divulge, increase funds and resources to Special Education and also to people with disabilities

because the work that is being carried out by the institutions which deal with Special Education and Disabilities are simply marvellous.

It is noteworthy and pleasing to also say that the budget enhances the lives of people with disabilities, who have been given very special priority, thus the increase in the 2016-2017 Appropriation Bill. It takes a leader who has compassion and a good heart to make decisions as such for the special people of our nation and I applaud the Honourable Prime Minister for having that compassion and the heart to give back to the people, who rightfully deserve to be recognised in our nation.

Funding has been provided to implement the Rights of Persons with Disabilities Bill which I have mentioned earlier is currently before Parliament. Madam Speaker, it is pleasing to also note that the Government has allocated funds to cater for a Disability Centre in Lautoka, to serve as a meeting place and this funding also caters for the increase in salaries of teachers paid by registered Special Schools. From my experience in the education sector, Madam Speaker, this incentive has been long overdue and I acknowledge the Government of the day for this initiative.

Madam Speaker, investing in special education and giving initiatives to the people with disabilities is a step towards positive progressive realisation that we all need to realise and fill in our hearts. People with disabilities who live in our nation do not desire much from what we have learnt from them. All they need, Madam Speaker, are equal opportunities and the rights which are available and accessible to every citizen in our nation.

Madam Speaker, it is also pleasing to note that the Government, led by our great Prime Minister, is moving towards this positive progressive realisation and incentives have been created to accommodate people with disabilities to enjoy their lives, to enjoy their way of life, as enjoyed by any other citizen of our nation.

The Government is encouraging employment opportunities for people with disabilities through the extension of employment taxation scheme, by including the provision of employment of disabled people for a period of three years.

Finally, Madam Speaker, the Government's incentive to increase funding in investing in special education and allowing more opportunities for people with disabilities reflect the commitment to realise how special and important people are to us.

The 2016-2017 National Budget allocation reflects this commitment and I stand to support the Budget. Thank you, Madam Speaker.

(Applause)

HON. SPEAKER.- I now call upon the Honourable Assistant Minister for Youth and Sports to have the floor.

HON. I. DELANA.- Madam Speaker, the Honourable Prime Minister and Honourable Members of Parliament, ladies and gentlemen: I rise to add my support to the motion before the House and also congratulate the Honourable Minister for Economy for a comprehensive and realistic 2016-2017 Budget which responds to the needs of the people. This Budget again displays and fully espouses Government's ongoing commitment towards youth and sports development; fully embracing the vast impact these two thematic areas continue to make in the lives of ordinary Fijians, their families and communities.

Madam Speaker, this Budget maintains spending in the important areas identified. I am certain that this Budget will continue to boost national sporting activities and awareness and create a broader base for sports participation and interest amongst Fijians. It will also undoubtedly promotes sports as a realistic

and effective tool to promote healthy living. It will sustain the development of sports facilities and increase Fiji's chances of hosting more international sanctioned sporting tournaments.

Madam Speaker, today, I stand proud of Government's support, which enabled us to host the Super Rugby match between the *Chiefs* and *Crusaders* last Friday. Fiji is the first of any small developing island State to do so, joining Japan, Singapore and England in hosting *Super Rugby*.

Last Friday's event proved to the *Super Rugby* franchises and to the world that we can host international tournaments of such magnitude. It also displayed our resolve and passion towards sport, particularly rugby. Fijians from all walks of life braved the famous Suva weather last Friday to watch a world-class display of rugby between two great sides. We could not have asked for more. And I would like to echo our Prime Minister in inviting any *Super Rugby* franchise to bring their home match here next year.

Madam Speaker, through this Budget, I believe the Fiji Sports Council and the Fiji National Sports Commission, in collaboration with the Ministry of Youth and Sports, will dedicate its investment and provide an impetus towards holistic sports development in Fiji. It will also harness Fiji's participation in international sporting events and increase every Fijian sportsman's and woman's chances of pursuing professional sporting careers. It will certainly expedite new opportunities, which will affect greater returns for Government and the Fijian economy.

Madam Speaker, the Ministry for Youth and Sports' core responsibility is to play a lead role in the overall development of young Fijians, in addition to sports. Government embraces youth development as our young people are Fiji's most precious asset. Fiji's bright future depends on our ability to provide the necessary support and interventions today.

Government, through the Ministry of Youth and Sports, will continue to provide programmes and activities that nurture every young Fijian to grow in mind, body and spirit. This budgetary allocation is targeted at developing young people's skills, values and attitudes that they need to have productive lives and contribute fully to the development of our nation.

Madam Speaker, the Honourable Minister and I have travelled extensively around Fiji as we emphasise to young people that Government is serious about their development. We promote to every young person the efforts, messages and commitment of Government that they too can and must be instruments of economic development and nation building. Through this Budget, we will create more awareness and promote our programmes, training, institution and activities to build the capabilities and skills of young people.

Madam Speaker, the Ministry of Youth and Sports upholds equality and inclusion. We strive to be a provider of equal opportunities of both men and women. More importantly, we also provide opportunities for the disabled or youths with special needs. As we move forward, we will also be ensuring that our training centres and other venues we use are fully accessible to persons with disabilities, which in all instances will require structural adaptations to the construction.

In 2015, our Youth Training Centre in Nasau enrolled students with special needs in our basic agriculture programme. This year we again enrolled another trainee with special needs in the same programme. This particular trainee, Madam Speaker, was one of Fiji's silver medallist at the 2015 Los Angeles Special Olympic World Games. This is testament of Government's commitment to inclusion and promoting equal opportunities for all Fijians.

Through this project, the Ministry of Youth and Sports and its stakeholders will provide youths with opportunities and tools to make a change. In addition, we wish to provide help targeted at their development so that they can contribute towards helping themselves and not rely on Government all the time. Despite the obstacles young people will still face, we believe that the Ministry will fulfil its national

responsibility to seize the opportunity provided to us and contribute to making a positive impact on the lives of young people.

We will continue to support young people to become effective and successful future leaders, policy makers, movers and shakers in society and the world. It will empower the Ministry to meet and network with young people from various parts of Fiji, as well as foster stronger network and tools to address the common problems they encounter as we are aware that young people can become not only partners in the changed process but also facilitators.

Madam Speaker, I therefore, support the motion before the House. *Vinaka Vakalevu.*

(Applause)

HON. SPEAKER.- I now call upon the Honourable Jiosefa Dulakiverata to have the floor.

HON. J. DULAKIVERATA.- Thank you, Madam Speaker. Honourable Prime Minister, Honourable Leader of the Opposition and Honourable Members of Parliament: Madam Speaker, I rise to respond to the 2016-2017 National Budget, as presented to this august House on 23rd June, 2016 by the Honourable Minister for Economy.

Madam Speaker, the sudden change in the Ministerial assignment from the Ministry of Finance to the Ministry of Economy has created a lot of confusion amongst civil servants and the general public. I find it difficult to understand, Madam Speaker, the reason behind the change if the role remains the same.

The Budget, Madam Speaker, is structured into four categories, namely: General Administration; Social Services; Economic Services; and Infrastructure.

Finance comes under General Administration, whereas Economic Services includes Ministry of Agriculture, Ministry of Lands and Mineral Resources, Ministry of Industry, Trade and Tourism, Ministry of Sugar, Ministry of Public Enterprises and the Ministry for Local Government, Housing and Environment. This change in policy, Madam Speaker, requires a change in the structure of Ministerial responsibilities.

The Budget, Madam Speaker, is Government's plan on how it is going to use public resources to meet public needs. It is a strategic document that realises the vision of our nation. It should provide the roadmap of where we want to be.

Madam Speaker in the absence of the Plan, the Strategic Plan or the National Development Plan, from where the Budget should be drawn from, I struggle to find the basis of the 2016-2017 Budget.

The Budget Supplement, Madam Speaker, says "the 2nd round of public consultations on the National Development Plan will be conducted in July 2016." This is, Madam Speaker, is a case of putting the cart before the horse.

Madam Speaker, I reiterate my response to the 2015-2016 National Budget of 6th November, 2015 that the Budget should portray transparency, accountability, trust, consistency and credibility to win the confidence and trust of the people.

In the Budget speech, the Honourable Minister mentions that the Budget speech would be on the Government's *Facebook*, Website, et cetera. But how many members of the public, Madam Speaker, have access to those facilities? The poor people do not have those access. Only in yesterday's *Sunday Sun*, Madam Speaker, that a report was published. This is also almost two weeks after the Budget Address. This is a diversion from the old practice, where the Budgets are published in the local newspapers.

Madam Speaker, the International Budget Partnership (IBP) in its 2015 Report rated Fiji at 15/100 on the Open Budget Index Transparency Score, the world's only independent comparative measure of central government budget.

The IBP's findings on Fiji revealed scant provision of budget information for its citizens, its weakness in providing support opportunities to engage the public in the Budget process. Its budget oversight by legislature is non-existent, and its pending publications of auditors report.

Based on the above, Fiji scores 0/4 with 31 other countries across the three pillars of budget accountability, transparency (15/100), participation (10/100), and two measures have comprise oversight - by Legislature (0/100) and by Auditor (25/100).

Comprehensive and timely information on budget allows citizens to participate in decision-making, strengthens oversight and improve policy choices. Our rating speaks volume of the restrictive access to budget information, therefore, creating opportunities to hide unpopular, wasteful and corrupt spending, ultimately reducing the resources available to fight poverty.

Madam Speaker, Government has made a historic decision by changing our financial year. Ensuring spending of taxes within the financial year would make the books look rosy. Accountants would refer to it as "window dressing or cosmetic accounting". To avoid disruptions and inefficiencies by changing fiscal year is not enough when the inefficiencies could be systemic in nature. It would not be solved merely by changing the fiscal year.

Madam Speaker, we should develop stronger and tighter financial and economic policies to address such disasters. This could mean that whenever there is another catastrophic disaster similar to *TC Winston*, we will once again change our financial year.

Madam Speaker, I would like to comment on the Ministry of Lands and Mineral Resources. The Ministry is allocated \$31 million in the 2016-2017 Budget. The Ministry is made up of two Departments - the Department of Lands and the Mineral Resources Department.

The Department of Lands is responsible for the efficient and effective management of all State lands in Fiji. The State owns 4 percent of the total land in Fiji, and most of the Government stations are allocated on *iTaukei* land. All those land have to be surveyed and issued with registered leases. The Department is allocated \$0.43 million for this exercise. It is unclear whether the Department has the skills, manpower and capacity to complete this work, as there has been a shortage of registered surveyors in the Department.

The Department should have succession training programme to ensure that there will always be qualified technical staff to facilitate the Department's work programme. A sum of \$0.3 million is allocated for the survey of mahogany plantations. Without the availability of qualified surveyors, this exercise, Madam Speaker, would also be impossible to complete.

That is not all, Madam Speaker, all the land acquired by the Government for public purposes should all be surveyed and probably transferred to the Government. This is very important so as to keep very clear records of land purchased by Government, also the balance of land on the title that it was acquired from. This is also important, Madam Speaker, because Section 28 of the Constitution says that any *iTaukei* land acquired for public purposes, if all was required for the purpose it was acquired for should be returned to the owners. Therefore, Madam Speaker, it is imperative that proper records should be in place to facilitate all these transfers.

The Department needs more budgetary allocation for the development and enhancement of the Geographical Information System (GIS). This should form the basis for all other GIS systems required for national development. This programme, if well-co-ordinated would facilitate and reduce costs for large national development programmes.

The allocation of \$0.7 million for the maintenance of existing subdivisions for the upgrade and improvement of infrastructure and public utilities could be better utilised in other areas with more urgent needs. This is the responsibility of the Municipal Councils.

The allocation of \$0.25 million is greatly welcomed, Madam Speaker, for the ongoing renovation of the Mineral Resources Department's laboratory, but it is not adequate. With the growing mining industry, we need to develop the laboratory to build our database for the mineral deposits in the country. We need to develop our own independent data rather than depending on overseas agencies.

On the Civil Service Reform, Madam Speaker, the Public Service Commission Reforms have been conducted haphazardly and is a failure. Whilst Government may have saved cost financially, it has increased the social cost. Most of the former PSC staff had served the Government loyally for years and had their services terminated as a result of the reform. Most of them had many years of service left, but could not find alternative employment. Some had lost their homes, families split up, and suffered from mental stress.

It is obvious that the Civil Service Reform does not have a Framework, as my colleague the Honourable Salote Radrodro had persistently asked in this august House on many occasions, but remain futile.

On Budget control, Madam Speaker, the Budget reflects centralised control of funds and does not reflect the devolution of powers to ministerial management of resources as outlined in the 2013 Constitution.

The Minister for Economy should divest allocations and funds that support the functions of Ministries to their respective Heads. Permanent Secretaries should manage these funds instead of going through the Minister for Economy.

Head 50 - Miscellaneous, Madam Speaker, has a total of \$416 million under its allocation, which is approximately 8.68 percent of total expenditure. This Head is controlled by the Minister for Economy, in addition to other Heads that he controls. For good accounting practices, this should be better classified and recorded under respective functions. Furthermore, having so many items under Head 50 allows a lot of discretionary powers which tantamount to abuse and corrupt practices. The Minister for Economy should be focussing more on monitoring the Budget.

HON. A. SAYED-KHAIYUM – Inaudible.

HON. J. DULAKIVERATA.- On Public Sector Reform, Madam Speaker, this is not reflected in the Budget. This could mean a missed opportunity to reorganise, corporatise or privatise some public entities for 2016 and 2017. However, there is a \$250 million revenue for the sale and disposal of assets. This is a significant sum and there is no details provided on what assets would be sold to explain the ambiguity.

In the 2015-2016 Budget, a sum of \$188.2 million was to be received from the sale of Government assets. There is no record of this revenue in the Budget. The privatisation of State Owned Enterprises plays a key role in the development and growth of the capital markets, and be considered in the South

Pacific Stock Exchange. The sale of Government assets should not be done merely to balance the Budget, but to also develop the capital market.

On Fiji Roads Authority (FRA), Madam Speaker, roads seem to have the highest allocation on capital development. The FRA has a total allocation of over \$510 million, which is approximately 35 percent of the total capital expenditure. This high spending on capital projects, Madam Speaker, will reduce the resources available for other spending. Government's financing of infrastructure development with borrowed funds will crowd-out the private sector, thereby reducing private investment in the economy.

Roads and transportation are very essential to the general public. There is a different relationship between national economic prosperity and kilometres of paved roads, however, there is a lack of transport facilities at least for the poor in the rural areas. It would be in the interest of our citizens that Government explains the rationale behind the persistent apathy of successive massive budget of more than \$500 million. How it will address the issues of deplorable roads despite their avowed interest in lifting the lifestyle of the majority of our citizens.

It will also be in the interest of our people, Madam Speaker, to note how the improved roads, either through construction, expansion, rehabilitation or proper maintenance, affect the development of the economy particularly the rural sector.

Ribbon cutting ceremonies, marking the opening of such investment projects present splendid photo opportunities, while the very act of cutting the ribbon seems to identify the shear-wielding politician as a contributor to economic growth. This can be exaggerated. These ceremonies are Government's attempts to earn undeserved popularity to hold on to power by increasing expenditure and investment in unproductive ventures or in items that could be better handled by the private sector, thus misallocating resources that could impede growth rather than improving it. The issue of playing politics with the lives of the people, Madam Speaker, and corrupt practices is possible as poor maintenance culture and expenditure on the roads become visible.

Agriculture Sector: Madam Speaker, agricultural expenditure is one of the most important government instruments for promoting economic growth and alleviating poverty in rural areas of developing countries. The Budget allocation for the Ministry is \$74 million. It was expected that agriculture would get more allocation.

Madam Speaker, non-sugar agriculture's contribution to GDP average 3.9 percent and continues to increase by 4 percent on an annual basis, however, that is not the case. Additionally, majority of the poor living in rural areas depend on agriculture for their livelihood. *Yaqona* has the potential to contribute to the field of medical science, whilst *dalo* has potential to contribute to the international market to a million dollar industry. Our international competitors may be strategizing, if not already, to maximise on these lucrative products in Trade Agreements.

With the recent devastation effect of *Cyclone Winston*, sustainable agricultural development is imperative for recovery regarding Food Security and generally in their quest for development.

Madam Speaker, I uphold the allocation earmarked for the agricultural sector and others identified for assistance under the *TC Winston* Rehabilitation Project. For dairy farmers, this continues to be a challenge. They have ongoing issues like mill gate prices, high feed cost, animals and TB issues which has plagued the sector. Because of these challenges, Madam Speaker, many of these farmers are turning away from dairy farming and moving to engage in other forms of farming. Government may need to conduct a performance audit for the Rewa Dairy Co-operative Reform.

Youth: Madam Speaker, youth is a significant area of neglect. Our youth consists of 40 percent of the total population and unemployment rate is at 8 percent. The Government has decreased the voting age to 18 years, yet the budget does not reflect this significant area of development, leaving our young people's existence as that merely of a 'social group', vulnerable to political manipulation.

The Government needs to provide economic environment to attract investors to setup businesses in Fiji and create jobs for our youths. The Government should also, Madam Speaker, setup a National Sports Academy to train our youths for sports development. With the abundant talents that we have, we can feed all the professional rugby clubs around the world. This sport is now a big source of employment for your youths. This will benefit the Government with the increase in remittances, Madam Speaker.

Climate Change: Madam Speaker, one would think climate change would be highly considered in the Budget, considering the recent devastation caused by *Tropical Cyclone Winston*. It cannot be underestimated. Government to-date has not provided this House with the total cost of damage. It again relied on the Post Disaster Needs Assessment Report compiled by the World Bank which claimed \$2.8 billion. Our Government does not have its own costing to avoid reliance on donor partner's estimation unless we are begging support for funding assistance.

To conclude, Madam Speaker, programmes need to be assessed and funded, based on their efficiency to yield greater economic and social returns. This Budget demonstrates inefficient and ineffective funding of programmes without considering strategic priority areas, thus depriving our citizens of social and economic dues.

Some of the social policies implemented by Government had been in existence for a number of years and should be reviewed to reflect new strategic priorities of Government. If Government's objective is to reduce income disparity, then the distribution of budget allocation should reflect a significant increase where it is needed the most.

Madam Speaker, in view of the above, I do not support this Budget. Thank you.

(Applause)

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

HON. L. EDEN.- Thank you, Madam Speaker. The Honourable Prime Minister and Honourable Members, I too rise today to express my support for the Bill before this House. I thank the Attorney-General and Minister for Economy and his team for a very well, thought-out, inclusive economic plan.

Our aim, Madam Speaker, is to see a Fiji filled with jobs, booming businesses, prosperous professionals, zero discrimination and zero poverty.

We want a more resilient Fiji, energised by the task of building stronger foundations of economy and an environment that will shield us from natural disasters. Our Government is functioning effectively, assisting Fijians to live and work in dignity even in the aftermath of a deadly catastrophe like the one we all just came through.

Madam Speaker, a key focus for our Government has been home ownership across the Social Housing Sector in Fiji. This focus on housing support for all Fijians will increase towards the lower income segment of our people. As in the past, our Government proposes to continue assisting this segment through partnering on several initiatives.

Madam Speaker, this Budget will ensure that 260 Fijians will have their dream of owning land or a house or both realised in this coming year. A further 106 Fijians will be supported through our First Home Buyers Programme and over 410 low income earning Fijians will begin to benefit through affordable housing lots in Matavolivoli this year and will be eligible to build their homes soon after that.

Madam Speaker, \$0.5 million has been allocated to assist approximately 50 financially disadvantaged Housing Authority customers who have paid 1.5 times their home loans. The people assisted through these programmes are retirees or those who are physically challenged on medical grounds.

Madam Speaker, our Ministry is in the process of emulating a specialised housing model that will catalyse home ownership among the lower income segments of Fiji. A rent to buy model is being piloted wherein Public Rental Board (PRB) tenants can allocate part of their rental payments towards home ownership. In the last two years, the PRB was allocated \$8 million, for the provision of affordable rental housing units for low-income earners below the \$10,400 threshold. Out of this, a \$2 million rental subsidy grant has assisted nearly 2,000 PRB tenants. The remaining \$6 million housing construction grant further assisted 84 families. In addition to this, \$1 million rental subsidy grant will assist financially disadvantaged rental customers throughout the 24 housing estates in the country.

Madam Speaker, our Government is allocated \$5 million to the Informal Settlement Upgrading Programme in the last two years. These upgrading projects are at different stages in the Programme and they are expected to provide fully serviced, residential lots with leases issued to over 350 eligible sitting tenants.

Madam Speaker, the Government allocated \$10 million for assistance to first-time home owners in 2015 and this is planned to continue into 2016 and 2017. To-date, this programme has assisted 653 families. Likewise, the much needed emergency assistance of \$.5 million for house fire victims will also continue into 2016 and 2017.

Now to Environment, Madam Speaker. This year, we finalised designs for the construction of stage two of the Naboro Landfill. With the capital allocation of \$3.7 million, we are ready to begin construction of stage two in 2016. Once fully developed, stage two will be able to increase the life span of the landfill by another seven years of waste to be stored at Naboro. We are also in the final stages of design for waste transfer station to service municipal councils in the central division and construction works will begin in 2016 and continue through next year with the capital grant of \$.5 million.

The proposed waste transfer station in Laqere will assist municipal councils to maximise their collection services, eliminating the need to travel long distances to Naboro, an element of waste management, Madam Speaker, that has hindered the effectiveness of councils to make towns and cities cleaner, healthier and more resilient.

Madam Speaker, this Budget is a culmination of extensive consultation and wide consideration. A Budget that will rebuild our nation and give us a resilient future. A Budget intends to unite us all, sharing our resources, our skills, building a stronger Fiji and developing an inclusive economy for generations to come.

Madam Speaker, Honourable Members, I thank you for your time and reiterate that I fully support this all inclusive Budget. *Vinaka*.

(Applause)

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

HON. V.R. GAVOKA.- Madam Speaker, Honourable Prime Minister, Honourable Leader of the Opposition, Honourable Ministers and fellow Parliamentarians.: I rise today to contribute to the dialogue on the Budget and let me start, Madam Speaker, by introducing a metaphorical idiom into the debate, which is known as the `elephant in the house.` We have it in this House, we have it everywhere; whether it is *Fijifirst* or with us in any sphere or any area in Fiji we have this elephant in the house.

What it means Madam Speaker, is a risk or a problem that people refuse to accept, refuse to discuss or totally ignore.

In November 1988, Madam Speaker, after the *coup* in 1987, the Heads of Governments in the Commonwealth got together to try and redraft Fiji's Constitution. Prime Minister Lee Kuan Yew, a good friend of Fiji and Ratu Sir Kamisese Mara who helped Fiji trained our Air Traffic controllers and all that, had this to say:

“The Constitution will not resolve anything. It is the disparity of earning power between the native Fijians and everyone else that is causing the problem in Fiji. You fix that, you fix the problems. “

That Madam Speaker, is the elephant in the house. The disparity in earning power between the native Fijians and everyone else. And, Madam Speaker, when I heard over the last few days about revolution (the Honourable Prime Minister talks about revolution and all these people talk about revolution), I was hoping that this Budget would be revolutionary. But Madam Speaker, it is same old, same old. There is nothing in there that addresses this .pressing problem about disparity in earning power. If you do not address it, Madam Speaker, it will continue to be the elephant in house and it will continue to bring division and ultimately grief in our country.

Madam Speaker, let me make some specific recommendations that we all can take going forward. Immediately, the *iTaukei* need money in their pockets.. Madam Speaker, let me be specific.

Firstly, let us introduce a *Qoliqoli* Tax to replace the environmental tax that we charged today. By the *qoliqoli* tax, instead of six percent, make it eight percent. On tourism alone, Madam Speaker, that was \$1.5 billion last year, eight percent would be \$120 million immediately.

Now, Madam Speaker, how we are going to use that money? Distribute it to the 14 provinces to prop up all the provincial companies we have in this country: Yatu Lau Company, Nadroga/Navosa Corporation; Ba Holdings; Lomaiviti Holdings, et cetera. Imagine, Madam Speaker, over a period of 10 years with this kind of capital injected into these companies, you are talking about \$1.5 billion. If you remember, Fijian Holdings started off with \$20 million, today is more than half a billion dollars in assets. Imagine what it will do to Fijian companies over a 10 year period, when they stand tall amongst the leaders and leading companies in this country and we can really, say we are doing something about this elephant in the room.

Madam Speaker, *qoliqoli* as you know has always been a painful topic for us. It led to the *coup* in 2006 and the way we are today with the Military, with Constitution 131(2), they can move in any time if any government in the future wishes is to address the *qoliqoli* issue, the Military can say `you are disrupting the lives of people in Fiji and will be legitimate then to remove a government, as opposed to 2006`.

Madam Speaker, the *qoliqoli* was given back to us by Queen Victoria more than 100 years ago and it is ours. The New Zealand natives are reaping hundreds of millions of dollars from their *qoliqoli* and they have set up huge companies. They are now running into billions.

The first people of Australia have been given by the Australian Government thousands of kilometres of coastline as part of their traditional ownership of the *qoliqoli*. In Fiji, we continue to cry out

for it and nothing happens. And, Madam Speaker, this is not healthy for this country and I believe we do not want the *iTaukei* to see the resentments; to feel that this huge injustice to continue. Let us do this. Without returning, without going through the destructive issues that will come up later, let us do this *qoliqoli* tax, let us put money into the *iTaukei* companies.

HON. GOVT MEMBER.- Too many taxes!

HON. V.R. GAVOKA.- Madam Speaker, I am not talking about a new tax, it is only replacing an existing tax with this tax.

HON. A. SAYED-KHAIYUM.- But an increase?

HON. V.R. GAVOKA.- It is not an increase, Madam Speaker. We are talking about a 25 percent tax on tourism (I will come to that). It is 10 percent on VAT, 8 percent on *qoliqoli* tax and 7 percent is for the service tax.

(Hon. Member interjects)

HON. V.R. GAVOKA.- Madam Speaker, service tax is paid to hotel workers in Japan, Korea, Hong Kong, Thailand, Philippines, Indonesia, Singapore, Sri Lanka and the Maldives and I may have missed others. They get 10 percent service charge. We tried to bring it in this House, last year, it was thrown out by *Fijifirst*.

Madam Speaker, in terms of putting more money into hands of the indigenous people, 70 percent of our workers in the hotel industry are *iTaukei* 7 percent of \$1.5 billion is \$115 million, \$73 million should go to the *iTaukei* workers to build their homes, to improve their lives.

Madam Speaker, why am I talking about this? Please remember that; NLTB or TLTB now in total in any year only pay us about \$67 million or \$68 million, less than \$70 million. With these two taxes, which is within what we already have, the *iTaukei* will make about \$180 million or \$190 million. It is the same tax, Madam Speaker.

Within tourism, there is a rate plus 25 percent. All we are trying to do is within the 25, give some to VAT, give some to the *qoliqoli* and give some to the workers of this country. That is specifically what can happen right away to put money into the *iTaukei*'s pockets. And going further, the Government leased the land from the pine landowners and develop its pine. Madam Speaker, it is time to return that land to the natives or to the owners and let them develop it themselves. Let them grow pine the way we grow sugar. Let them set up their own institutions like we do for FSC, the Growers Council, sharing of proceeds, support from Government.

Madam Speaker, when you see mountains and hills that are barren and unproductive, it makes you wonder what you can do to make them economical, turn it into wealth for our people. Madam Speaker, pine is an answer to that, give it back to the landowners.

Likewise mahogany, it was leased from the landowners, here today, it is time we give it back to them. Let them own it. Let them have partnership with the millers and with people to develop their own mahogany.

There is sandalwood, Madam Speaker. Sandalwood can grow on any terrain on the coastline in Fiji. I would ask Government, in the way we support other aspects of agriculture, let us also support sandalwood.

Madam Speaker, we are talking about trees because what we have here is that, less than 20 percent of the land in Fiji is arable, and that land will be shared between the *iTaukei* and his neighbours. When you say that Fijians own 90 percent of the land, 70 per cent of that is hills, ravines, valleys and mountains, but those can be developed in this manner with pine, mahogany and sandalwood in the coastal areas to grow their wealth. I suppose, Madam Speaker, we tend to focus too much on the arable part of the land and it is costing us a lot of division.

Madam Speaker; the lease proceeds, we should give more land to the cane farmers and I would support a 50 year lease but 6 percent of UCV should be paid by the farmer and 6 percent should be by Government under a scheme called CBUL. So, immediately, we tell our landowners; "Give your land, you will double your lease." This, Madam Speaker, is a way to immediately put serious money into the pockets of our *iTaukei*.

Madam Speaker, these are serious issues. I am very revolutionary, but as the Honourable Prime Minister in his speech today said; "We make hard decisions." It is time to make hard decisions, Madam Speaker. You cannot continue to have this elephant in the room. You cannot have to have this disparity in income between the *iTaukei* and everyone else. It is something that we need to address right now, and I believe with a political will, it can be done. It is something that we cannot delay or something you cannot push back into the future.

Madam Speaker, there is a great opportunity with FSC. There is now a scheme to revive the sugar industry through a Joint Venture (JV). We saw examples of it in Macuata, it is a great scheme. Six *Mataqali* in Ra have it, Madam Speaker, and a lot of indigenous people who used to farm, will want to get into a JV with FSC, but the cost is being borne by FSC alone. Government should step into the arrangement and help this JV take off. It is a wonderful initiative and I applaud FSC for this JV thing that they have come up with, and I believe it is the answer to the employment of our youth to earn income. From the West, we know about sugarcane farming, those in Macuata know about it, but it is a matter of just getting the youth to embrace this and the JV is a way forward, Madam Speaker.

Madam Speaker, going back to the 50 year lease, what is happening today in the sugar industry is this, a cycle of farmers are now ending. I am part of the Standing Committee on Economic Affairs and when we visited them in Macuata and in the West, in many cases, the farmer is now in his 60s and 70s. When we asked him; "So what?" He says; "No one is going to work my farm now." We asked; "Where are your children?" He replied they are all educated, they are doctors and lawyers. So, Madam Speaker, on the one side, ALTA, Lord Denning and sugar, has been very successful for many farmers. The downside is that, they have lost the hands that could have tilled the land to keep it going. So, really, Madam Speaker, the approach is to go to the young people today, create another cycle and say to them; "You can grow your farm here and your children will be doctors, professors, et cetera, but what they need is security of land. I believe with goodwill, we can bring a 50 year lease to them, but based on a doubling of its proceeds for the landowners.

Madam Speaker, on agriculture, we need the support structure to make it work. A lot of our people live on the land today in villages. I admire the enthusiasm by the Honourable Minister for Agriculture and the clarity in which he brings in issues but I always remind him that we need a support system.

Madam Speaker, sugar has 38 sectors and in each of those sectors is an overseer, farm managers and other advisors. Anyone in that sector can go to this office to get support. That is what agriculture should have. I always talked about this, that we need support systems within agriculture.

Today, Madam Speaker, in the Hills of Navosa in Keiyasi, we have set-up a collection centre between the Provincial Council, an NGO, Government and a commercial farmer. What he will do is, he will collect all his produce in Keiyasi from the 8,000 farmers around the area, and then he will market

them. He will show them how to farm, and will tell them what to farm. This is what we need to do, a support system like that in the interior. Unfortunately, Madam Speaker, my people up there have resorted to growing illegal crops of which they are getting a lot of grief. However, this is the kind of things that we need to do, to set-up in every part of Fiji, a support system to help our people farm commercially.

What will happen here, Madam Speaker, is that farmers in those areas will now have contracts with the company. Imagine people who used to farm at subsistence level, they will now have a contract which they can take to the bank. They can get financing for their homes, they can buy whatever they want because they have a contract. These are the kinds of approach that is there, that we are doing up in the hills of Navosa. It can be emulated anywhere in Fiji. The Honourable Minister is aware of this, we are grateful for his assistance but this is the kind of support system and structure that we need to set up in Fiji to put more money in the pockets of the *iTaukei*.

Madam Speaker, there will always be people who will say; “Awh, there goes Bill again. He is being racist again.” No, no, Madam Speaker! I am not being racist. What it is, Madam Speaker, is this, the *iTaukei* people makes up the biggest part of the population and if that population is poor, the cost to this country in terms of social, political and economic costs is going to be huge. It is for this reason that we need to address this.

New Zealand is doing it, they are now identifying that the future is with the Maoris and the Islanders, and they have programmes specifically for them. It is called positive discrimination and we are not talking about discrimination, but what we are talking about, Madam Speaker, is that it is something that we must do. If you do not do it, the future will not be as bright as the way FijiFirst is portraying it to be.

Madam Speaker, the minerals in the hills of Nadroga/Navosa and Ba, they have identified about 50 mineral deposits. We must go in aggressively to explore that, put the infrastructure in place in the highlands. These are things that we need to do right now. These are the programmes that we need to do, Madam Speaker, to confront this elephant in the room that has been here for quite some time. That is on economy, Madam Speaker, but let me go on to other areas of the Budget.

Madam Speaker, rugby is the sport that unites us all. We have a comparative advantage in this, we play well and it is sad that Nadroga and Tailevu played a major match in a district school. People here are from FRU, we know each other, the number two or number three limiting factor in rugby are grounds.

Madam Speaker, put \$0.25 million yearly into 20 grounds in Fiji like Naluwai, Nasau or wherever and we grow our rugby when people play in good rugby fields, better than, Madam Speaker, spending \$30 million for overseas people to come and play golf at Natadola; \$30 million could have created grounds of quality on which our boys could play in.

Madam Speaker, if I could just touch on taxation, why is our corporate tax 20 percent? Madam Speaker, Papua New Guinea, 30 percent; Australia, 30 percent, New Zealand, 28 percent, why is Fiji 20 percent when Fiji needs the revenue, why are we sitting at 20 percent? We must have a fiscal review committee to look into this taxation.

Lastly Madam Speaker, my good buddy the Minister for Health, I think we need a hospital in Nasinu. That corridor is growing at a rate that we are finding difficult to cope with, let us build a major hospital there. No more health centres, it has to be a huge major hospital for that area. While I am at it, Honourable Minister, during the December/January school holidays, can you make sure that people in Koromumu in Sigatoka know how to carry out circumcision because our boys go through this ritual around that period and last year, quite a few of them had to go back two times. So, please can you just make sure that the people in Sigatoka know how to do it and do it well. Madam Speaker, that is my contribution.

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

HON. S.D. KARAVAKI.- The Honourable Madam Speaker, Honourable Prime Minister, Honourable Leader of the Opposition, Honourable Cabinet Members and Members of Parliament: I rise to give my contribution to the Budget before the House.

I tried to examine the Budget, Madam Speaker, what I was really looking for, whether there is a platform of justice in this Budget. I need not point a finger at anyone, as long as there is justice, it is alright. I would like to start, Madam Speaker, from a statement extracted from the prayer of Solomon the King. It goes like this, Madam Speaker:

“The higher the position a man occupies, the greater the responsibility that he has to bear, the wider will be the influence that he exerts and the greater his need of dependence on God. Ever should he remember that with the call to work comes with the call to walk circumspectly before his fellow men. He is to stand before God in the attitude of a learner. Position does not give holiness of character.”

The reason why I brought this, Madam Speaker, because when we give a budget for a nation, we are exactly doing what the Government is saying that no one must be left behind, but if there is injustice, a lot of people will be left behind. As long as there is justice, everyone in the nation including those who have come to this nation and invest in it, to live and enjoy the scenery and the prestige of this nation can also enjoy.

Madam Speaker, in examining that I am not quite certain of where this Budget stands because in some places you can see a budget that is self-serving and some aspects of it is very emotional in the way it is portrayed. For that aspect, Madam Speaker, I would only think about a tourist who would like to visit Fiji, in making his or her booking at that point would know and understand what kind of activities he or she would be experiencing in Fiji. Because if one comes from the US, Madam Speaker, en routing to Savusavu, he would at that point see that the cost of transport from Nadi to Savusavu is very expensive; it is almost like travelling from Fiji to Australia.

This is the kind of arrangement that the Government should look at, Madam Speaker, because if he or she comes to Nadi, wants to travel up to Savusavu and would like to travel on the ATR, he or she would not be able to fly directly to Savusavu.

HON. GOVERNMENT MEMBER.- The ATR can't land on Savusavu.

HON. S.D. KARAVAKI.- Because I see in this Budget, Madam Speaker, there is not even an allocation to extend the runway in Savusavu; so sad, take it to the sea.

(Inaudible interjection)

HON. S.D. KARAVAKI.- Take it to the sea.

Madam Speaker, this is very sad because while we go and try to comfort the people in Savusavu that we are going to do this and do that, no action has been taken or any positive steps taken. But instead, Madam Speaker, the tourists would fly up to Labasa and come from Labasa by taxi to Savusavu. Right now as I speak, Madam Speaker, tourist providers in Savusavu are even thinking, if not selling, probably they have already sold their facilities in Savusavu because of this.

HON. GOVERNMENT MEMBER.- Facts and figures.

HON. S.D. KARAVAKI.- Anyone can go and check on the facts that I am talking about. The cost of transport from Nadi to Labasa and taxi from Labasa to Savusavu. People are not going there now and that is why the tourist providers over there are thinking of leaving the industry. They have been providing for years and no assistance has been forthcoming.

I hope, Madam Speaker, that the Government would now take positive steps to extend the runway into the sea. That would be the way because if not, this is why they are not going because of the expensive cost of being transported to Savusavu, but instead they are spending their time when they are in Fiji in Nadi.

All the costs, Madam Speaker, in the Budget now will be going to the road that comes from Nadi Airport to Denarau. Why is it being concentrated over there? I ask, Madam Speaker, why are the activities being concentrated over there? Because if you do not leave anyone behind, you have to see everything around you and not for the benefit of a few investors or a few business people. No, Madam Speaker, not for the benefit of a few business people. We have to provide a budget to assist everyone, Madam Speaker.

The Government has its policy of encouraging outside investors to invest in Fiji to buy freehold land. There is a lot of freehold land in Savusavu, a lot of people from Savusavu here know it. A lot of people are coming from outside to actually purchase blocks of land in Savusavu and again we have a policy in Government that you must build within two years. These people have spent their lifetime income and savings to even come and buy the land and then forced to build within two years, Madam Speaker. If they build within two years, Madam Speaker, they are going to look for money for their house because this is why they have chosen to retire because they like this country, this nation. And what is actually happening, Madam Speaker, is, if they do not build within two years, they are going to be imposed with fines to the extent of perhaps \$250,000 a year. You see, Madam Speaker, this is the dilemma that they are facing. They have been invited to come to this nation and they believe this is a peaceful nation and this is where the world should be.

(Laughter)

The whole interest of the world is based on this small nation. You do not find peace anywhere else in the world, you find it in Fiji.

(Inaudible)

HON. S.D. KARAVAKI.- This is why, Madam Speaker, I am saying this, but instead of that, you see what is happening now, because these investors cannot build within two years and they have been fined with this heavy penalty, Madam Speaker,

HON. A. SAYED-KHAIYUM.- No one has been fined.

HON. S.D. KARAVAKI.- They are trying to sell their land and because they cannot sell it to other visitors, other investors from outside because they have learnt of the cumbersome process of the unjust stigma that they would receive over here, they are wanting to sell to locals at a very cheap price, even at a loss, Madam Speaker. You know what would happen in this case, the Government itself will lose out because they would not be paying CGT because they are selling at a loss then these people are not making any profit out of it.

Madam Speaker, you see this is what is happening here in Fiji and it must change, because this is day light robbery, looks like you are bringing people from overseas to come and invest here, they come here and if you do not do what I want you to do I will kick you out and I take your property or your investment here in Fiji.

This is unjust, this is what I am talking about. If anything that is grant based on this Budget, it is unjust, it is unjust to the very basic of it and the whole nation will suffer as a result. Madam Speaker, in the Health Service, I believe I do not know whether the Honourable Prime Minister has visited this place in Natuvu or he is just about to go there - our own Prime Minister.

(Laughter)

I was surprised, Madam Speaker, to visit Natuvu last week and I was also surprised that a great number of people who flocked to this place, many people and the crowd was massive. And I was wondering, what is happening over here, people all over Fiji come to this place?

HON. S.V. RADRODRO.- Service is free.

HON. S.D. KARAVAKI.- That was what I was told that the medical service provided over there is at the top of the range of the medical service because it is provided by specialists who come in from the US to provide medical services over there.

I was sitting there, Madam Speaker, because I also went there for treatment and I asked, Madam Speaker, what was the cost, and I was told it is free. I was amazed that people like that in other parts of the world who come to Fiji and care so much about the Fijian people. You know what I was told, Madam Speaker, one of those who had started the initial discussion of the setting up of the Hospital, when he came, he was part of a filming shooting industry and he saw the beautiful scenery on the reefs and when he looked at us, some of us, when we smile, we do not very bright teeth, some of the teeth are deficient. Madam Speaker, this is your area of expertise.

(Laughter)

And this particular person, Madam Speaker, decided “ I have to go and find some people who can help because it is such a beautiful place, such beautiful people and we have to help them” and that is why the setting up of that hospital in Natuvu. It is strange to me, unfortunately, Madam Speaker, I found out that their power is being provided from diesel generators. There is no subsidy and nothing from the Government. The citizens of this country, all over Fiji go there for free quality medical services.

I understand from Honourable Nawaikula that they have the hydropower system in his village in Natuvu, Natuvu is not very far from there. I wonder why is it that the power from there has not been extended over to Natuvu? That would be a great assistance from the Government to do that and to subsidise also the cost of running that place because they are helping the people of this nation with quality medical services given free. Madam Speaker and I plead with this Government to please look into that, I believe the Honourable Prime Minister will be visiting there soon and he will fix all the problems over there.

(Laughter)

Thank you, Honourable Prime Minister.

Madam Speaker, I was not very happy to look at the Budget, especially from the Ministry for Works and also when I read in the paper and also saw in the TV that the Honourable Prime Minister opening the jetty in Gau. And I thought to myself, why not Lakeba?

(Laughter)

Madam Speaker, I thought to myself why not Lakeba? Because this is why, Madam Speaker, if I am correct, the Honourable Minister for Forest would know that Lakeba has the biggest pine forest in Fiji now and I stand corrected on that.

Last year in the Budget, there was \$250,000 provided for training of those that will work in the harvesting and the timber mill over there. This year again, nothing, Madam Speaker. There is no continuity

because the pine forest over there is long overdue for harvesting. The biggest problem over there is the facility, the landing ground for transporting of pine, logs and timbers from Lakeba to Viti Levu. I only think about the economy as what the economy would be like given the Government assistance to assist. I was hoping that the Budget this year will have the money to set up or to put up a jetty over there, maybe longer than the one in Gau, Madam Speaker, because I believe where it has been decided to put the jetty, it will be quite long also but is a very beautiful place and very calm sea.

Even if that is done, Madam Speaker, I would imagine only the biggest economic contribution would come from the harvesting of the pine forest in Lakeba. That would be good for everyone and also be good for the whole of Lau Group, it will be shared equally to all the island in the Lau Group, Madam Speaker. I think that could become a central part of operation and delivery of service in the Lau Group.

As I have said before, Madam Speaker I would like to congratulate the Government for helping out with the Tamavua village to develop their land. Unfortunately, Madam Speaker, and I believe that could be extended. The development belongs to a company that is set up by some members of the village. That is fine, Madam Speaker, because it is a beautiful place and it could be used for a purpose that will generate income and also for people to be provided with very quality accommodation.

In addition to that, Madam Speaker, we all know that the Fiji Water Authority as I speak now has no headquarters. The administration of Fiji Water Authority is scattered everywhere because the place of their operation that their headquarters before as we all know that it still standing up there in Naikava, but they are not using it because of the defects or probably what has been discussed to now it has not been dissolved yet. But, Madam Speaker, this is the opportunity for this Government to also help the people of Tamavua. They have the land up there, can we assist them also just like what the past governments had done; to assist them in building a multi-storey building over there. to become the headquarters of Fiji Water Authority because that is the central place of their operation up there in Tamavua. It is on their land and the biggest contribution that the Government could do, Madam Speaker, is to assist that, facilitate for the building of a multi-storey building that would become the headquarters of the Fiji Water Authority and the whole people of Tamavua village would benefit from it and I believe, Madam Speaker, that the Government would have no doubt about that. They want to say “yes”, we will do it.

(Laughter)

Thank you, Madam Speaker, I stand to state my reservations and what I am looking forward to then this Budget could become a better one. Thank you, Madam Speaker.

(Applause)

HON. SPEAKER.- Thank you, Honourable Members, we will now suspend sitting because we have refreshments served and I would also like to remind all Honourable Members that dinner will also be served. So we suspend to have afternoon tea and we will return at 4.00 p.m. Thank you.

The Parliament is now adjourned.

The Parliament adjourned at 3.47 p.m.

The Parliament resumed at 4.05 p.m.

HON. SPEAKER.- We will continue from where we left off, and I now call on the Honourable Leader of the Opposition to have the floor.

HON. RO T.V.KEPA.- Madam Speaker, I rise to contribute to the Budget debate on the 2016–2017 Appropriation Bill, 2016.

Madam Speaker, my contribution today will focus on two areas, that is, the observations on the 2015-2016 Budget and now the 2016-2017 Budget appropriation process and debate, merits and demerits of the proposed 2016-2017 debates.

Madam Speaker, Chapter 7 of the 2013 Constitution provides the framework on how Government revenue should be generated and the guidelines on the processes that those revenues should be utilised for the intended purposes of Government.

The 2013 Constitution, Madam Speaker, is the supreme law of our country that provides the framework for the conduct of government and all Fijians. Therefore, I call on the Auditor-General's Office for an independent commission to carry out compliance audit on the provisions under Chapter 7 of the Constitution, and to report back to Parliament in the November Parliament Sittings on its findings.

Madam Speaker, the theme of the 2015 Budget is; "Turning Promises into Deeds", which was to be expected, given that we had just completed the General Elections, where the FijiFirst Government had to deliver its Election promises. Following that, the theme for the 2016 Appropriation Bill; "The Future: A Strong Fiji, a Fair Fiji, a Healthy Fiji" by the FijiFirst Government was presented to Parliament in November, 2015. Although, Madam Speaker, major changes took place during that period, Government benches were allocated only five minutes to deliver their Budget responses, as they have been given also in this Budget response, but there was no resistance as they all knew the consequences of expressing any opposing views. However, the Members of the Opposition maintained their original time allocation.

Madam Speaker, only two months into the 2016 financial year, *TC Winston* ravaged Fiji and Government had barely collected donated revenue from taxes and duties that would have resulted from the implementation of the new taxation regime. Madam Speaker, there were very strong calls from the Members of the Opposition for the recalling of Parliament and discussion to focus on a mini budget that would cater for the national disaster Fiji was facing but, unfortunately, that fell on deaf ears. Still, Madam Speaker, we decided to donate five percent of our Parliamentary salary towards the Prime Minister's Cyclone Relief Fund, and the Government side is very silent on their personal monetary contribution, if any, although they were very conspicuous, and all the media handing out to other people's efforts.

The decision by Government to change the Government financial year to 1st August, 2016 to 31st July, 2017 and the reasons provided by Government, I would coin as self-servicing and face saving. I call on Government, Madam Speaker, to revert to the conventional calendar year from January to December, so as to avoid confusion to taxpayers and tax collectors as all Government revenue laws and regulations have to be aligned to the Government's new calendar year, and we envisage more amendment Bills to be fast-tracked under Standing Order 51 to allow for this change.

I notice, Madam Speaker, that there is no theme for the 2016-2017 Appropriation Bill 2016, and whether that is deliberate or an oversight but a fitting theme would be; "The Future, an over regulated Fiji, an impoverished Fiji, a self-serving Fiji." This is what I can envisage would be the future, if no drastic steps is taken to rationalise expenditures, reduce external debt and halt the selling of Government assets. Madam Speaker, let us live within our means and live with dignity.

The way Bills are fast-tracked in Parliament and the knowledge that any Bill can be passed, even if it is to the detriment of the people of Fiji, is frightening, Madam Speaker. Even with a brief definition of a consultative approach in the reigns of the State. Even with this 2016–2017 Appropriation Bill, we have had difficulties in obtaining the relevant data and information that will confirm how much of the approved 2016 Budget Appropriation has been utilised and what revenue has been collected as at 31st March, 2016.

Madam Speaker, the first quarter Appropriation Statement for the Whole of Government as at that date, 31st March, 2016, is displayed in the Parliament website. However, figures are presented in a consolidated form with no details on expenditures in each of the 38 Heads. To make an informed decision, Madam Speaker, whether this Budget is realistic and that the revenue projected would be collected in time so we are not committing resources that we do not have, we need to have that relevant data and information. However, whether we support or not this 2016-2017 Budget, it does not matter, as Government has the majority vote. The only option for us is to continuously raise questions, call Government to account, and state reasons for our informed views so that those whom we are accountable to and responsible for will understand our position and arguments.

On Standing Orders, Madam Speaker, we have witnessed the manner in which two of our Opposition Members, Honourable Ratu Lalabalavu and the Honourable Draunidalo were expelled from Parliament. This was indeed unfortunate and regrettable and a very sad part of our history, where Standing Orders was used. This same Standing Orders is supposed to be the rules of engagement in Parliament and can be changed as and when required, using the majority vote.

Since the first sitting of Parliament, Madam Speaker, in October 2014, there had been amendments made to the Standing Orders three times, and we are currently going through another set of amendments. We request yourself, Madam Speaker, as Chair and the Minister responsible for Parliament, that the Business Committee must meet and determine the order of business in Parliament through meetings of the Business Committee and not through flying Minutes, as has been happening lately.

Government, Madam Speaker, cannot be too busy as they were the ones who had amended the sitting dates for this year and now cannot make themselves available. If we do not comment on this unparliamentary conduct, they will continue, Madam Speaker, to do it as part of their revolution inside of Parliament as they have been doing outside of Parliament.

Madam Speaker, I will now begin with the second part of my Budget response which is the merits and demerits of the proposed 2016-2017 Budget Appropriation. At the outset, let me express my concern on a dangerous precedence that has been set, which is the Ministerial Assignment of responsibilities to the newly named position of the Minister for Economy. The name change from Ministry of Finance to the Ministry of Economy was only realised after the distribution of the 2016-2017 Budget Estimates. Due to research findings, Madam Speaker, even among Commonwealth countries, I was only able to find out how many Ministers of Economy existed in other jurisdictions. Lo and behold, I found that there were at least five countries that use this title, and that we were not making things up as we go and these countries were not even among the global economic south, and they are Romania, United Arab Emirates, France, Turkey and the Islamic Republic of Afghanistan.

Realising the importance of this new Ministerial portfolio and the responsibilities required upon my brief analysis, the Fiji Minister for Economy had which confirmed that he was responsible for nine substantive ministerial portfolios.

(Inaudible interjection)

HON. RO T.V. KEPA.- How would it be humanly possible for a person to be responsible for nine substantive ministerial portfolios, given the 365 days calendar year?

Madam Speaker, I was not even sure the other night when I saw him on TV being interviewed at the *Super Rugby* match. I was in NZ and they asked me, "Is he also now Minister for Sports?"

Madam Speaker, how would he apportion his time amongst those ministerial portfolios to ensure that adequate time is provided to each of these portfolios? I searched for any newly released Legal Notices on the website that confirmed the name change and the added responsibilities, if any. I made enquiries to see if I could be provided a copy to be better informed of the additional responsibilities. Unfortunately, I could not access the so-called Legal Notice, Madam Speaker, but was reassured that it was still finding its way to the Opposition Office, and I would be grateful to the Minister if he would provide us a copy.

HON. A. SAYED-KHYAIYUM.- In the Gazette.

HON. RO T.V. KEPA.- My curiosity led me to the Appropriation Bill that we are now discussing, Bill No. 35 of 2016. Yes, he is definitely the Minister for Economy as he controls almost 50 percent of the total Budget Appropriation of \$3.26 billion and has the ultimate power and authority of the utilisation of the national coffers of Government.

Madam Speaker, Honourable Khaiyum's Ministerial Portfolio include: Office of the Attorney-General, Ministry of Finance which is now the Ministry of Economy, the Judiciary, Parliament, (yes, Parliament, Madam Speaker), Office of the Director of Public Prosecutions, Ministry of Justice, Ministry of Communications, Ministry of Civil Service and Ministry of Public Enterprises.

Apart from these Ministerial Portfolios and its relevant budget appropriations, the Minister of Economy also controls the release of funds under Miscellaneous Services or Head 50, which had been allocated the third largest portion of this Budget, and this has been set at \$3.7 million.

Furthermore, apart from the Prime Minister's Office, Attorney-General's Office, Auditor-General's Office, Elections Office, Parliament, Independent Commission, Ministry of Civil Service, which do not have any budget items under "Requisitions", all other 31 Heads have a substantial amount of funds under Requisition, which is also controlled by the Minister of Economy.

Madam Speaker, I join my colleagues in the Opposition and people in Fiji and overseas who have shared with me their concerns and apprehension that such unprecedented authority, power and control has been given to the Honourable Khaiyum by the Prime Minister, Honourable Voreqe Bainimarama.

Madam Speaker, Sir Geoffrey Palmer, the Professor of Law who later became NZ's 33rd Prime Minister had this to say about the Separation of Power in his influential book, "*Unbridled Power: An interpretation of New Zealand's Constitution and Government*":

"A concentration of power in one group or one person always presents dangers. Where power is divided between several people, such dangers will be reduced."

Many advantages, Madam Speaker, flow from dividing up power between different sections of Government. The famous English legal writer, William Blackstone in his commentaries on the laws of England in 1765 said:

"In all tyrannical governments the supreme magistracy, or the right both of making and of enforcing the laws, is vested in one and the same man, or one and the same body of men and wherever these two powers are united together, there can be no public liberty."

That is what he said, Madam Speaker.

The English historian commonly known as Lord Acton believed that the same moral standards should be applied to all men; political and religious leaders included, especially in his famous phrase:

“Power tends to corrupt, and absolute power corrupts absolutely. Great men are almost always bad men, even when they exercise influence and not authority; still more when you factor in the tendency or the certainty of corruption by authority.”

I am only quoting here, Madam Speaker. “There is no worse heresy than that the office sanctifies the holder of it.”

Madam Speaker, I have made my observations on the 2016-2017 Budget Appropriation process and debate, and have covered briefly the merits and demerits of this Bill. I have been deliberating and left these specific issues on the Appropriation Bill to the other Honourable Members of the Opposition including the relief response of *TC Winston* and the adverse impact of the cyclone and its destruction, noting the impacts and causes of climate change as a vulnerable Small Island Developing State.

Just briefly, Madam Speaker, I thank the Government through the Honourable Minister for Social Welfare for the assistance to our people, especially Rewa in terms of the disabled groups for their initiatives in looking for land to farm their vegetables, root crops and other commercial activities.

Construction of their office and general activities building, they look like they are going somewhere, and are very active and very able. In fact, Madam Speaker, they are good examples to us all in Rewa.

Secondly, Madam Speaker, again in my own Province of Rewa, and I note what Honourable Karavaki said, we hope that we are not being left behind by Honourable Minister Kumar. On the Nasali-Vutia Social Road, where he said that he would consider our petition which had been signed by almost 500 people. We have been waiting 10 long years for this road, the 12 villages, 4 primary schools, one secondary school, and the larger population to open up that area for potential economic activities. So, I hope that he will do more than consider, but actually do something.

Madam Speaker, since I have a few minutes left, can I just touch a little bit on Health. It is nothing short of scandalous that the Honourable Minister has cut the Health budget by \$36 million. Let me repeat that the Health budget has been slashed by \$36 million. The salary is going to the Civil Service.

HON. GOVERNMENT MEMBER.- (Inaudible interjection)

HON. RO T.V. KEPA.- We know that, Honourable Minister for Finance.

The people of Fiji know that the system is in crisis, that it cannot meet their needs. They know because they are as victims every day, Madam Speaker. Just ask the family of the poor man who died recently, in pain and anger after he failed to get the treatment and care he was entitled to at Nadi Hospital. Anyone watching the online video of his suffering will be shocked and distressed. It underlines the most tragic manner the failed state of our hospitals and health services generally.

Madam Speaker, I sympathise with the Honourable Minister of Health who must try to make the best of a terrible situation. He has to put on a brave face, of course, and I am noting here that he is also looking after Wainibokasi Hospital, Madam Speaker.

In other words, Madam Speaker, it is very difficult to cope. But his two masters are not listening. They are so out of touch with reality that they believe it is acceptable to chop back the Health budget by a large amount while committing over \$170 million to the Army, the Military. The people are not likely to say much about this, Madam Speaker, because they fear the Military, which has proven time and again that it will not hesitate to torment and abuse people if it feels threatened.

This is what the current leaders have brought this country to. They pour huge amounts into the Military at the expense of the population. We are in fact, Madam Speaker, a Military terrorised society. The influence of the Military reaches to the very top.

A comment on page 45 in the Notes to the Budget Estimates caught my attention, Madam Speaker. This is in the section on the Ministry of Defence, National Security and Immigration. The author of the notes said that:

“Ensuring the safety and security of the Fijian people is one of the Government’s most sacred obligations.”

‘Sacred’, Madam Speaker, commonly refers to holiness, association with the divine or religious purpose. I know, Madam Speaker, that the *Fiji Sun* has referred to someone as the Messiah.

Madam Speaker, the Minister knows full well that he and the Prime Minister and their closest colleagues completely betrayed the “sacred” obligation they are proclaiming in the Budget.

It was they, and especially the Prime Minister, who are closely involved with the RFMF in breaching the security of the nation in 2006 when they conducted their *coup*.

(Hon. Members interject)

HON. RO T.V. KEPA.- The Prime Minister himself in this House boasted that it was because of his 2006 *coup* that we are in Parliament today and pats himself from the back and blows his own trumpet at every opportunity for being such a wonderful leader.

(Hon. Member interjects)

HON. RO T.V. KEPA.- The Prime Minister has entered the political stage, not through a change of Government, but a *coup*, the illegal removal of an elected administration by force of arms. A *coup*, Madam Speaker, Honourable. Prime Minister is a *coup*, a *coup* is a *coup*, is a *coup* since you did not listen.

What followed was eight years of dictatorship and repression. The record was one of torture, abuse of rights, violent deaths and trips to the barracks, ruled by fear and threats and this is a type of leader that PM lauds himself on. What a joke?

HON. J.V. BAINIMARAMA.- That’s your leader!

HON. RO T.V. KEPA.- What a joke, Madam Speaker. So Madam Speaker, the Members opposite should think of that and examine their conscience when they read the Budget documents about their sacred obligations and just make sure, Madam Speaker, that they provide for the Government and not be speaking too much on whatever it is that they get on with and just get on with it. Thank you, Madam Speaker, I do not support the Bill.

HON. SPEAKER.- Thank you, and I call on Honourable Ratu Kiniviliame Kiliraki to have the floor.

HON. RATU K. KILIRAKI.- Madam Speaker, the Honourable Prime Minister, the Honourable Leader of the Opposition, Honourable Ministers and Honourable Members of Parliament: I trust with much respect and humility, Madam Speaker, that my contribution to the Budget debate today will be received and embraced positively of which all our intentions and purposes as Members of this Honourable House, mandated by the people who voted us in to play our role honestly and with respect.

I now understand that the Minister for Economy is responsible for this Budget, Madam Speaker, then logically the question arises, what is economy? A simple definition by *Business Dictionary.com* states that “economy is an entire network of producers, distributors, and consumers of goods and services in a local, regional, or national community.”

Does this mean, Madam Speaker, that some of the ministerial portfolios of the Government will be made redundant? If that be the case, then some Ministers will be out of ministerial responsibilities and become irrelevant.

(Hon. Members interject)

HON. RATU K. KILIRAKI.- Then again, Madam Speaker, a point of contention in this debate is the change of the fiscal year as per reasons given:

- (1) To ensure that we would be able to spend the taxes we collect at the end of a calendar year within the financial year;
- (2) Avoid the disruptions and inefficiencies inadvertently during the December/January season; and
- (3) To ensure that our budget is not hi-jacked or rendered moot by the need to respond to tropical cyclones that inadvertently hit us in the cyclone season from November to April.

Questions will continue to be raised, Madam Speaker, based on the proven record of previous governments to address natural disasters.

Why not a supplementary budget, a separate provision altogether? National disasters caused by severe weather patterns, especially during the cyclone season from November to April each year is expected and the Meteorological Service always forecast the number of cyclones that may hit Fiji for any particular year. After all, it is uncommon not to experience a cyclone every year and, Madam Speaker, past governments had always meant to pass a mini-budget in Parliament, to accommodate the allocation outside of the annual budget of the government. It was most obvious that pre-*Tropical Cyclone Winston*, immediate post-*Winston* and rehabilitation period that the Government was seriously lacking in its ability and capacity to manage disasters of such magnitude.

Madam Speaker, public education, awareness and preparedness were severely lacking. Relevant Government institutions were severely under- resourced, also in terms of professional capacity, technical capacity and physical resources to prepare and put in place strategies that will ensure minimum destruction and eliminate loss of life.

Madam Speaker, huge damages sustained and loss of valuable lives are testimonies of a government that has failed in measure in its duty and responsibility to protect its people and their assets from the impact of natural disasters.

Yes, Madam Speaker, Divisional Commissioners should have been allowed to take ownership of DISMAC activities in their own respective divisions rather than being micro-managed from the offices of the Prime Minister, the Minister for Economy and Chairman of National DISMAC.

As noted, the economy is driven by consumption and infrastructure development. Whilst employment is acknowledged, the question is always about the wages earned because about two-thirds of our population are vulnerable to poverty, 32 percent below poverty line and 35 percent just above poverty line.

Madam Speaker, the impact of Brexit to our vulnerable economy, which is so dependent on tourism, on remittances, our rugby players on contract, our soldiers, trade agreements, sugar, these are important issues that the Government should reassess and take into serious consideration because of the impending impact on our domestic economy.

Madam Speaker, climate change is a serious phenomenon that has affected everyone at every level of existence, our daily lives, our pockets, our families, our work, our citizens, subsistence livelihood, our businesses, any other activities that contribute to our lives - spiritually, mentally, physically and morally. Translating that into dollar terms cannot be quantified. Changing the fiscal year is neither smart nor will it minimise the impact of the natural disasters. It is very misleading and exudes a false sense of security to the public that all is well when effecting this change of budget.

On the ground, Madam Speaker, many ordinary Fijians are left behind despite the projected growth and the GDP forecast. Poverty, health issues, education policy and its correlation to unemployment of youths and graduates, violence against women and children, deteriorating moral standards and values, sexual immoral behaviour, rape and child abuse are prevalent, prisons are full to capacity, increase budgetary allocations to security forces to combat the ills of society, the resources that would have been diverted and be useful to developments. The impact are huge, whether directly or indirectly and transcends all ages, community, religion, genders and race are a reality. It is very costly to the nation. The blame falls on the Government of the day, most importantly in such budget that portrays the intention of the Government and its policy direction by the amount of allocation and prioritisation.

Madam Speaker, whilst the GDP is forecasted at \$8.9 billion at the national level driven by infrastructure, investment and consumption, it is clear at the ground level (the ordinary people) that GDP has no physical meaning that promotes a better life and future to be able to put a decent meal on the table, let alone two or three for rural people, has become very difficult nowadays. Wage earners and decent working civil servants cannot afford to pay for lunches but fill the books of creditors making it difficult for vendors to balance their cash flow to maintain their businesses. They, in turn, sought financiers at mark-up interests to provide working capital for these poor SME entrepreneurs. The cost of living and unjustifiable wages are contributors to the struggle to make ends meet.

Whilst I acknowledge the Government for granting salaries and pay increase to doctors in the Government Service, ranging from 56 percent to 81 percent depending on their area of practice, such increases are well deserved as doctors undergo six years of very rigorous and demanding training at university, plus 12 months internship for newly appointed doctors. Further specialist training at post-graduate level of up to five to eight years are required for specialists in different fields and disciplines.

Doctors are an integral part of the health service in Fiji and come under the aegis of the Ministry of Health and the management, supervision and administration of the Permanent Secretary for Health and Minister for Health, as specifically provided under Section 127(2), (7) and (8) of the Constitution which was forced down our throats by this Government. This action by the Minister for Economy is contrary to the provisions of the Constitutions, is unconstitutional and *ultra vires* with the Constitution.

I can accept the rationale for processing the remuneration and terms and conditions of service of Permanent Secretaries, as PSC appoints Permanent Secretaries under Section 126(1) of the Constitution.

Madam Speaker, noted with concern is the decrease in the Ministry of Health budget. The condition and services and facilities of our hospitals are below par. It was unfortunately reported that women and men lie side by side on beds, and this is unacceptable socially and culturally.

Madam Speaker, the concerns still remains of the huge allocation to FRA. This raises questions that need to be answered in terms of transparency and proper accounting and auditing of funds as we know, Madam Speaker, that corruption exists in contracting and sub-contracting of works, visible road repairs under our nose to show that work is being done while rural roads are neglected, overgrown roadsides and clogged up drains are frequent complaints echoed by the people. Why not revert the responsibilities to the Divisional Commissioners so that these vital means of accessibility and communication are safe and economical? More so, Madam Speaker, villages and communities can therefore take up this opportunity to look after sections of the road and thus, earn some much needed money.

Madam Speaker, apart from the visible direct taxes, indirect taxes are hidden, and we saw enormous increases in cost of basic food items and commodities, picking the pockets of people with drastic impact on the grassroots. People, therefore, will revert to cheaper but inferior quality items, including food. This correlates to the increase in NCDs - hypertension, obesity, et cetera, that lead to complicated diseases; poor housing conditions in overpopulated communities and settlements with poor sanitation and unhygienic facilities add to the woes perpetuated by the inability and lack of the Government to address such important issues in the Budget.

Madam Speaker, no excuse whatsoever should detract us from attending to our basic need of food security. The escalating food security situation in Fiji is unprecedented, so the Government must prioritise this for the well-being of our people, particularly those of ours in the rural and maritime areas. *Tropical Cyclone Winston* has severely affected the agricultural sector, this has led us to a time where we have to worry about food security in our country and, therefore, it is critical to address it.

It is also unfortunate that the development of our natural resources and resource-based economy is allocated minimal allocation, an allocation that continues to promote subsistence economy for our rural people and villagers, suppressing the opportunity and initiative to come out of poverty, the handout mentality and dependency on the Government. This is a deliberate ploy to deny the *iTaukei* landowners and the initiative to pursue commercial farming through positive discrimination programmes through adequate and progressive financial provisions as that is provided for the sugarcane farmers whereas Dalo - \$0.5 million, *Yaqona* - \$0.7 million and Ginger - \$0.8 million. We give peanuts and we receive peanuts. The status quo still prevail and we see no growth in the industry.

One would expect a threefold in allocation, given the extent of the devastation of *TC Winston* in Taveuni, Koro, Ovalau, Tailevu North, Wainibuka, Naitasiri North and Ra, which are the major cultivators of these commodities. The major allocation also goes to the Research and Development of resilient and disease free planting materials for sustainable development of these resources.

As for *yaqona*, local planters cannot even meet the local demand, let alone exporting. Fiji imports 72 tonnes of kava from Vanuatu and re-export as Fiji Kava brand. From an export of 160 tonnes of *yaqona* last year, Fiji earns annually in excess of \$8.8 million for consumption and cater for some pharmaceutical needs. Fiji must be in a position as a major *yaqona* producer and exporter in anticipation of the regional submission in September to the Food and Agricultural Organisation (FAO) for consideration for the inclusion of kava into the Codex Alimentarius. This will open a floodgate to the world market as a beverage and food classification. We cannot be competitive to supply and have share of this huge market, if the agriculture allocation for *yaqona* is a mere pittance.

It is again, Madam Speaker, promptly noted the minimal financial allocation to the fisheries sector to realise its full potential and contribution towards the economy and the GDP, let alone the reconstruction

and recovery programme to the aquaculture programme. Lack of professional expertise, technical support and finance continue to limit the work and implementation of work demands from the rural people in order to realise its full potential. Fish ponds are still left dry because of lack of financial and technical support at Naduruloulou to produce sufficient tilapia and grass carp fries to fulfil the demands from Viti Levu, even from Vanua Levu and the maritime islands.

The Prawn Hatchery at Galoa lacks professional and qualified expertise to propel this industry to its full commercial potential, to be able to replace the imported prawns as demanded by the tourism sector and restaurants. Again, ponds still remain dry because of lack of breeding stock.

Science graduates are currently recruited from USP and do as best as they could to learn by reading manuals and on the job training. This is expensive in terms of loss of business and wastage of resources opportunity because of poor planning and lack of financial commitment to this potential sector. This is a huge market that will require substantial investment and consistent financial support.

The forest sector as a natural resource is again allocated minimal budget to take this forward in terms of development and expansion of the sandalwood industry and research and development of timber resources, included is the eradication of finding an economic value of the African tulip, inclusion and participation of the landowners to contribute to the REDD+ Programme and to benefit from it financially should be part of this initiative.

Madam Speaker, finally, I bring the attention of this House to a grave concern and impending demise of the mahogany industry under the provision of the Mahogany Development Decree 2010 that allowed for the monopoly of this multi-million dollar industry by a foreign company called “Sustainable Mahogany Industry Limited” and a sister paper company, Western Timbers Inc.

Madam Speaker, Sustainable Mahogany Industry and Pacific Western Timbers have closed down their operation as we have read in the papers recently. The magnitude of this problem to the economy of the nation is devastating because SMI is allocated 40,000 cubic metres of prime Grade 1, Grade 2, A, B, and C mahogany timber. Pacific Western Timbers Inc.’s allocation is 30,000 cubic metres Grade 3 A, B and C - 64 percent of the total mahogany production is owned by a single company. About 300 workers are made redundant.

Madam Speaker, for your information, we have the best and prime quality mahogany that fetches a premium price in the market but are denied by our local companies. No other company is allowed to purchase these logs.

Madam Speaker, the Honourable Prime Minister as Chairman of the Mahogany Industrial Council and Minister for Public Enterprises as a member are answerable and should be taken to task because they were responsible for the issuance of these license monopoly by SMI and Pacific Timber. Everyone will remember the famous guitar that featured in our daily paper and this is what happened six years down the line. SMI was quoted putting the blame on corruption in the industry.

Madam Speaker, may I quote a footnote in the presence of the Honourable Prime Minister when there were changes in the senior management of Fiji Hardwood Corporation in 2003. It reads, “The Board of Directors of Fiji Hardwood Corporation Limited (FHCL) has made some important changes in the leadership of the company as part of the Bainimarama Government’s effort to modernize the Fijian Mahogany Industry, to introduce transparency and make it profitable.”

HON. GOVERNMENT MEMBER.- What year?

HON. RATU. K. KILIRAKI.- I am sorry, in 2013. I have got it here.

(Laughter)

In awarding licences to Grades 3 to 5 and 4/5, I quote: “So again, I say reform was necessary. My Government had to do everything in its power to help this industry prosper for the benefit of the economy and all the Fijian people.” Those are the quotes from the Honourable Prime Minister.

Madam Speaker, the question which needs to be answered is whether the Honourable Prime Minister was wrongly advised or was he taken for a ride by a fly by night crooked investor, reaping the benefits of an industry of which this nation boasts about as the biggest plantation of mahogany in the world. The landowners regarded mahogany as their future lifeline and are still crying since 2003 when they were denied the opportunity to continue their business in the harvesting of mahogany in Nukurua, Galoa and Naboutini for reasons of corruption.

HON. SPEAKER.- Thank you very much, Honourable Kiliraki. I now call upon the Honourable Minister for Employment, Productivity and Industrial Relations to have the floor.

HON. CDR. S.T. KOROILAVESAU.- Madam Speaker, I rise to commend and make comments on the allocation given to the Ministry of Employment, Productivity and Industrial Relations in the budget which I have no doubt will generate more employment for our fellow Fijians.

Madam Speaker, the Ministry of Employment, Productivity and Industrial Relations has been allocated a total of \$16.3 million for the 2016-2017 Budget.

Madam Speaker, the Budget allocation that has been given to our Ministry will certainly assist in furthering the role that we play in fostering strong relationship between employers and employees, creating productive work places, ensuring fair working conditions, creating healthy and safe working environment and helping Fijians not only to find employment but also create employment.

Madam Speaker, in the generation of employment, the National Employment Centre (NEC) has been allocated \$4 million. Under this provision, \$0.8 million is allocated to the foreign employment service to support guest work programme and employment opportunities for Fijians in countries such as New Zealand, Australia, Canada and the United Arab Emirates.

In 2017, we anticipate sending 500 workers to New Zealand and 1,000 workers to Australia under our seasonal work programme. Further, we also anticipate to extend our foreign employment opportunities in the United States of America and Canada.

Also, Madam Speaker, under NEC, the Fiji Volunteer Scheme has been allocated \$1.4 million to assist in the deployment of retired teachers to the other Pacific countries upon request. We currently have 30 teachers deployed to a number of neighbouring regional countries on a cost-share basis arrangement.

The allocation should enable us to explore requests from other countries outside the Pacific region and request from the Pacific countries in areas of work other than teaching.

Madam Speaker, in terms of the commitment of the Ministry in facilitating under NEC, an allocation of \$0.7 million has been provided for the allowances for volunteer attachment in either Government or with private employers. Just two weeks ago our Ministry publicised in the dailies a requirement in law that an employer who employs more than 50 workers must engage suitably qualified unemployed persons as attachés or volunteers on a ratio of at least five percent of the total number of workers. The current allocation will boost the legal requirement.

Madam Speaker, with regards to productivity, an allocation of \$0.2 million has been provided for the promotion, improvement and monitoring of productivity in all workplaces. These includes the registration, establishment and training of Labour Management Consultation and Co-operation Committees (LMCC) for all employers who employ more than 20 workers.

Madam Speaker, to promote and maintain a working environment which is healthy and safe to both workers and employers, we have been provided an allocation of \$6.0 million.

Madam Speaker, also under this provision \$3.0 million is allocated to cater for all Government workers whose injuries or deaths are established as work related.

As part of Government's commitment to improve service delivery, \$0.5 million is given for a doctor and a nurse to be recruited on permanent positions together with 21 officers to look after workers compensation throughout the country. Previously this work was under taken by officers on secondment on a project basis include taskforces with the assistance of military personnel.

Madam Speaker with \$0.25 million allocation for the implementation and enforcement of the National Minimum Wage, this will benefit about 100,000 workers and will help them to get better wages and take home pay.

Madam Speaker, the allocation will also ensure that we will increase awareness in the industries and ensure compliance to the legal requirement regarding minimum wages. I therefore urge all employers who are covered under this order to adhere to the minimum national wage requirements.

Madam Speaker, the Ministry has allocated \$1.1 million to mediation service. This will enhance the capacity of the mediation services for effective resolution of grievances and disputes for all workers in the country including union members.

Madam Speaker, whilst on the subject of disputes and grievances, I would like to touch on the aspect of what now falls under the purview of the Judiciary but certainly will impact workers and employers.

Madam Speaker, in the 2016-2017 Budget, it will see the creation of two more Legal Tribunals for the Western and the Northern Divisions. This should assist greatly in the disposition of disputes and grievances involving workers and employers and the pace at which the same is done,

Madam Speaker, I would like to highlight that the Ministry has successfully certified five of its services under ISO 9001:2008 - Quality Management System. This certification is a clear indication of the Ministry's commitment in creating a culture of customer focus service delivery and \$0.3 million has been allocated towards this.

Madam Speaker, the 2016-2017 Budget also contains an Employment Taxation Scheme which benefits employers, workers, in particular first time employees and apprentices and persons with disabilities.

Madam Speaker, under the Employment Taxation Scheme, provision is made for tax deductions on wages paid on full-time employees with an increased rate of 200 per cent, 200 per cent on tax deduction on apprenticeship in a related study area of up to six months in a year before graduation, 200 per cent tax deduction on wages paid to students employed in a related study area of up to three months in a year, and 300 per cent tax deduction on wages paid in the employment of persons with disabilities who will be employed continuously for three years.

Madam Speaker, in line with this provision under our budget allocation, there is an encouragement of apprenticeship as \$0.4 million has been allocated for the Apprentice Scheme.

Madam Speaker, given the last focus of the 2016-2017 Budget on *Tropical Cyclone Winston* rebuild, it is worth noting that the primary build initiatives such as schools rehabilitation and Help for Homes will certainly provide and generate employment as a spin-off effect.

Madam Speaker, I wish to correct some statements that have been made by the Opposition in their delivery this morning and I think it is important that the facts are stated correctly.

In the Employment Sector it has been said that there has been no increase in employment and the employment opportunity. The figures that I have showed that new job advertisements as assessed by the Reserve Bank of Fiji (RBF), by looking at the advertisement in the *Fiji Times* has rose by 10.7 per cent so far this year. It rose by 18.7 per cent for the whole of 2015. It rose by 12.8 per cent in 2014 and it rose by 9.3 per cent in 2013.

Madam Speaker, when I look at the contributions that have been done by the Honourable Members of the Opposition, it seems to indicate a discontinuity of facts and the inability for them to organise their speeches so that they do not repeat themselves and even at times, are quite contradicting.

Their talk on the Budget has been quite insignificant, discussions by the Honourable Opposition Members have been centred around rumours and hearsay. There is no dollar and cents which basically should be the subject of discussions made on a budget submission.

(Chorus of interjections)

They talk about a Military Budget. They seem to have this conscious repetitions of attacking the Military. I do not understand why the Military has been continuously been attacked even though they are not part of this Honourable House, Madam Speaker.

They come up with the subject of the *Qoliqoli* Bill and on the assertion .that it will assist the *iTaukei* community. Madam Speaker, the *iTaukei* community will only be able to prosper through sweat and toil, there are no two ways about it. Those are the facts and I have experienced it.

They speak about democracy, but democracy is here, it is visible, it deals with numbers. Madam Speaker, 32 cannot be compared to 18, it is impossible, statistics that is basic statistics.

(Chorus of interjections)

HON. CDR S.T. KOROILAVESAU.- If we talk about democracy, then we are practising democracy, it is our right, it is in our power. I think the only issue that the Opposition must watch, maybe 32 will come up to 50.

(Chorus of interjections)

Madam Speaker, there has been a suggestion on minimum wage, even to the context that Honourable Prasad has said that minimum wage of \$2.32 an hour is a joke. I would like to correct that. The first ever National Minimum Wage Rate came into effect was on the 1st March, 2014 under this Government. There has never been any minimum wage given previously. So to say, that \$2.32 is a joke, is a joke in itself.

(Chorus of interjections)

Madam Speaker, I know that I have more time but I think they are now educated and they have made up their mind to support the Budget.

In conclusion, Madam Speaker, overall under the 2016-2017 Budget, the Ministry stands to benefit directly and indirectly in terms of both employment provision and creation I thank you for indulgence, Madam Speaker.

(Applause)

HON. SPEAKER.- I now call upon the Honourable Minister for Industry, Trade and Tourism to have the floor.

HON. F.S. KOYA.- The Honourable Prime Minister, Honourable Cabinet Ministers and Honourable MPs: Madam Speaker, I thank you for giving me this opportunity to speak on the 2016-2017 National Budget.

Madam Speaker, today we had some very entertaining speeches. We started with tax tips, from there we went to tourism being turned into terrorism and then we found an elephant in the house.

(Laughter)

All I can say, Madam Speaker, is the best description for the other side of the House, that it sounds like it is a rampaging bull in a Chinese shop.

(Laughter)

No sense of order.

Madam Speaker, firstly I would like to thank the Honourable Minister for Economy, the Attorney-General, for delivering a forward looking and all inclusive budget that would put Fiji and the Fijian people back on their feet following *Tropical Cyclone Winston* and it is about long term sustainability, economic growth in building a resilient and robust nation.

Madam Speaker, I do not know what the Honourable Biman Prasad meant in stating that the Budget had no theme. The Honourable Prime Minister earlier today articulated the theme and the vision of this Budget which has been consistent from the previous FijiFirst Budget and it is to empower all Fijians and specifically to respond to the socio economic needs of the disadvantaged people, with the view to breaking the vicious cycle of poverty.

Madam Speaker, I have one question, does the Honourable Opposition Members want the Fiji First Government to abundant the victims of *Tropical Cyclone Winston* and neglect the poorest of our society. Madam Speaker, the FijiFirst Government will not neglect its duties and will deliver on its commitments to the Fijian people.

Madam Speaker, before I go into the substance of my Budget response as a matter of principle, it is incumbent upon me to correct the misinformation and blatant disregard for facts being promoted by the Opposition to mislead Fijian people. The Opposition has not provided any concrete ideas or solutions to moving the Fijian economy forward. The gist of the Opposition's response is based on 'smokes and mirrors.'

Madam Speaker, with regards to the figures quoted by the Opposition that the poverty rate in Fiji is about 32 percent, is a clear misrepresentation of information. The Fiji Bureau of Statistics in the 2013-2014 Household Income and Expenditure Survey (HIES) has calculated the rate of poverty in Fiji as at 28.1 percent, which is a reduction from 35 percent in 2002-2003. Madam Speaker, the HIES is an internationally accepted measure for assessing the poverty rate, and I am not sure where the Opposition is getting their information from and I urge them to refrain from engaging in propaganda.

Madam Speaker, the Opposition continues to operate as a demagogue, trying to appeal to desires rather than using rational arguments, and as an example the Opposition has gone to the media and made claims that the Honourable Minister for Economy has nine Ministerial portfolios which, Madam Speaker, is incorrect.

HON. R.S. AKBAR.- Tell them!

HON. F.S. KOYA.- The Opposition lacks understanding of Government processes and demarcation between Ministries and independent entities, such as the DPP's office, Judiciary, Fiji Elections Office and FICAC. It is a shame that the Honourable Bulitavu, being a lawyer, failed to understand the difference. If the Opposition wants more ministers, they should understand that it is not the size of the Government that matters, but the ability to deliver. This Budget, Madam Speaker, is about empowering people, particularly the most marginalised and most vulnerable in our society.

Madam Speaker, a strong Micro, Small and Medium Enterprises (MSMEs) sector has been recognised globally as an essential ingredient towards achieving inclusive and sustainable economic growth. MSMEs are the bedrock of any developing economy and they ensure that grassroots communities, who are on the fringes of economic development, are formalised and brought into the mainstream.

Madam Speaker, on various occasions, I have updated this august House on Micro and Small Business Grant Scheme because I consider this a very important initiative for the Fijian people. This has been one of Government's most successful schemes in terms of providing support to the ones who need it the most. As the Honourable Minister for Economy had said, Fijian people are hardworking and resourceful, and with the support of the grant, they have shown the ability to excel and achieve the best for themselves, their families and their communities.

Madam Speaker, through the Micro and Small Business Grant Initiative, we have empowered 5,853 Fijians to venture into business to support their families and their communities. This initiative is part of our broader efforts to formalise and tap into the potential of the informal sector. Madam Speaker, this initiative is an example of assisting the most marginalised and disadvantaged in our communities. The Opposition believes that we should not spend this money and assist those who needed the most and empower them towards sustainable livelihood.

Madam Speaker, the Micro and Small Business Grant is an example of targeted form of assistance to the grassroots community, which should be supported by all, including the Opposition rather than harping on about the removal of VAT on basic food items that also benefits the well-off.

Madam Speaker, it is rather unfortunate that a number of this recipients of the grant have been badly affected by *Cyclone Winston*. Therefore, Madam Speaker, through the 2016-2017 allocation of \$6.4 million, we will provide them with the necessary support to re-establish their businesses.

Madam Speaker, the Fijian Government is not alone in its efforts to grow MSME sector. The Indian Government has seen the potential and has committed \$4.7 million towards this particular programme. A Memorandum of Agreement was recently signed to formalise this commitment.

Madam Speaker, despite the enormous strides achieved through the Grant Scheme, the Fijian Government wishes to fully harness the potential of the MSME sector. In Fiji's case, the sector is currently estimated to contribute about 15 percent to the Fijian GDP, and we are compiling key economic indicators of the sector to accurately ascertain the MSME sector's overall contribution to employment, sectorial breakdown of activities or contributions to exports. Furthermore, the Fijian Government will enhance co-ordination across the MSME sector to harness the full potential of that particular sector.

Madam Speaker, in comparison to other developing countries in South Asia where MSMEs thrive, the sector's contribution to GDP ranges from 30 percent to 60 percent due to the establishment of a comprehensive MSME development framework and infrastructure, and the effective implementation and monitoring mechanisms put in place by these countries.

Madam Speaker, Honourable Gavoka's statement in this regard, belies the archaic and regressive thinking of the Opposition. The FijiFirst Government is striving to achieve the economic empowerment of all Fijians, and to ensure that no Fijian is left behind, Madam Speaker.

Madam Speaker, in order to build the resilience of the Fijian economy and its people, we will provide support to the people of Fiji in a collaborative manner. Therefore, all future MSME development will be governed by the MSME Policy Framework which will immediately setup the MSME Council of Fiji, to be chaired by the Honourable Prime Minister and will comprise of Ministers from key ministries, who have a prominent role in the development of the MSME sector.

The allocation of \$300,000 in the Budget will assist in the establishment of an apex body that will be governed by the National Council. This will provide much needed stewardship and policy direction to address the shortcomings and propel the development of the MSME sector in Fiji by ensuring that appropriate legal and institutional frameworks are in place. The proposed apex body will consolidate all the programmes and projects related to the MSME sector and address common issues, such as access to finance, market access, economies of scale and capacity building. Fijian people can be rest assured that these efforts will yield positive results in terms of enhanced co-ordination and more efficient service delivery to the MSME sector.

Madam Speaker, the creation of the body will enable a focussed approach to the development of MSMEs and which is why this year's Budget has also incorporated the Northern Development Programme (NDP) and the Integrated Human Resources Development Programme (IHRDP) under the Ministry of Industry, Trade and Tourism.

Madam Speaker, this collaborative and consistent approach has been tried and tested under the Fijian Trade Policy Framework for trade and investment. Therefore, the continued support of \$100,000 will ensure the efficient implementation of this important strategic tool that also includes growing the MSME sector to consolidate Fiji's position as an internationally competitive economy and a regional trading hub.

Madam Speaker, the Ministry will also continue to implement the National Export Strategy (NES) that provides support to businesses, including MSMEs that are exporting or are on the verge of exporting. This programme is successfully diversifying and adding value to our exports and increasing our presence in the global value chain. The NES has also created 329 people being gainfully employed.

Madam Speaker, allow me also to illustrate the direct success of the NES Programme. Over the past nine years, a total of 70 projects have been supported, and these companies have increased their net export revenue by \$31.7 million and have penetrated 90 new markets.

Madam Speaker, in our tourism sector, the Ministry has undertaken a number of initiatives that have made Fiji a top class tourism destination. Again, the Opposition has used inaccurate figures to mislead the people of Fiji. The growth in visitor arrivals over the past five years is an average of 4 percent, rather than the 2 percent as claimed by the Honourable Prasad. The Honourable Member has conveniently forgotten that the tourism industry has successfully overcome consecutive natural disasters and external economic shocks in earlier years, and we have done that strongly. The industry has grown from strength to strength and remains the backbone of the Fijian economy.

Madam Speaker, rather than sitting on our laurels and being complacent, the Fijian Government has invested in the future of the industry to diversify our tourism products and attract high value visitors.

The investment by the Fijian Government in sports tourism has created a distinct niche for Fiji which has immediate and long term benefits. Madam Speaker, the Super Rugby match held over the weekend has given the Fijian brand an unprecedented level of exposure in the international market and through this one game, we Fijians have shown that as a nation, we have what it takes to host international tournaments. This, Madam Speaker, has opened doors for Fiji to be the destination for more international sporting events.

Madam Speaker, through the historical match, the Fijian made brand and Fijian tourism reached over 150 countries around the world, having a broadcast value of millions of dollars.

Madam Speaker, the Ministry will be undertaking a comprehensive assessment of the positive effects of the rugby match in the domestic market. However, as the Honourable Prime Minister has said “what this one match has done to lift the spirit and the confidence of the nation cannot be quantified by a mere dollar value.”

Similarly, Madam Speaker, the continued support to the Fiji International (PGA) Tournament enables the Ministry and Tourism Fiji to continue marketing Fiji globally, something that they do not probably do not understand. Madam Speaker, from 2016, Fiji International is now part of the European Tour which positions Fiji well in Europe’s emerging markets. The change in PGA Tour ties in well with the introduction of the direct flight to Singapore and San Francisco.

In terms of return on investment, 16 countries participated in the golf tournament last year, Madam Speaker, with the event broadcast covering over 30 countries. The Fiji International and Fiji Tourism brands combined provided a gross media value of \$32.6 million and the brand visibility increased by 41 percent as broadcast hours increased by 29 percent to 594 hours from 2014. With the alleviation to the European Tour status, we expect these figures to increase exponentially.

The direct economic benefits of hosting this event are not only restricted to monetary returns but expand to local suppliers’ engagement, engagement of the local labour workforce, local food sellers and handicraft sellers.

Madam Speaker, may I also mentioned that the average spend per golfer in Asia is US\$3,000 which converts to a minimum about FJD\$5,000 per golfer. In comparison with the average spent per normal or mainstream visitor Fiji whose spends an average about FJD\$2,100, we can say that the amount spent by one golfer equates to the approximate spending of three visitors to Fiji.

Madam Speaker, the newspaper article being referred to by the Honourable Prof. Biman Prasad regarding the Service Turnover Tax and Environmental Levy is once again an attempt to politicise the issue. The Opposition fails to recognise that the benefits from the tourism sector now have a far reaching impact on the lives of ordinary Fijians, including efforts to adapt to climate change and creates a sustainable industry. I assure you, Madam Speaker, that the businesses being referred to by Honourable Prof. Biman

Prasad, are making money with extended operating hours which some of the Honourable Opposition Members may be benefitting from.

Madam Speaker, this continued support combined with the upward trajectory in visitor numbers and earnings puts us on course to surpass the targeted tourism earnings of \$2 billion before 2020.

Madam Speaker, we have successfully integrated the Fijian Made-Buy Fijian Campaign into the tourism sector with the Fijian Crafted brand. A total of 176 crafters have been licensed under the campaign - leading to new streams of income for these individuals.

Madam Speaker, under the programme the Ministry in collaboration with the Ministry of Agriculture is establishing the Fijian Organic brand. The Fijian Organic brand will provide premium prices for our exports, ignite our youth to take up organic farming, promote sustainable environmentally-friendly farming methods, reduce dependence on chemical fertilizers and promote healthier lifestyles to combat NCDs. And as early as last week the three Ministries being the Ministry of Health, Ministry of Agriculture and my Ministry got together to kick start the programme.

Madam Speaker, as stated by the Honourable Attorney-General and Minister for Economy we need to expand our economic base and there is an urgent need to strengthen the resilience of the Fijian economy in order to prevent future catastrophic natural disasters from crippling our economy and destroying the livelihoods of our people.

The Government is fully committed to encouraging greater diversification contrary to popular belief of the Fijian economy and creating new pillars of growth so that we are not overly reliant on one or two sectors. Madam Speaker, we have a strong manufacturing base and world class ICT connectivity combined with a young and talented workforce. It is important that we market and provide the right incentives for these sectors.

On that note, Madam Speaker, an allocation of \$500,000 is for the Services and Manufacturing Zone. These funds will enable the Ministry to carry out preparatory work for the establishment of a fully-fledged Services and Manufacturing Zone in the Western Division and site inspections have already been conducted. Once completed, Madam Speaker, the Zone will combine world-class infrastructure and connectivity with "Plug and Play" facilities and the necessary support services suitable for light manufacturing activities, not to mention support for ICT related operations such as Business Process Outsourcing and Call Centres. These operations will provide a myriad of opportunities for both unskilled and skilled workers and complement the Government's vision of inclusive growth.

Madam Speaker, the Government will also develop a tailor-made investment incentives package to attract investors both domestic and foreign. The Zone will attract new investments that will generate maximum economic benefits for the Fijian people and build economic resilience.

Madam Speaker, the implementation of this project will have tremendous benefits for the economy in the Western Division as it will provide a platform for investors to quickly setup operations that can create thousands of jobs, increase exports to our key international markets and generate foreign exchange earnings. It will also support the Government's policy of encouraging value addition activities that enhance Fiji's ability to benefit from global value chains.

Madam Speaker, the Fijian Government has focused on building a modern knowledge-based economy. In this regard, for the past budgets the Ministry of Economy has allocated a significant portion of the budget to education. The Trade Policy Framework also recognises the investment in Human Resource Development as a key ingredient, Madam Speaker, to enhancing Fiji's competitiveness as human

capital is a major contributor to increasing productivity, growth and can be the source of unique competitive advantages.

One key challenge for employers in Fiji, Madam Speaker, is sourcing skilled workers and professionals and the Government has recognised a vacuum in various industries. Madam Speaker, our unprecedented and sustained periods of economic growth is one of the reasons for the high demand of skilled professionals. An example is the booming construction industry activities that have led to the shortage of the professional workers in the sector.

Madam Speaker, in complementing this, a new law was also passed by Parliament for the Registration of Skilled Professionals. This Act is necessary to give Fijians and Fijian businesses a greater access to skilled professionals.

Madam Speaker, I wish to reiterate that business and investor confidence is at an all-time high. We are experiencing three years of investments of about over 25 percent of the GDP. One of the reasons why investments is at an all-time high amongst other reasons is our streamline taxation system. We cannot believe that Honourable Viliame Gavoka would criticise the policy that has given us a competitive edge in the region and ignited private sector investments. This policy has also contributed to greater compliance with our tax policies.

We are increasingly becoming a modernised nation and the demands and the needs of the consumers are constantly evolving with the changes in technology, domestically and internationally. In order to ensure that whilst new and improved services and products are available, consumers must have the confidence in the product or service that they are purchasing.

In this regard, Madam Speaker, also the TMS has been granted \$2.7 million so that they can be better equipped especially after *Cyclone Winston*. The Ministry through the Fijian Building Standards Committee chaired by a professional engineer is working to develop a wide range of building and building materials standards. This Committee has reviewed the standards and revised versions of the standards which will be gazetted in a few weeks.

Madam Speaker, in conclusion I wish to reiterate that the 2016-2017 Budget programmes and provisions represent a consistent and focused vision of the FijiFirst Government to make our economy resilient to external and climatic shocks. This is a budget for the future of Fiji, Madam Speaker, and for the Fijian people.

Madam Speaker, my Ministry will do all it can to implement the progressive and forward-looking initiatives contained in the 2016-2017 National Budget and I wholeheartedly support the Budget. Thank you, Madam Speaker, for allowing me this opportunity.

(Applause)

HON. SPEAKER.- Thank you. I now call upon the Honourable Minister for Foreign Affairs to have the floor.

HON. RATU I. KUBUABOLA.- Madam Speaker, Honourable Prime Minister, Honourable Leader of the Opposition, Honourable Ministers, Honourable Members of Parliament, ladies and gentlemen.

Madam Speaker, let me at the outset congratulate the Honourable Minister for Economy for the pragmatic and yet forward thinking Budget for 2016-2017. I note the particular focus in the National Budget on trying to bring out disabled citizens into the mainstream which should be applauded and

encouraged. Besides our international human rights obligations, our disabled community in Fiji are entitled under our Constitution to equal opportunities in paid employment and so this aspect of the National Budget is to be commended.

I look forward to Parliament's endorsement of the Rights of Persons with Disabilities Bill that captures the most significant features of the UN Convention on the Right of Persons with Disabilities. I also applaud the Honourable Minister for Economy for the public consultations undertaken to capture the various views of all Fijians in our National Budget, particularly our young people. My Ministry is also adjusting accordingly to the new fiscal year from the 1st August, 2016 to the 31st July, 2017. We also look forward to submitting the three-year and five-year Budget submissions starting from next year.

Madam Speaker, the long-term outlook of the National Budget for 2016-2017 and indeed Government is reflected on how we conduct Fijian diplomacy- securing a better future for all Fijians, through excellence in the delivery of our Ministry's objectives.

This National Budget, as had previous budgets, under the Bainimarama-led Government, continues to provide the bedrock for the implementation of our foreign policies.

On the overview, the latest national budget juggles well the need for assistance and rehabilitation post *Cyclone Winston* and the need for continued investment in infrastructure development and other important priorities of Government.

From a foreign policy perspective, I can say that my ministry has tried to make best use of the resources that are allocated to us. In fact, the recent election of our Ambassador Peter Thompson, to the Presidency of the 71st session of the United Nations General Assembly in September is a prime example.

The other candidate was Cyprus, who ran a very well- funded, slick campaign over the last five years for their candidate. In fact, at one point, all the odds seemed stacked against us, with over 128 written pledges for Cyprus. Madam Speaker, that is 128 out of 193 member States of the UN who have given their ready support to Cyprus.

However, given the mandate by our Honourable Prime Minister, we made the best use of what we had, often over coffee, tea or even impromptu meetings in hallways at international events.

We brought out best Fijian *bula* smiles and spirits and talked even with those who had pledged their support for Cyprus.

The successful end results is a credit to teamwork, determination and a commitment to optimising the resources given to us by the Government.

I thank the Honourable Prime Minister and the Government of Fiji, for their support of Ambassador Thompson's campaign and also our High Commissioners, Ambassadors, Headquarters staff and our Mission in New York for all their hard work. Also, Madam Speaker, I also want to thank the Chairperson of African Union, Dr. Dlamini Zuma, for using her influence on the 54 member States of African Union to support our bid for the PGA71. I met her on 27th May in Addis Ababa, after the opening of our embassy and she promised to speak on our behalf to the member states of the AU.

We are also mindful of the need to maintain this momentum without compromising on the needs of all Fijians affected by *Cyclone Winston*. Our National Budget for 2016-2017 keeps a delicate balance between consolidating national economic growth and also ensuring cyclone rehabilitation work continues in earnest for all Fijians. While the ministry has been busy helping to facilitate the assistance from our

development partners, *Tropical Cyclone Winston* also hits some of our own Ministry staff members in a very direct way.

One of our own protocol officers was on hand to greet the New Zealand Defence Force Team that finished the first aerial survey of affected areas in Ra, his home province. There had been no communication from his village, so he was not prepared for what happened next. The New Zealand Team displayed some of their photos to him and one of them was his family house, totally demolished, with only the concrete foundation left. He was immediately given time off by the Ministry to attend to his family's needs. Our Ministry also organised assistance for him and members of his village.

As the Honourable Minister for Economy pointed out in his Budget Address, the Fiji National Provident Fund has played a major part of helping our people like our protocol officer to help rebuild their lives. It is assuring to note the strength of the Fund in maintaining economic growth and helping Fijians in time of dire need.

On current world affairs, let me assure this honourable House, Madam Speaker, that the Ministry continues to keep close tabs on the development issues in Europe. Suffice to say, our Missions in Brussels and London provide regular updates to headquarters.

We are mindful of Fijian families that may feel the immediate impact in the loss in value of the British currency, particularly in relation to remittances.

While we may be physically far removed from the current events in Europe, we continue to monitor events and propose necessary contingency plans as we see fit.

Madam Speaker, if I may digress a bit here and I would like to congratulate the Honourable Minister for Economy for the allocation of \$30,000 for potential medal winners at the Rio Olympics. It is not surprising that our Vodafone National 7s Team are potential gold medal winners with all due respect to other sports. I was reading the New Zealand Herald last Friday, Madam Speaker, and the Kiwis have already given up hope. They have said that they will not win, neither the men's nor the women's 7s gold medal and this rugby writer was saying that Fiji will win the gold medal.

Since the days of Waisale Serevi, our 7s team have redefined the phrase "sports diplomacy". In fact, our 7s success opened up opportunities that we did not think were possible. Let us also not forget Vijay Singh another great sports ambassador for Fiji, who continues to proudly fly the Fiji flag in international golf tournaments.

The Minister for Economy, the Minister for Industry and Tourism and the Minister for Youth and Sports can agree with me that sports diplomacy is becoming more and more a useful tool to advance Fiji's interests on the global stage. In fact, the Chiefs-Crusaders Super 15 rugby game played last Friday night could be the first of many international rugby events packaged for maximum benefits for Fiji.

The events are also a test of our ability to hold world class events which turned out to be a great success. We look forward to the day, Madam Speaker, when Fiji shall feature on the IRB 7s calendar. Our overseas missions stand ready to facilitate negotiations with stakeholders and the necessary line ministries for this to happen. Also, there are increasing queries for Fijian rugby coaches in Asia, given the success of our Vodafone National 7s team. China for example, plans to have \$1 million rugby players by 2020 and they are already looking for rugby coaches.

It is, as highlighted by the Honourable Minister for Economy, part of the paradigm shift in exploring new opportunities to broaden our economic revenue base. Also our continuing support for the

Fiji International Gold Tournament in Natadola in October will reap massive dividends this year as the tournament is added to the European Tour.

From a purely marketing perspective, the exposure to millions of homes around the world would be invaluable. This kind of exposure would normally require a massive budget that we now get for a fraction of the cost.

Madam Speaker, allow me to continue to emphasise the need for investment in the development of our multilateral and bilateral partnerships. The Ministry for Foreign Affairs continues to build upon the widening scope of diplomatic relations we enjoy with 178 countries of the world. We also enjoy the support of line ministries in advancing Fiji's interests in the areas of tourism, employment opportunities and investment and trade.

In the new budget, there is an allocation of \$200,000 for the hosting of the 45th Colombo Plan Consultative Meeting later this year. We will be hosting the meeting for the first time since we became a member of the Colombo Plan in 1972.

Spearheaded by our mission in New Delhi, this conference augurs well for multi-lateral cooperation in the Asia Pacific region. The Colombo Plan, in itself is a 27 member regional organisation supporting intergovernmental efforts to strengthen economic and social development of member countries in the Asia-Pacific region.

My Ministry is keen to build on the successes of the past in terms of multilateral and bilateral development cooperation. Supporting the Colombo Plan meeting is one of the ways forward to achieving this. The strength of relationships in bilateral and multilateral cooperation agreements was seen with the outpouring of support from our development partners after the *Cyclone Winston*.

In good Fijian fashion, a lot of these relationships have been built on pure friendship, not just through institutional channels. As the Honourable Minister for Economy pointed out, our development partners were also more than happy to assist because of the positive projections of our economy that are an outcome of political stability. They share our Government's long term Vision for the prosperity of all Fijians.

The Ministry of Foreign Affairs also looks forward to assisting with our Government's aim to expand our economic base. I note the increased funding allocation to help stimulate growth through film and television projects that boosts business, creates jobs and promotes Fiji as a place to live, work or visit.

I would like to suggest, Madam Speaker, that stakeholders like our Fiji National University School of Film exploit this opportunity to use ready-made opportunities like the build-up to the Rio Olympics to tell the stories of our Sevens heroes. Overseas media are already visiting places like the home of Seven's star Jerry Tuwai in Newtown, Suva to highlight his background and subsequent rise to fame. Why not create a film about our own Sevens heroes? Our home-grown film industry should take heart from recent film projects by Polynesian filmmakers, particularly in Samoa, that have become box office hits around the region, particularly with the Pacific, our diaspora community.

Madam Speaker, our international standing is at an all-time high. As seen in the result of the UNGA Presidency Elections, we are in excellent standing in the international community. It also shows that the trust that has been bestowed on us by the Pacific Small Island Developing States (PSIDS), who gave Ambassador Thomson their full backing for the UNGA Presidency.

We also note the continued support of our Government's multilateral diplomacy interests, first, with the provision of \$1.3 million to support the operation of the Pacific Islands Development Forum

(PIDF). The PIDF, since its inception, has grown in leaps and bounds. It is now the legitimate regional and international player with the recognition of its Charter by the United Nations.

The Pacific regional architecture has also been redrawn since 2009. The PIDF represents a more inclusive approach to regional governance. At PIDF Summits, leaders of industry, civil society and Government can sit side by side to discuss important priorities. It has been said that Fiji punches above its weight diplomatically.

However, this has come about because the Government under the leadership of our Honourable Prime Minister has had to make some hard choices and change the way we do business with the international community. Perhaps, the words of our first Prime Minister and Foreign Affairs Minister, the late Ratu Sir Kamisese Mara speak in this very House, in reply to the 1973 Appropriation Bill on 7th December, 1973, and I quote:

“A mind that does not change with changing circumstances is an undeveloped mind.”

Even with a focussed budgetary approach on assistance and rehabilitation, we still aim at keeping Fiji’s voice in international forums loud and clear. As I said, the PIDF is being very much part of the Government’s Look North Policy, where we engage with non-traditional development partners in the search of new opportunities.

We also acknowledge the allocation of \$400,000 for the Melanesian Spearhead Group (MSG) Meetings in the new financial year. Madam Speaker, the Honourable Prime Minister has stated in the past about the need for due diligence and transparent financial dealings at the MSG Secretariat. We have stood our ground and declined to support any unjustified increases in their budget and directed them to live within their means. The reality is, the MSG needs Fiji and we need MSG, and the Pacific would be poorer without this collective co-operation.

The issue of MSG also raises the prickly issue of West Papua. Suffice to say, that budgetary speeches are not usually the forum for dealing with this kinds of issues. However, it must be noted that at the recent Senior Officials and Forum Ministers Meeting held at the Waterfront Hotel in Lautoka a few weeks ago, both the Indonesian and West Papua delegations sat in the same room to engage in meaningful dialogue. The resolution from the Foreign Minister’s Meeting will be discussed at the MSG Leaders Meeting in Honiara next week.

The MSG, like the PIDF, remain important regional forums for advancing Fijian national interests. With the appointment of the new Director General for MSG, our very own Ambassador Amena Yauvoli, MSG looks to be in good hands. Formally at the helm of PIDF, Ambassador Yauvoli is a seasoned diplomat, leader and administrator, who will ensure Fijian taxpayer funds are put to good use at the MSG Secretariat.

Melanesian countries are much stronger together in the fluid political economy of the world. Our economic opportunities are also underrated and we need to realise, particularly with Papua New Guinea, the enormous opportunities there are. Suffice to say, that Fiji’s future on the international stage augurs well. We have a strong voice at the regional and international level.

Madam Speaker, I thank the Honourable Minister for Economy for the 2016-2017 National Budget, and with this comes my wholehearted support and I commend it to the House.

Madam Speaker, before I sit down, I think I still have a few minutes, I would like to pose a question to the Honourable Leader of the Opposition and to my colleagues on the other side of the House, the SODELPA; how is it that you have a Party Leader from outside the House? By convention, the Party

Leader is always a Member of Parliament. Do you not have people? I was excited to read in the papers that the Honourable Kiliraki, the Honourable Ratu Isoa Tikoca and the Honourable Gavoka's names being put up to be Party Leaders. By convention, if you look at all the Parliaments all over the world, Party Leader is always a Member of Parliament. That is just a question I would like to put to the Honourable Leader of the Opposition.

Thank you, Madam Speaker.

HON. RATU I.D. TIKOCA.- That is none of your business. That is a known fact, so don't ask!

MADAM SPEAKER.- Thank you. I now call on the Honourable Jilila Kumar to have the floor.

HON. J.N. KUMAR.- Thank you, Madam Speaker, and good afternoon to you, Madam.

The Honourable Prime Minister, the Honourable Leader of the Opposition, Honourable Members of Parliament and audience: I rise today to deliver my contribution in favouring and supporting the 2016-2017 Appropriation Bill 2016.

First and foremost, Madam Speaker, I would like to take this opportunity to express my sincere congratulation to the Honourable Prime Minister and the Honourable Attorney-General and Minister for Economy, and his team for the 40:60 percent Government financial structure of 2016-2017 financial year. Therefore, on behalf of the nation and Fijians abroad, we wholeheartedly express our sincere gratitude to our Government by providing a strong, vibrant and inclusive Budget.

Indeed, Madam Speaker, this Budget continues to show the Government's significant initiative and commitment to take Fiji to another level in terms of development of any forms. Thus, I would like to acknowledge the Government's effort in looking after its people in more efficient and responsible manner in terms of the 2016-2017 Budget.

The morning after the announcement of the 2016-2017 Budget by the Honourable Minister for Economy, I read in one of the newspapers a statement made by one of the Opposition Members who stated that the 2016-2017 Budget is a political Budget, and not an economical Budget. Madam Speaker, I would like to refer to that statement by honestly stating that the 2016-2017 Budget is not a political Budget, but it is a loving and caring Budget.

I can talk whole day and whole night to support my statement, but due to time constraints, I will use only one example to support my statement, Madam Speaker. Almost everyone in this House, including our viewers, have enjoyed life from their childhood days until today, and there are some people of our nation out there, who have not had opportunities or privileges to enjoy life to the full. These are the people with disabilities, Madam Speaker. The 2016-2017 Budget, will enable them to enjoy life as us because this is their right. Therefore, I commend the Government for the first time ever, that these vulnerable people in societies are given equal opportunity, support and respect as they rightly deserve, Madam Speaker.

In conclusion, Madam Speaker, a responsible Government talks to its people through inclusive, fair and a caring budget. Therefore, Madam Speaker, I strongly support the Appropriation Bill of 2016-2017 to be passed in this honourable House. Thank you for your indulgence, Madam Speaker.

(Applause)

HON. SPEAKER.- I now call upon the Honourable Dr. Brij Lal to have the floor.

HON. DR. B. LAL.- Madam Speaker, the Honourable Prime Minister and Members of Parliament, I rise to support the 2016-2017 Appropriation Bill.

Madam Speaker, in my very short contribution, I will limit my speech to the \$100,000 assistance provided for the creation of a walkway to dispose of the ashes of our loved ones.

Madam Speaker, once Madame de Stael said and I quote:

“There is no foot so small that it cannot leave an imprint on this world. We understand death only after it has placed its hands on someone we love.”

These are powerful messages about the dead. Every community respects the dead and we should give them the best farewell. Traditionally, almost all Hindus are cremated and their ashes have to be submerged in water. Seawater is the best for the disposal of these ashes. Scattering ashes at sea or in the river is a great way to give a loved one a really nice send off.

Our Hindu brothers and sisters in the Nausori-Suva-Lami corridor have their burial grounds and crematoriums but always have that difficulty of finding a single suitable venue to dispose of the ashes. I take this opportunity to express my deep thanks to the FijiFirst Bainimarama-led Government for allocating \$100,000 to construct a proper walkway into the sea to gracefully dispose the ashes.

This request has been made for the past several decades but no one had the heart to understand the real need behind this request. Our Prime Minister has said many times that this is the Government that delivers. The Government carefully looks at the needs of the people and assists, fulfilling this request has meant so much to the Hindu community here.

A Chinese philosopher by the name of Lao Tzu once said, and I quote:

“Be careful what you water your dreams with, water them with worry and fear and you will produce weeds that choke the life from your dream. Water them with optimism and solutions and you will cultivate success. Always be on the lookout for ways to turn a problem into an opportunity for success, always be on the lookout for ways to nurture your dream.”

This Budget is a dream come true. It is said that the cheapest gift I can give anyone is kindness and that is the best. Honourable Prime Minister and the Honourable Minister for Economy, this kindness will be remembered long by the people.

Madam Speaker, once again, I support this Budget and I thank everyone for listening. *Vinaka*.

(Applause)

HON. SPEAKER.- Thank you. I now call upon the Honourable Mikaele Leawere to have the floor.

HON. M.R. LEAWERE.- Madam Speaker, Honourable Prime Minister, Cabinet Ministers, Honourable Leader of the Opposition and Members of Parliament, I rise to respond today to the Budget Address given by the Honourable Minister for Finance, now known as the Minister for Economy, as delivered a week ago.

Good leadership means putting the interests of the people at the forefront of all policies of governance, and in particular, being sensitive to the needs and wants of our people. In the face of such a challenging year, we enter into the first half of this year having battled *Cyclone Winston* and coming out at

the end of it, battered and bruised but with zest, it is best to survive and overcome. It is the responsibility of every government, Madam Speaker, to ensure the rehabilitation of the economy, as well as people's lives are made more comfortable as possible during such a time as this.

My response today will touch on various parts of the Budget Address, particularly on the sector which I have been assigned as Opposition Shadow MP for the Ministry of Education, Heritage and Art.

I begin by commending the various rehabilitation efforts made by all who have contributed to rebuilding the nation, from Government to donor countries and organisations, NGOs and corporations, individuals and faith-based groups. I salute the people of this nation for their acts of kindness and humanitarian efforts in helping the people and the nation of Fiji pick up the pieces of our lives following the devastation caused by *Cyclone Winston*.

For now, Madam Speaker, I will however like to point out that the Budget announced by the Minister for Economy, whilst obviously put together with a lot of effort, it is just that exactly. Simply an effort to promise and paint a picture of care, but failing short of real passion and recognition of the huge challenges our people are facing.

Madam Speaker, this is a Budget that has blatantly ignored the plight of our people, our disadvantaged, and of our workers. I was truly looking forward to seeing Government take some serious action now more than ever, to restore smiles on people's faces. Yet disappointingly, all I noted was some general gestures intended to hoodwink some parts of our communities, but lacking in ingenuity.

From the onset, every time there is a national disaster or a major event like the recent cyclone, it is usually schools that become a point of reliance for this nation. We use schools as evacuation centres so often, Madam Speaker, and also use them during Elections, for example, yet when it comes to rehabilitating schools in particular as in this case after *TC Winston*, it is disappointing to see the laxity and the general slowness in response time.

To-date, we still have schools waiting for assistance, Madam Speaker, for example the schools in Burenitu, Ra have students still studying in tents. I know this is the same in many other places.

I have noted in the Budget packages for rehabilitation that there is \$142 million that has been set aside for the Education sector covering 250 schools nationwide. I am optimistic, Madam Speaker, that this work will be speeded up so as to allow normalcy to return to our children, and they can once again enjoy their learning environment. My concern however, Madam Speaker, is the transparency and accountability of these budgetary allocations because unlike previously, we are not getting any clear information in this Budget, Madam Speaker, as to which schools are the recipients of these assistance and how much is being allocated to each?

I wish to highlight, Madam Speaker, that there was a lot of assistance being poured from benefactors towards schools, and towards rehabilitation in general but this is not highlighted and acknowledged specifically anywhere in this Budget.

Queen Victoria School has been adopted by Indonesia under the Adopt a School Programme, for example, but that has not been featured in the Budget.

Madam Speaker, abuse and corruption should not be tolerated and I submit before this august House, that the absence of acknowledgement and a proper audit of how much was donated towards *TC Winston's* rehabilitation works and from whom, could mean the possibility of abuse for these well-intended assistance.

Madam Speaker, I now intend to speak on the other budgetary provisions being directed towards the Education sector. I note that \$5.5 million has been directed towards the printing of textbooks for primary and secondary schools. I would like to ask Government as to whom are the vendors for this printing and how are they chosen?

We all know that these free textbook exercise is just that, a wishful promise that has been noted to only materialise, if at all, by the latter part of the second or the third term of the year. As we speak, many schools have yet to receive all expected textbooks and students and parents are having to dig deep into their pockets to print textbooks from the online website of the Ministry of Education as students can no longer afford to wait for the textbooks from Government. Is Government aware of these cases where parents who are already struggling have to pay internet costs for children and in addition, pay for the printing of whole textbooks? What a farce, Madam Speaker.

Madam Speaker, I also wish to point out the issue of free transportation or bus fare scheme that was started by this Government. This scheme caters for the first stage only of the travel of a child, and the rest of the journey for those living some distance away from the schools, parents have to fork out of their pockets the remainder of the fare. The budget announcement in fact, failed to point out how much exactly is going to this Government assistance. Is that still being provided, or will it now stop?

Madam Speaker, on the issue of salary increases for civil servants, I have raised this matter before in this august House, and I am raising it again, they are waiting for Government and unfortunately Government cannot give them what they deserve. Nothing, for example, has been paid out to our teachers, who have perhaps one of the most trying and important jobs in this country, nurturing and guiding our future leaders of tomorrow.

Madam Speaker, we note that there has been a salary increase grant provided for Early Childhood Education (ECE) teachers, and I would like to commend the Honourable Minister for this initiative. This is a crucial part of learning of every child's life otherwise known as formative years where the base of a child's learning and growth later in life is formed. ECE teachers spend a number of years, Madam Speaker, learning to teach in this special area of learning to be able to teach our kindergarten children and children with special needs.

Whilst we commend this salary increases, may I also ask that the Government considers upgrading facilities for these specific areas of teaching and provide them with better equipment, teaching aid, and also, further capacity building for the teachers to ensure teaching is made not only more attractive, but also adds value to the teaching sector and the individual teacher as a whole.

For these ECE teachers, Madam Speaker, there is a need to consider increasing teacher's quarter's grant, as their role becomes increasingly important in mainstream schooling.

Government needs to be realistic and consider increasing this allocation.

The use of taxpayers \$2.3 million on the recent *Chiefs versus Crusaders* game, is well spent as evidenced from the large turnout and compare to that the \$9 million allocation to hosting the international golf tournament that is being played mostly by foreigners and elites. Why fork money to a sport where the locals find difficult to watch?

Madam Speaker, let me also highlight the salary levels of our other primary and secondary school teachers. The starting salary of teachers with two years training, Madam Speaker, are pegged at \$12,000, as well as FNU graduates with no teaching certificates, similarly at \$12,000, as starting salary which is well below the 2013 tax threshold of \$16,000 per annum. Of course FNU graduates with teaching certificates and Corpus Christi graduates, they receive \$16,000.

Madam Speaker, in all fairness, our military with six months of training are now earning more than \$18,000 per annum, yet we pay our teachers who trained for a substantial number of years and paid substantial fees to do so, peanuts! Can Government bring it to that level as well?

These are teachers who teach our children and spend the most part of a day with them. And yet we wonder, why many of them are leaving this profession. It is because they are part of a dependable workforce that are able to survive elsewhere, and work in other sectors using their qualifications.

Madam Speaker, with this treatment, at the end of the day, it is our children and the nation as a whole who will lose out. Madam Speaker, meanwhile let me say that it is noted that our nurses received some increases back in 2013, but even that is far from sufficient compared to the inflation costs now being experienced. Our doctors have finally been given increases, and highly deserved, but it is the nature of these piece meal increases that concerns me.

This kind of selective awarding of pay increases will distort the job market and create an environment of unwarranted hostility between professionals who will begin to value themselves less or more because of the treatment they receive. In the past, job evaluation exercises have always been part of organisation and ministry structures, and this is carried out with the involvement of unions like FTA and FTU to ensure fairness and accountability. This is not happening anymore, Madam Speaker, and I ask why?

Whilst on the subject of unions still, Madam Speaker, I will again raise the issue of the non-involvement of unions in crucial government and statutory organisations like the Fiji National Provident Fund, as a means to oversight the functions of such institutions that have bearings on the savings of our taxpayers in this country. After all, there was a Tripartite Mechanism in place in past government which recognised the roles of unions and ensured they were on the Boards of such institution to represent the interest of workers.

Madam Speaker, let me also state that since the contract systems of Government have been introduced, there has been a lot of uncertainty, and we hear stories almost daily of civil servants crying foul over the loss of their long service leave allowances for example, as well as other allowances accrued from years of service in Government.

Madam Speaker, how can a Government expect its workers to perform as per expectations if it does little to mind the concerns of its workers and provide for them what is fair and justly theirs? Meanwhile, let me also bring to the attention of this House that the Ministry of Education seems to be in shambles. There is so much that is going on there that it is difficult to even decide where to start from. However, let me begin by stating that there is a Ministry of Education Tribunal that is in place, but what would be ideal for us is to invite the Honourable Minister for Education to inform us as the Board membership composition of this tribunal.

This will be a crucial Board because it hears the various grievances affecting the Ministry and its teachers and staff, and requires transparency of who they are and how qualified are they to handle such delicate matters.

Madam Speaker, there have been notable time undemocratic selection of teachers practiced in the allegations that the Minister is directly involved in some appointment processes for example, one such appointment of a relative to a very high post in a school in Nadi from ED6D to ED3C.

However, unfair selection processes have included some in the Accounts of the Ministry which have been made in such a way to camouflage the Minister's influences.

The Fiji Higher Education Commission, Dr. Richard Wah, who is a very highly qualified and knowledgeable has become the victim to the manipulations of the Minister and unceremoniously told to leave even though his contract is still valid.

There is also high level of fear amongst teachers who are always on the lookout for fear of being terminated, if they are found to be talking to the wrong people or members of the Opposition.

What is happening in this country, Madam Speaker? Do we now have a secret unit whose job it is to assassinate people's careers as a way of ensuring people toe the line?

Let us take for example the case of this officer who was recently terminated because someone took a picture of us sitting together at the pool table at the Fijian Teachers Association, where it showed him showing me his phone.

What has he done wrong? Information I have received indicates that he may have been victimised because he was found in my company.

Fiji has become a Gestapo operation, people are turning on to one another to make their way to the top and this is sickening. It is utterly saddening and deplorable.

Madam Speaker, there is also the incident of a teacher in Tavua being given a suspension and termination letter on the same day. Proper procedures were not followed in addressing whatever grievances there was against him, and the case ended up at mediation where it was ruled that he was to be reinstated. Yet, Madam Speaker, new charges were again laid against the officer, and the teacher has now been freshly suspended.

Madam Speaker, likewise two weeks ago, another teacher was demoted to ED9A from her Assistant Head Teacher position at Deenbandoo Primary. This grade, Madam Speaker, is for unqualified teachers. This deplorable and inhumane situation are currently been challenged by the union and we are optimistic that justice will be served and the teacher rightfully reinstated to her rightful teaching grade and position.

Madam Speaker, I am compelled again to ask, what on earth is happening here? It defies basic logic and goes against the basis of justice and fairness that our teachers are now being subjected to prejudices without a care in the world for their welfare, for their families and dependents, Madam Speaker.

Onto other similar concerns, let me also bring to your attention and also to this august House that the Ministry of Education is now using the MATRIX system to promote them.

This is subjective, and it is against what the unions FTA and FTU had agreed to as being part of the Minimum Qualification Requirement.

The practice been happening now is that the Ministry is using the 'commendation' of eight points system to promote its chosen officers and those who have been favoured instead of following the MQR system for professional transparency and accountability.

Madam Speaker, it is important that in order to determine whether any of the injustices occurring are being investigated at least, we should ask the Honourable Minister for Education as to how many cases have been filed in Arbitration regarding post processing and unfair dismissals, for example. It will be interesting to note the number and see how many have been resolved and why.

Madam Speaker, this Ministry is dying under the current Minister's leadership and I urge the Honourable Prime Minister, please to look into the matters at the Ministry and perhaps appoint an investigating team or committee to determine these various issues that I have highlighted today. There is such a big turnover of staff now at the Ministry, and perhaps this would be a good time to ask Government to revisit the policy on the retirement age and bring back the 60 years retirement back.

Madam Speaker, this country is losing its best and experienced people who are going home despite being in their prime, with qualifications and the right kind of maturity and passion.

We, Fijians, in general are known as late bloomers. We do things the Pacific way and it is when we grow older, that we grow wiser. We are like wine. The older we are preserved, the better we get and taste.

(Chorus of interjections)

HON. M.R. LEAWERE.- Madam Speaker, the Pacific region is benefitting from our retired teachers, and they are now being recruited to go out and teach in these countries. Why are we doing this? Would not it be wise that we retain them for our own children?

Madam Speaker, I will now very quickly bring before us some major issues from my electorate that I hope Government could consider looking into.

We heard in this august House that the reason Waivunu Sawmill was closed because it was not making profit. How can this be, when the biggest supplier of mahogany are the resource owners of Serua? The supply from the landowners is plenty but the intention of Government is something that we cannot comprehend. All Mahogany timber that were destined for that sawmill have to be sent to Sustainable Mahogany Industry (SMI) at Mana Forest, which sadly is closing up as well.

There are many lives now affected by these closures.

Landowners in the Yavusa Burenitu with its villages of Nabukelevu, Naboutini, Matadwa, Vunaniu, Nakorovou and Navulivatu with at least around a population of 1000 people excluding those from Yavusa Korolevu and Yavusa Nakauraki in Wainiyabia are now been deprived of their bread and butter. Government has taken away their opportunity to earn their living.

Madam Speaker, these people are reliant on employment at the mentioned sawmills and since the closures, they are in dire straits. The education of their children have been affected, and life in general looks very bleak for them. People who work at this sawmill came from all over Fiji as well. I ask the Government to reconsider its position and consider the plight of these workers and reopen Waivunu and Navutu sawmills. Meanwhile, I wish to highlight that for my area around Deuba, there are number of infrastructural debilitating roads which include the Deuba, Vunibau Road, which is in need of upgrading, it is a nightmare during both rainy and dry seasons.

Similarly, the Nabukelevu Road, is in a state of disrepair and despite people voicing their problems through the Provincial Council and *Tikina* Council, no one is heeding to their pleas. Madam Speaker, this is an area with rich resources and given the kind of attention that we give to investors in areas of investment, it will only be fair that the Fiji Roads Authority pays a visit to this place as the Nabukelevu road is also host to a school, in fact, services a government stations. Why are they not being not assisted, Madam Speaker?

Madam Speaker, in 2014, the Honourable Prime Minister, when campaigning in our area, assured the villages in Masi that he would look into their plight regarding their road. However, to-date, nothing

has been done. I again see nothing on this road mentioned in this latest Budget. I am optimistic that bringing this issue up in this august House, will compel Government to look into this matter.

In the meantime, Madam Speaker there are a lot of problems in telecommunications being experienced in the province. People have found it difficult to connect and communicate to other parts of Fiji and abroad, due to reception problems.

Lastly, I will end, Madam Speaker, by highlighting a need to reintroduce the Buy-Back Scheme of land to enable villagers, who were deprived of their land due to fraud on the manipulation of our illiterate elders in the past, where a lot of prime land was acquired by foreigners who took advantage of the state of our people then. One such case was the land owned by the people of Namaqumaqua Village. Their land has been converted to freehold and fortunately, for them, they were blessed to be given an opportunity to buy it back through the Qarase Government which they are currently doing. Why can Government not give it back to them for free?

Still on land, Madam Speaker, the People of Muasara Clan of Vunaniu in Serua are seeking compensation for the use of their land which had been converted to State Land without their consent. They have approached FRA who gave them no advice, TLTB and Lands advised them to seek legal redress. It is my hope that they are compensated after due processes have been carried out.

I am hopeful when we decide on matters of national importance such as these, Madam Speaker, that we need to do so with honesty, sincerity of heart and with the right intentions guiding us. For the matter, Madam Speaker, I have to unfortunately state that whilst this 2016-2017 Appropriation Bill 2016 has some good news for us to look forward to, there is no assurance that we can expect an improvement in our immediate lives as members of this community we call Fiji because of the lack of creativity and genuine care by Government.

Madam Speaker, Joe Biden, the current Vice President of the United States of America sums up what I think of this Budget when he stated, and I quote, “Do not tell me what you value, show me your budget, and I will tell you what you value”.

I will, therefore, not support such a budget that has been put before us.

Thank you, Madam Speaker.

HON. SPEAKER.- I now call upon the Honourable Alvick Maharaj to have the floor.

HON. A.A. MAHARAJ.- Madam Speaker, the Honourable Prime Minister, Honourable Ministers and Honourable Members of Parliament; yet again, FijiFirst told that Fijians were so right when they voted for FijiFirst into Parliament with majority seats to form the government. Year after year, our Minister for Economy has proven critics wrong when he announces the National Budget. This year again, the Honourable Minister for Economy has done the same when he delivered the 2016-2017 National Budget. I therefore, Madam Speaker, would like to thank the Honourable Minister for Economy for delivering a budget that was people centred. It is a budget that will not just improve the economic status of the country, but also uplift the living standards of all ordinary Fijians.

Madam Speaker, I would like to place this on record as well that never in the history of Fiji we have seen the Minister for Economy going around the country, seeking people’s opinion and getting suggestions to formulate the National Budget. For the first time, under the FijiFirst Government led by Honourable Prime Minister, people feel part of the National Budget. Thanks to our Minister for Economy for taking his time and going around the country to meet ordinary Fijians.

While so much talk has been going around that after *TC Winston*, Government should increase the VAT to balance the effect of the cyclone, Madam Speaker, our Government that has its people near to its heart, yet again proved critics is wrong that we would never place extra burden on ordinary Fijians while they are still recovering and rebuilding their life after the devastation that was caused by *TC Winston*.

In the past, Madam Speaker, previous governments have used natural disasters as an excuse to increase revenue by increasing taxes to stabilise the economy. The FijiFirst Government is optimistic that we can help our people without such measures. It takes guts and courage which is embedded in abundance on our side to present such a budget, especially when one of the worst cyclones in the Southern Hemisphere visited our shores.

As announced in previous Budgets, Madam Speaker, infrastructure development is one of the main focusses and this year, the Budget is no different. Once again, Government had invested so much money and infrastructure and the modernisation of our beloved country.

The Honourable Prime Minister has been going around the country and rightfully has noticed that whilst Fijians from urban centres are benefitting from improved road conditions, there is no reason why Fijians from rural areas should not reap the same benefit. For roads that were cut five decades ago, were never maintained by previous Governments. It was only the Bainimarama-led Government that maintenance works started on these roads. These roads play a very pivotal role in the livelihood of those Fijians staying in rural areas. Fijians from rural areas need to bring their produce to market in good condition and get a good value out of it. It is very important that they have decent road conditions for transportation to and from their village and farm.

Madam Speaker, in 2016-2017 National Budget, a total amount of \$95 million has been allocated to improve rural roads. Never before, such a huge amount was allocated to improve rural roads.

Madam Speaker, such investment by Government has both, direct and indirect effect on the people. Direct in the sense that road condition in rural areas were improved, easing their travel and decreasing time to reach their destination. Indirectly, Madam Speaker, improving infrastructure which also have an impact on economic growth in that area. Their vehicles would be in better condition as the new improved road condition would eliminate potholes. Better condition for children travelling to school.

In this year's Budget, Madam Speaker, there has been an increase of \$45 million for rural roads. Last year, it was \$15 million and this year, it is \$95 million. This shows how committed FijiFirst Government is towards the development of our beloved country.

Madam Speaker, as a voice of youth of this nation, I would like to say that this is what we need. We need a government that performs rather than those people who talk more and work less.

(Laughter)

The Opposition Members say we can upgrade this road in 10 years' time, but I say; "No, Madam Speaker, 10 years is too long. We need these things to be done now and not to be done later." For this reason, I fully support the National Budget.

HON. SPEAKER.- I now call upon the Hon. Matanitobua to have the floor.

HON. RATU. S. MATANITOBUA.- Madam Speaker, I rise to say my mind and heart regarding the 2016-2017 Budget debate and agree with the sentiments echoed by the previous speakers of this side of the House, that this Budget is confusing and concocted so that ordinary citizens be misled, and as Shadow Minister for Youth and Sports, my heart goes to the youth of this nation and the sports fraternity.

Madam Speaker, youth are our groomed leaders and they behest our earnest attention. We prepare them now with principal ethics and ethos, and they will adhere to abide with it for the rest of their lives. Youth, as our leaders, need the attention of the Government to facilitate programmes and ventures so that they prop up the nation as fresh and energetic as they may be with vigour and determination. The youth's future rests on the ability of the Government to set policies that will contain these youths to be assets and contribute constructively to this nation in all facets of development and lives.

Madam Speaker, on sports, it is baffling to hear the statement of the Honourable Minister for Sports and I quote:

“That we are expecting a decrease in their 2016-2017 budget compared to the money last year. That this year was big because of Government's support towards the Rio Olympics, Oceania Weightlifting and Swimming Championships, and the hosting of the Super Rugby match and the Fiji International Golf Tournament in Natadola. This is from the \$22.5 million allocated to the Ministry of Youth and Sports this year to support such events, \$9 million has been allocated for the Fiji International Golf Tournament in Natadola.”

Sadly, Madam Speaker, this Government see good only in lowering the age of voting to 18 in the Elections to entice, lure and manipulate the youths to vote them to power rather than really looking into and addressing the societal problems of youths.

Look at the statistics of people at the Corrections institutions across the country; look at the figures of people without employment registered at the National Employment Centre; look at the number of people dropping out of universities, tertiary institutions; look at the people that roam around our urban centres at night and look at the people that commit criminal activities at homes, villages and towns.

Madam Speaker, the figure will be pointing on the youths and they will be blamed as instigators of all these societal problems. In real fact, they are not to be blamed. Society with the perpetual of the Government failed policies and programmes have blind folded the youths and concocted information to use them for political, economic and social gains.

Youths have been caught in the web or cycles of developments meekly orchestrated by the upper echelon of the Government to numb them for a while. Government can fool the youths but not all the time. Youths with idle hands becomes the victims of this situation with no clear infrastructure setup to boost their morale and instil in them a sense of belonging and direction. Parents, church leaders and Non-Government Organisations play a vital role in ensuring that our youths do not succumb to pressure. I am impressed with the youth voice in urban centres pointing out the dictatorial nature of Government relating to censorship of media - the curtailment of rights and the corrupt power of governance.

On policies, Madam Speaker, allow me to give my comment and views:

1. Government Poverty Alleviation and Social Empowerment policies on Education with regards to Toppers Scheme does not take into account the majority of students but limit itself to examination oriented mind. The Government should also be encouraging blue collar workers and policies relating to agriculture, forest, fisheries, mining, et cetera. Government does not have the facilities to channel the so called “push out” to progress and to make them productive as in the Carl Marxist theory.

Instead this educated youth being idle, ventures in experimental activities without proper consultation and ends up on the wrong side of the law. And those dreams of a bright future are shattered and the youth is left isolated, depressed and demoralised.

2. Cottage industries emphasize on women. Why can we not include youths as part of this scheme? Government needs to incorporate the youth and not to marginalise them.

Madam Speaker, the overwhelm resources can be utilized for development purpose and ventures assigned for fisheries, farming and others depending on the strength of youths. Innovate policies on textile, cannery, *masi, kuta* and *voivoi*. This has to be developed by the Government rather than manipulating our resources for fly by night investors.

Is there any report before Parliament on who owns all the hotels, tour companies, small resorts, et cetera in Fiji?

3. Small and Micro Enterprise development have to be included and place more emphasis on youths as individual member and youth groups as officially registered to rejuvenate the economy. We need to utilise the availability of timber by providing youths with chainsaws that can allow the ripping of timber for coffins, tables, beds, chairs for domestic and regional demands.
4. Madam Speaker, we welcome the position of Government on Women's Action Plan but request that youth groups act as agents and facilitate changes in filtering information on gender equality, social justice and sustainable development to grassroots level.

Why not Government set up a Youth Federation to act as advisory body to the relevant Ministry for its improvement? That is a million dollar question. No, the Government only see fit in youth's votes.

5. Why not involve the youths in training and other initiatives to occupy them and distract them from going to major centres and cities. Adopt vigorous agrarian policy so that youths work on their own land and resources. This will not only generate self-employment but place pride on youths in the various involvement on programmes and activities.

May I add like infamous Apolosi Ranawai *Viti Kabani* model.

6. Madam Speaker, while I commend the people with disabilities initiatives by the Government, youths and youth clubs can play a vital role in bridging the ones who are not included in this scheme as not all people with disability will obtain employment. Madam Speaker, in utilising the youths and youth clubs, we can for example, prepare local fruit juice extraction centres that contributes to healthy living and eliminate Non-Communicable Disease to not only people with disability but elderly in our society and children. In doing and maintaining this model, it can reduce intake in Special Education and redirect the salaries to other areas of priority.

These are some innovative ideas that is lacking on the policies of the present Government.

Madam Speaker, on constituency visits, some young people have been airing their grievances on the lack of respect of Government officials in not incorporating these young people into mainstream development.

Most resources (land, sea and air) have been vacant for generations and Government needs to ensure programmes and apparatus to divert youths to partake in development. The Ministry of Youth should evaluate the situation on the ground and deduce means to address the concerns of youth's perspective rather than looking at it from top up level or from ivory towers.

Madam Speaker, youth training centres initiative is commendable but youths should be consistently monitored for some time until they can fend for themselves. The principles of values to promote national unity, youth development and employment opportunities are good in nature. Principles such as love, peace, long suffering, humanity, serenity have to be etched to the heart of youths.

Madam Speaker, the Government had allocated \$2.6 million in the 2015 Budget for the construction of two new stadiums in Vunidawa and Seaqaqa. The statement suggests that this will be supplemented by the funding from the Chinese Government and a further sum of \$0.2 million has been provided to develop rural sporting grounds and to provide accessibility to international standard sporting facilities in the rural communities. This project did not take place as sports loving people from Vunidawa and Seaqaqa did not enjoy the Budget Address results of 2015 on building of stadiums. What happened or is it happening? I hope this will be addressed by the Minister of Economy and Attorney-General in this sitting.

Madam Speaker, the \$30,000 incentive by Government for Gold medal winners in Rio is too little to be true. Fijians expect an answer from the Minister for Youth and Sports. What triggered the Minister to arrive at the figure, given that the Assistant Minister for Youth and Sports, Honourable Delana received more than the amount?

In referring to today's *Fiji Times* article by Kameli Rakoko, there was a table of the cash initiatives of Gold winners in Rio. China, Madam Speaker, gave \$500,000 per gold medal; Brazil, \$320,000; Australia, \$175,000; and USA, \$125,000 for winning Gold medal only, to name a few.

I propose to the Government that \$100,000 be given with a reasonable house, a motor vehicle of choice and a secure job for Gold medal winners in Rio, Madam Speaker.

The Government should not think of only hosting *Super Rugby* games but exploit the pluses of our sevens gladiators that we host as sanctioned International Rugby Board 7s circuit soon. I propose turning Fiji as the centre of gravity of the World as noted in the Lawatu, the roadmap of cohort Fijians. With all our youthful resources and various sports talents, we need to put action but learn that we are makers of history. Fiji's future depends on the past as we move forward.

In summary, Madam Speaker, the 2016-2017 Budget is not transcending to the people on the ground as far as youths and sports are concerned. Youths around the country have been marginalised for all this time and they are fed up with false promises and lies.

The 2015 Budget address on the two stadiums (Seaqaqa and Vunidawa) did not eventuate, best known to the FijiFirst Government.

Therefore Madam Speaker, for these reasons I cannot support the Budget. God bless Fiji, *vinaka*.

HON. SPEAKER.- I now call upon the Honourable Alivereti Nabulivou to take the floor.

HON. A. NABULIVOU.- Thank you, Madam Speaker. Madam Speaker, I am pleased to be able to contribute to this important debate. The National Budget is for the essential and indispensable catalyst for the national economy in the next year. It is something this Government and in this House must get right, it is far too important for partisan political considerations.

Fiji's national economy is largely based on three core elements. Firstly, we have industrious and productive workforce who have a desire to become more productive to better support themselves and their families. Secondly, we are blessed with many fine natural resources which need to be put to better use. Thirdly, we depend on our infrastructure of roads, bridges, jetties and the like – all of which need ongoing maintenance and improvement.

Madam Speaker, today I wish to focus on infrastructure because that is the area in which our national budget can be of greatest assistance, especially the subject of rural roads and the important work of the Fiji Roads Authority.

When the Honourable Attorney-General and the Minister for Economy gave his National Budget Address a few days ago, I was delighted to hear a strong emphasis on capital works and building infrastructure. This Government, above all governments, since independence has finally got the priorities right. At last! Every year, we are increasing the level of our expenditure in this vital area and building for the future and the future for our children.

This budget is not about pork barrelling or vote buying or looking after fat cats. It is about building and maintaining the essential apparatus through which the business of the nation is being conducted and enhancing the social wellbeing of our society.

I fasten on the Honourable Minister's words 'we will repair and strengthen critical infrastructure'. That is so important Madam Speaker.

I was also heartened to hear the Minister for Economy's reference to embracing advances in engineering. It is a false economy to engage in capital expenditure, only to have it swept away a few years later by the force of nature. As we have seen in the recent damage by *Tropical Cyclone Winston*, we need to ensure that not only do we spend smarter but also that we build smarter using the latest techniques and designs and without repeating the mistakes of the past.

We have talented and energetic people available to us, so let us make use of them to achieve the best outcome possible. Let us make Fiji a world leader in tropical construction and design, especially for parts of our infrastructure which are vulnerable to the force of nature. We have good people at FRA but we must join together to encouraging them to go that further step in making their work outstanding. Let us encourage our universities and FNU to participate in the process as well.

I am very pleased to see that the \$31.8 million allocated for reconstruction of roads, bridges, jetties and Irish crossing damaged in *Cyclone Winston*.

Please do not misunderstand me because I am not putting this in a complaining way. I love my home region for its beauty, cleanliness and its hard working people. What I am emphasising is the loss to the community and the nation if sections of our economy are shut down for an extended period where the structure is damaged or destroyed by the force of nature.

In built up urban areas like Suva, a torrential downfall might block a few roads for a very limited period of time but the work of the city goes on. Imagine the chaos and the frustration and economic loss if the whole of Suva CBD at Walu Bay were cut off and rendered unusable for an extended period. Yet, this is what happens in my home region and many others just like it. Whole communities across Fiji are rendered economically impotent for weeks on end. Much of this can be avoided if we have the right type of infrastructure, that is what we are to aim for.

Madam Speaker the Honourable Minister remarked on the Government's ambitious programme to put an end once and for all the disgraceful state of the nation's road. A very praiseworthy allocation of \$527 million has been made to the FRA for 2016-2017. This will go a very long way Madam Speaker.

I am grateful, Madam Speaker, that we have the Minister for Economy who is prepared to set proper priorities and gave increase funding s for rural roads, I congratulate him. This is what nation building is all about.

HON. SPEAKER.- I now call upon the Honourable Ruveni Nadalo to take the floor.

HON. R.N. NADALO.- Thank you, Madam Speaker. Firstly, I thank the Honourable Minister for Economy for always looking beyond the horizon in regards to the increase in demand to improve health service facilities, infrastructure in the rural and maritime areas.

Madam Speaker, gone are the days where our people from the interior of Navosa namely the *vanua* Navatusila in the *tikina* of Nadrau, the *vanua* Koruabeka in the *tikina* of Naikoro, the *vanua* Namataku in the *tikina* of Namataku, the *vanua* Nabuavatu in the *tikina* of Naqalimare and so as the *vanua* of Magodro in the *tikina* of Ba, who have to travel by horseback to reach the nearest health centres in this most densely isolated rural population. Even for almost serious cases that had to be referred to either Ba Mission Hospital or Sigatoka Hospital, it was either too expensive to all those who could afford it, or sorry state for those who could not.

Madam Speaker, due to the geographic allocations to the above densely populated area, it is only feeding that they will benefit directly from the budget allocation of \$6.3 million for the upgrading of Keiyasi Health Centre to a subdivisional hospital. In other words, Madam Speaker, after the completion of Keiyasi Subdivisional Hospital in Navatumali, this Government station would account to recognise in the not too near future, as it should attract investment opportunities to other stakeholders as it is the home of a primary and the secondary school, Police Station, Post Office, Provisional Office, Agricultural Station and Provisional Administrator's Office.

To complement the above, Madam Speaker, is the continuous rural project in the interior of Navosa. Thus, making it accessible to the *vanua* of Navatusila in the *tikina* of Nadrau and so as the *vanua* of Magodro, which is the border to the provinces of Ba and Nadroga.

While Madam Speaker, I also applaud the Commissioner of Police and his team in the efforts breakdown on the illegal *marijuana* cultivation in the hills in the interior of Navosa, these roads have simplified the work of the Police Force in tracking down *marijuana* cultivation in the highlands, instead of their usual time consuming tracking through rivers and hilly terrain.

The allocation of \$56.9 million for rural road upgrade is indeed a timely welcome, as we need connectivity to the rest of the province like Namosi, Naitasiri, Colo-North and Colo-West, thus making it an easier access for rural commuters and most importantly, for farmers to be commercially viable.

Madam Speaker, at this juncture, may I also request the respective Ministry concerned to kindly divert a portion of it for the upgrade of rural roads from Kavanagasau to Nabitu on the east bank of the Sigatoka River, Waicoba to Keiyasi on the west bank, the Biausevu Road in Korolevu, the Vatukarasa to Laivibuli Village Road, Vunatauwahu and Tiliva Rural Beef Scheme Road, Togovere, Ulusila and Nadroumai Road.

Madam Speaker, the settlements and villages of Nakabuta in the *vanua* of Tabanivono had been eagerly waiting for years as they either use bullocks or horses to cart their produce, crossing the river to the nearest road. However, Madam Speaker, school children are the worst affected whenever it rains as Nakabuta is a flood prone area, and with the allocation of \$1.5 million to construct the Nakabuta bridge is a big thumbs up for the people and so as the tourists, who also frequent this famous pottery village.

On rural water non-metered area, Madam Speaker, between the Nadi and Sigatoka corridor, the worst affected area during any long drought is from Cuvu Top in Nadroga to Malamala and Temple Road Residence in Yako on the Nadi end. A total of 4,500 people live within this vicinity, who are mostly cane farmers and hotel workers. After experiencing several years of long dry spell, all community water projects

and boreholes have dried up immensely. Thus, the allocation of Government water tanks to the above non-metered area.

However, Madam Speaker, while we applaud the allocation of \$3.6 million to cart water to non-metered areas, affected consumers who need clear guidelines and procedures on how their request for water carting is handled by the respective Divisional Commissioners, Provisional Administrators and so as the WAF.

I thank you, Madam Speaker, and I commend the motion to the House.

HON. SPEAKER.- I now call upon the Honourable Minister for Fisheries and Forest to have the floor.

HON. O. NAIQAMU.- Madam Speaker, the Honourable Prime Minister, the Honourable Leader of the Opposition, Honourable Members of the House, distinguished guests, ladies and gentlemen; I rise to speak in support of the 2016-2017 Appropriation Bill 2016 that was presented by the Honourable Minister for Economy on 22nd June, 2016.

Firstly, I wish to congratulate the Government and commend the 2016-2017 Budget which is not only a budget, but a forward looking economic plan for the nation. This Budget speaks of stability, stimulus, security, social mobility and inclusiveness. It is truly a people's budget.

In this Budget, we redouble our efforts to ensure a Fiji that is forward moving, given the recent on-going recovery efforts and economic challenges brought about by *TC Winston*. This Budget is an achievement of which we should all be proud of.

Madam Speaker, I wish to thank the FijiFirst Government for the generous budget allocation for my Ministry which will ensure ecological infrastructure, together with the physical and social infrastructure which the budget has invested in.

The Ministry of Fisheries and Forests is allocated a total budget of \$27.1 million, of which \$17.6 million is for Operating Expenditure and \$8.2 million for Capital Expenditure. This Budget, Madam Speaker, will put the Ministry on a secure platform which will be critical to ensuring that we rebuild the sector from the damages of *TC Winston* and continue to support economic growth.

Many of our rural communities had been affected by the destructive effects of *TC Winston* and we commit part of our budget and resources towards rehabilitation works and revitalizing the growth expected prior to *TC Winston*.

Fiji's fisheries and forestry sectors are at a crucial point in their development, capitalising on new opportunities and addressing emerging challenges and risks relating to natural disaster. This Budget will ensure that the fisheries and forestry sectors remain internationally competitive and sustainable, and that it continues to be a significant contributor to the economy.

The Department of Forestry is allocated a total budget of \$11.4 million, consisting of \$8.9 million Operating and \$2.1 million Capital. Government will continue to provide support to community-based forest plantations through the Fiji Pine Trust with an operating grant of \$0.5 million. The Trust assists community landowners by the establishment of nurseries; raising, nurturing and distribution of pine seedlings; supervision in plantation development and plantation monitoring. The priority, Madam Speaker, will be the *TC Winston* damaged pine schemes in Dawasamu, Bua, Nanoko, Ra, Vanuabalavu, Moturiki and Ovalau.

A budget of \$50,000 is allocated to continue the provision of subsidy on the purchase of forest value adding machines to forest owners, targeting minor forest products. This is to encourage the establishment of Small and Medium Enterprises through the utilisation of forests resources.

Madam Speaker, \$0.2 million is allocated to maintain the commitment to Fiji's REDD+ Programme. This will complement the US\$3.8 million grant provided by the World Bank through the Forest Carbon Partnership Facility to prepare Fiji for future carbon trading.

The Silviculture Research Division at Colo-i-Suva has been provided with a budget of \$0.1 million for the renovation of its Entomology Laboratory and purchase of microscope. Madam Speaker, Fiji has continued to be free of the world's major forest pests, such as mahogany shoot borer and pine syrex. This will allow us to strengthen collaboration with Biosecurity Authority of Fiji in protecting our commercial forests.

Madam Speaker, \$50,000 is allocated for the purchase of Stress Grading Machine. This equipment will enable the testing of structural properties of timber sold in Fiji in order to comply with the new requirements of the National Building Code. Other major forestry programmes include:

- Reforestation of Degraded Forests to increase forest cover and industrial plantation development;
- Research and Development of Wood and Non-Wood Species to support the utilisation of the invasive African Tulip species for the Wood Pellet Industry;
- Sandalwood Development Programme;
- Purchase of Value Adding Equipment for Lakeba Pine Scheme;
- Maritime Pine Woodlot Logging Support; and the
- Upgrading of Colo-i-Suva Forest Park with the aim of increasing revenue generated.

The Department of Fisheries is allocated a total budget of \$13.2 million, consisting of \$6.3 million Operating and \$6.2 million Capital. A sum of \$2.4 million is allocated to assist in the *Cyclone Winston* reconstruction and recovery needs of the Fisheries sector. This includes an allocation of \$0.6 million to support the ongoing recovery programme which includes the procurement of Fish Aggregating Devices (FADS) and fishing gears. Also included is an allocation of \$1.6 million towards the reconstruction of fisheries infrastructure and rehabilitation of seaweed farms with an allocation of \$0.2 million. This will greatly enhance service delivery to affected communities.

Madam Speaker, \$0.7 million is allocated to complete the construction of the Rotuma Ice Plant and for the preparatory works for stations to be built on Moala and Cicia. This will enable the islanders to receive first hand advice on fisheries, to achieve food security and empower communities to manage and benefit from their marine resources.

Other major fisheries programmes budgeted for this fiscal year includes completion of construction of the Caboni Multi-Species Hatchery. A sum of \$500,000 will be for the power transformer for power supply needs, borehole and quarters and the remaining \$200,000 is for normal operations.

Madam Speaker, the upgrade of the Fisheries Office and Quarters - \$0.4 million; Makogai Mariculture Centre - \$0.2 million, Coastal Fisheries Development Programme - \$0.5 million. The increase of \$50,000 to the programme is to cater for the Gau station operations.

Madam Speaker, for aquaculture development, \$0.48 million has been allocated to freshwater and brackish water aquaculture hatchery operations. The Food Security Programme assistance also under aquaculture has been allocated \$0.25 million to assist farmers for both subsistence and semi commercial purposes.

In conclusion, Madam Speaker, again I commend this well thought-out Budget to the House for its generous allotments for the projects under my jurisdiction that will enable my Ministry to serve the people of Fiji well under its mandate from Government.

Madam Speaker, through this Budget, Fiji will be stronger, safer, resilient and better positioned to address future social, economic and environmental challenges.

We look forward to a prosperous 2016-2017 for the Fisheries and Forests sector and the nation. Thank you, Madam Speaker.

(Applause)

HON. SPEAKER.- I now call upon the Honourable Ratu Sela Nanovo to take the floor.

HON. RATU S.V. NANOVO.- Thank you, Madam Speaker. Madam Speaker, I rise to thank the Honourable Minister of Finance and his team for the presentation of the 2016-2017 Financial Year Budget that was presented to this Parliament on Wednesday, 22nd June, 2016.

It was the first time in history of our government that the Budget presentation was done in the evening at around 7.30 p.m. on that particular day. In my reply to this Budget address, Madam Speaker, I will try to analyse as to how this Budget has impacted the three areas that I would like to focus my speech on, namely:

- a) the whole of the Fiji's economy;
- b) my shadow Ministry, which is the Ministry for Employment, Productivity and Industrial Relations; and
- c) the maritime Province of Kadavu.

Madam Speaker, as to the general outlook of the Budget on Fiji's economy on the 2016-2017 financial year, the Budget can be said as the biggest ever budget presented by any Fiji Government to-date. The total revenue component, Madam Speaker, is \$3175.3 million, the expenditure side of it is \$3643.3 million, resulting in an estimated net deficit of 4.7 percent of the GDP.

Why such a big Budget, Madam Speaker, and to that as the Honourable Minister for Economy puts it, that it was to have a broad economic base and the increased deficit is for investment to rebuild Fiji from the aftermath of *Tropical Cyclone Winston*.

Madam Speaker, whilst analysing the above statement and evaluating our economic status, it has brought about so many unanswered questions. On the area of broadening our economic base, Madam Speaker, it seems that it does not really tally with what is actually on the ground.

Our total exports, Madam Speaker, are expected to decline by 1.4 percent this year due to *Tropical Cyclone Winston* and if that is contracting, where are we going to get the required revenue from in order to pay off the current Government expenditure, as outlined in the Budget?

Our sugar export is on the decline, Madam Speaker, and the revenue acquired out of this industry kept on decreasing and yet the Government is still pumping millions of dollars into the industry in trying to revive it.

Madam Speaker, when considering the amount of so-called investment put into this industry and what the industry is actually producing at this stage, the industry maybe at its insolvent stage at this moment and I will not be surprised if that is the case.

Madam Speaker, if the above two scenarios are true, how then can we broaden our economic base when the facilities on the ground does not match with what has been targeted and this can spell doom for the nation.

Madam Speaker, on increased deficit to boost investment to rebuild Fiji from the aftermath of *TC Winston*, I do not think that this is a wise option because there are other means available to us in reaching the same destination.

Madam Speaker, the total destruction sustained by *TC Winston* is estimated at \$2.8 billion. At this point in time, Madam Speaker, we are still asking the same question as to how can this be financed because the Government has not come out clean in answering the following questions:

- a) How much has the Government contributed towards this rehabilitation exercise?
- b) How much were contributed by our overseas counterparts towards this exercise?
- c) What is the balance that needs to be spread out within the next three years, so that at the end of this period all the rehabilitation work would be fully met and paid for?

The problem in here, Madam Speaker, is that the Government side wants to take up the lead role in the *TC Winston* rehabilitation work rather than leaving those tasks to be performed by the Divisional Commissioners and their respective teams.

Madam Speaker, because of the above, there are no clear guidelines given in this Budget as to how we can raise the necessary revenue to fund the rehabilitation work on the ground and this is really very confusing.

The estimated net deficit of 4.7 percent in our next financial year, Madam Speaker, is way out of line, as the normal is mostly around 3 percent of the GDP. The estimated net deficit figure, Madam Speaker, can only be true if the Government is able to dispose of its assets which it intends to sell within the upcoming financial year. However, Madam Speaker, in the last two budget presentations, this was an area that the current Government was finding it hard to realise because the whole scenario was only looking good in its current paper presentation, but was very difficult to actually effect that transaction on the ground.

Madam Speaker, on the other hand, if the current Government is not able to dispose of these assets in the upcoming financial year, the following scenarios will stand out:

- a) the total estimated Government deficit will go up to \$723.8 million, as opposed to \$468 million, as currently projected;
- b) in terms of the percentage of GDP, it will rise to 7.3 percent of the GDP, as opposed to 4.7 percent projected and this is very much way of the mark from the normal target of 3 percent;
- c) sadly, the Government debt – in millions of dollars, will rise to \$5.219 million as opposed to the projected \$4.969 million
- d) the Government's debt level in terms of percentage of the nominal GDP will increase to 53 percent, as opposed to 50.4 percent projected. Again this is very much way of the mark from the normal target of 40 per cent.

The end result to the above exercise, Madam Speaker, that the current Government deficit level will keep on increasing and the means to pay off will keep on diminishing and the whole exercise will bring the Government's financial status to insolvency which can be unprecedented achievement of this current Government. To remedy this situation, Madam Speaker, the current Government has recommended to adopt these hard decisions:

- (1) Decrease the total Capital Projects allocation by \$187.22 million, and the decrease are to be sourced from the following allocation:
 - (i) From FRA, out of the \$510.6 million, they have to take away \$150.6 million and they can only be left with \$360 million.
 - (ii) Can be taken out from the Water Authority of Fiji allocation of \$229.4 million. It will need to take away \$36.62 million from there, and they can still work with \$192.17 million.

Therefore, you are creating a total saving of \$187.22 million and your net deficit will be around \$280.8 million which will bring the normal GDP back to 3 percent, which is normally an accepted level.

Madam Speaker, the above action needs to be undertaken now before it is too late because of the following reasons again:

- (1) To allow the two companies to take stock of their past performances in order for them to map out their best way forward.
- (2) Since the two companies normally receive heavy slice of the pie from the Government on capital works, this will be the best time for them to take full detail audits of their past performances.
- (3) For the Government side to really show their sympathy towards the people affected by the aftermath of *TC Winston*, it is high time now that they should come forward as a group and donate 10 percent from their respective salaries towards this course like the Opposition team has done.

Madam Speaker, I will now touch on the impact that this Budget will have on my shadow Ministry, the Ministry of Employment, Productivity and Industrial Relations.

Madam Speaker, whenever the Ministry's name do come up, it is always synonymous with the following terminologies:

- (i) Employment and unemployment figures;
- (ii) Acceptable wage rate;
- (iii) Guarantee of employment and tribunals;
- (iv) OHS issues;
- (v) Rights of workers under the ILO Conventions, to name a few.

In my past contributions towards the Budget debate in this area, Madam Speaker, I have always been addressing the alarming numbers of unemployment, people that needs employment and the Fair Wage Rate that they should be enjoying.

In the middle of last year, the unemployment figures increased to 46, 277 as registered with the National Employment Centre (NEC), and out of which, only 5,600 were able to be provided with permanent employment, which represents only 12 percent of the unemployment labour force.

Madam Speaker, with the imposition of the minimum wage rate of \$2.32 per hour from July last year, the Government was targeting to employ 100,000 workers and it is unfortunate that to-date we have not been provided with firm figures as to the outcome of this exercise.

Madam Speaker, even though the first ever Minimum Wage Rate of \$2.32 per hour had been imposed in July last year, workers are already up in arms for this to increase as the current cost of living is beyond every normal workers' reach and hope that the Government will take heed of the need to address it immediately.

Madam Speaker, based on the Budget presented, it is noted that the Government has put in place additional Employment Taxation Incentive Schemes to promote employment, but what is puzzling me is what sort of wage rate that they will be imposing here, when the recently minimum wage rate imposed last year is way off the mark?

In view of the above, as I have been advocating in my last two Budget speeches in this area, Madam Speaker, that the minimum wage rate should be worked out based on the sectors of the economy, as these different sectors will require different skills requirements, experiences and responsibilities.

Madam Speaker, Government is the major employment provider in this country and they have been managing this country for the last 10 years now, during the pre and post-election periods. Being the Government in those two periods, Madam Speaker, they should be displaying "Best Practices" as to how their Civil Servants should be treated. It is unfortunate to note, Madam Speaker, that during the pre-election period, they have really "mistreated the Civil Servants" in the following areas:

- (i) Freeze the payment of their merit payments and salary increments from 2009;
- (ii) Non-payment of any general pay increases known as COLA from 2009;
- (iii) Approval and subsequent suspension of the implementations of the Mercer Job Evaluation Review recommendation of 2003, whereby only the Disciplined Services including the Police, Military and Correctional Services benefitted; and
- (iv) A lot of Government employees have had their employment terminated through Government initiated reforms without being fairly remunerated.

To address the above issues, Madam Speaker, it is important for the current Government to treat its employees fairly and pay them whatever are due to them. To that end, Madam Speaker, we are suggesting to reallocate the total of \$27 million allocated as Marketing Support for Fiji Airways (\$18 million) and Golf Tournament (\$9 million) to meet the above demands.

Madam Speaker, the Civil Service Reform is still being implemented in consultation with the World Bank and with the hope of strengthening the Civil Service.

Madam Speaker, how can the Civil Service be strengthened when the current Reforms are being characterised by the following characteristics:

- (1) They are no longer career civil servants, Madam Speaker, but contracted civil servants and their employment security is no longer in existence.
- (2) The power to recruit and terminate civil servants, Madam Speaker, now rests with the Permanent Secretary in consultation with their line Ministers and these can lead to nepotism, corruption and abuse of the Civil Service.
- (3) Massive termination of civil servants, Madam Speaker, are now the norm in all the Ministries and the public cannot be informed because of the current Media Decree that is

still in place. Where then is democracy here, as the current Government normally advocates?

- (4) When a civil servant contract comes to an end, it will take time before it is renewed, if it is going to be renewed and while waiting, the civil servants are not been paid. Where is fairness in here because the delay is not with the civil servant but with the Permanent Secretary and his line Minister?
- (5) At the moment, the total number of employees employed in any Ministry is not known and since that is the case, how are the salaries and wages worked out in their respective Ministries because this can lead to abuse and corruption within Ministries.

Madam Speaker, whilst assessing what was there for civil servants in past years as compared to what they are currently imbedded in the current Civil Service Reforms, we strongly advise that we immediately do away with the current Reform and go back to the formative ways of how the Civil Service was being managed in order to restore some credibility in the current Government.

Last but not the least, Madam Speaker, I would now like to explore as to how the 2016-2017 Budget has impacted on the Maritime Province of Kadavu.

From the Budget presented, Madam Speaker, I am very disappointed to note that there is almost virtually nothing allocated by the respective Government Ministries to the Maritime Provinces, except for the upgrading of the Youth Training Centre at Yavitu in Kadavu, worth \$70,000.

To make matters worse, Madam Speaker, the allocation that were made for the construction of suspension foot bridges at Nalotu, Yawe, for \$300,000 and Gasele to Nauciwai in Yale for \$400,000 (both in Kadavu) are not shown in the Ministry of Rural and Maritime Development budget for the upcoming Government Budget. The two foot crossings, Madam Speaker, have not been constructed and I am just wondering whether they will be constructed before the beginning of this new financial year and I request a firm answer from the Honourable Minister responsible for this before the end of this month.

Madam Speaker, we noted that there is an allocation of \$56.9 million in the FRA budget for ongoing and new rural roads projects to provide access to rural communities and agriculture development areas. I do thank the Government for that, Madam Speaker, and hope that they will work on those projects in the upcoming financial year, rather than just exposing these promises in the Budget and not being fulfilled.

This is the second year, Madam Speaker, that we have been requesting the Government to construct the Ravitaki to Tavuki farm access road. The road, Madam Speaker, has been partly constructed at this stage, and hope to see that this project is completed before the end of July this year, otherwise all the work that have been carried out there will be a waste.

As for the upgrading of the jetty at Vunisea, Madam Speaker, we noted that this is again the second year that this proposal has been appearing in the Government Budget, but with no real progress on the ground. Another unfulfilled promise by the current Government to the people of Kadavu, especially for the district of Nabukelevu, Madam Speaker, is the jetty to be constructed at Nabukelevu-i-Ra. Again, this is the second year that I have been raising this in Parliament, Madam Speaker, and it seems that the request is falling into deaf ears and it is unfortunate to advise this august House that I, as well as the people in Kadavu, are beginning to lose faith in the current Government, if this type of unfulfilled promises continue.

Madam Speaker, Kadavu is well known for its *yagona* or kava which is the main source of income on the island. We do thank the Government again for the introduction of the Kava Bill, and hope that the

Bill address all the stakeholders fairly in order for the industry to thrive in our economy. The *yaqona* industry is a million dollar industry, and hope that the Government will provide due consideration to the industry in order for the industry fully realise its potential. We noted an allocation of \$651,500 in the upcoming Ministry of Agriculture's budget.

On that note, Madam Speaker, I really find it hard to support this Budget.

HON. SPEAKER.- I now call upon the Assistant Minister for Infrastructure and Transport to have the floor.

HON. V. NATH.- Madam Speaker, I rise to thank to the Honourable Minister for Economy and his team for the presentation of the 2016-2017 Appropriation Bill 2017 that was presented to Parliament on Wednesday 22nd June, 2016. It is a well-constructed Budget and once again, investment in national infrastructure is a top priority.

Madam Speaker, I also would like to thank the Government for including rehabilitation works for *Tropical Cyclone Winston* victims as part of its 2016-2017 Budget. In support of my Minister, I will focus my contribution to this august House, highlighting the Ministry's budget allocation for Maritime Safety Authority of Fiji (MSAF), Government Shipping Services (GSS), Department of Works and Department of Meteorology.

MSAF, Madam Speaker, plays a pivotal role in the oversight of its regulatory function covering maritime safety, maritime enforcement and prevention of maritime pollution. For the 2016-2017 Budget, MSAF has received an Operational Grant of \$3.4 million, an increase in \$1 million from the 2016 Budget. Also, MSAF will receive a Capital Grant of \$2 million, primarily for construction of three new lighthouses.

Madam Speaker, GSS has been allocated a further \$4 million for the purchase of a new multipurpose vessel. This will significantly enhance our ability to maintain our aid to navigation and will also have a small hospital facilities to provide health care for our maritime communities. This includes the ability to undertake minor surgery.

Madam Speaker, while we are re-fleeting our vessels, we are also mindful of our berthing facilities, to ensure that our new vessels berth in a safe and a controlled environment. In this regard, \$3.4 million has been allocated for the continuing upgrade of the Government Wharf and \$2.3 million for the completion of the new GSS warehouse. The new building will house the engineering/electrical workshop, office space plus dry and cold storage facilities.

Madam Speaker, in terms of the shipping franchise services, \$2.3 million has been allocated to support the much needed shipping services to outer islands that is otherwise considered to be uneconomical and to promote a competitive shipping industry.

Madam Speaker, the Department of Works comprise three divisional engineering units. This is only the engineering arm of Government, and it is responsible for building, operating, maintaining and upgrading of Government buildings, quarters, and electrical services. In the 2016-2017 Budget, the Department will receive an allocation of \$400,000 to continue to provide electricity to five rural government stations in Lakeba, Rotuma, Vunisea, Nabouwalu and in Taveuni.

Madam Speaker, the Department of Meteorological and Hydrology is committed to provide timely and reliable weather hydrology and climate information to the public, industry and civil aviation on both, the normal and extreme weather conditions.

One of the key items of their budget is to replace the Automatic Weather Observations System project at the Nadi International Airport at a cost of \$1.2 million. This will enhance and ensure that our weather monitoring system continues to meet the international standard. In order to warn the public well in advance to allow them to prepare for extreme weather, like cyclone, storm surges and flooding, the Department is allocated with \$50,000 to establish a new media centre at the Nadi Meteorological Office. The centre will facilitate updates on weather, climate and hydrological information to the public in three languages; namely, English, Hindi and *iTaukei* using various channels such as social media, web, press statement, radio and television interviews.

Madam Speaker, I strongly support the 2016-2017 Budget that is before this august House.

HON. SPEAKER.- I now call upon the Honourable Minister for Defence, National Security and Immigration to take the floor.

HON. CAPT. T.L. NATUVA.- Madam Speaker, the Honourable Prime Minister, the Honourable Leader of the Opposition and Honourable Members of Parliament; I rise today to express my support for the 2016-2017 Appropriation Bill 2017 and to thank the Honourable Prime Minister and the Honourable Minister for Economy and his team, for a great effort in setting the spending priorities for the next fiscal year.

Madam Speaker, I also wish to further congratulate the Honourable Minister for Economy, along with the Honourable Minister for Tourism and the Honourable Minister for Youth and Sports and all those who were involved in the successful hosting of the *Super Rugby* game between the Gallagher Chiefs and the BNZ Crusaders in Suva last week. Indeed, this spectacle event highlights the enormous potential Fiji possesses for similar events in future, and also the great opportunity represents Fiji's hospitality and warmth, regardless of what kind of weather it met.

On a more solid note, I wish to also publicly condemn the perpetrators of the recent terrorist attack in Dhaka, Bangladesh, and express our sincere condolences to the fallen victims and Bangladeshi people for the suffering they have endured.

Madam Speaker, the 2016-2017 Budget is a blueprint for our spending as a nation next year, that secures Fiji's future and advances the values of equality, fairness, personal responsibility and good governance. I wish to focus my comments this evening on the allocation provided to the department under my portfolio. The Ministry of Defence, National Security and Immigration is tasked with the co-ordination and supervision of all activities and functions of Government-related national security. The Ministry has undergone the review of the Fiji National Security and Defence sector.

The National Security Policy has been finalised and completed, the required rounds of consultation and is going through the warranted review process. This project will progress its staggered phases and intended to be completed in 2018. The outcome of this review will see a more streamlined National Security and servicemen, tailored to meet our evolving National Security needs through a more integrated Government approach in mitigating the relevant threats.

The Ministry of Defence, National Security and Immigration has been allocated a budget of \$8.6 million that will enable it to operate and deliver its normal services including policy advise and implementation of the various legislation under the Ministry. Madam Speaker, 2016-2017 fiscal allocation sees the slight increase from last year that the ministry is appreciative of in order to enhance productivity and service. From this \$8.6 million, \$3.2 million is allocated to the Ministry Headquarters where the balance is allocated to the Immigration Department.

This \$3.2 million allocation sees the continuing set aside budget of \$100,000 towards the completion of the National War Memorial in Veiutu. The Ministry will work in partnership with the Fiji Museum in promoting the new Military Museum for both locals and overseas visitors to recognise and commemorate the sacrifice of Fijians in the various countries we have served.

The Ministry also acknowledges the increased operating expenses towards the National Security Council, which contributes to a secured environment and progress nationally and the contribution to the region and internationally.

The Department of Immigration has been provided with a budget allocation of \$5.4 million. The Department, of course, is responsible for providing an efficient effective immigration services through the administration and enforcement of the Immigration legislation. The Ministry is appreciative to the Government that the Department has received an allocation of \$450,000 for the Integrated Passport Issuance System.

The decentralised issuing of passports as part of our overall aim to reach out to the public, especially those in the rural areas. Having issue centres for passport located at the Immigration office in Lautoka for the West, and Labasa for the Northern parts of Fiji as well as our embassies overseas will significantly ease the burden of ordinary Fijians wanting to acquire a passport. It will make the issuing process faster and smoother and also reduce the cost of Fijians of having to travel to a central location as in the past.

The alignment to the amendment of the Passport Act 2003 is evident in this Budget in that it allows for the introduction of a new official passport to be used by the deployed disciplined forces personnel or peacekeeping duties.

Madam Speaker, I also wish to express my sincere appreciation on behalf of the Fiji Police for the increase in the budget provision. The Fiji Police Force is mandated by law to maintain law and order, to serve MPs, protecting people and their properties, investigate and bring offenders to justice and uphold the rule of law. In short, the Police are tasked to ensure every Fijian feels secure in their homes and free to go about their daily business without fear of criminal violence or intimidation. To achieve that, Fiji needs a Police Force that is responsive, versatile, well-trained staff, free of blame and supported by appropriate equipment and technology.

Madam Speaker, the total budget allocation of \$131.7 million in the new financial year provision will no doubt help the Police in carrying out its obligation according to law and satisfy the demands and expectation of citizens of this nation, so to speak.

Madam Speaker, as alluded to in the Budget Address, this provision is an increase of \$5.4 million in comparison to the 2016 allocation.

Madam Speaker, please allow me to discuss the summary in the provision of the Police budget. In terms of operating provisions - \$102.5 million has been allocated for additional position at the border, adjustment in salaries for some ranks, compensate shortfall of FNPF contributions and the increment of pay for civilians. This is an increase of \$3.2 million in comparison to the 2016 provision.

Madam Speaker, 6.7 percent is allocated for capital construction which we had an increase of \$3.9 million compared to 2016. The key initiatives funded in this budget with our Police Force program include the construction of the new Valelevu Police Station amounting to \$1.95 million, \$900,000 allocated for the construction of a new Nakasi Police Station, renovation and extension of Police Post and Stations of \$900,000 which includes the renovation of the Nadi Police Station. Madam Speaker, a sum of \$1 million

has been allocated for the upgrade/replacement of Police living quarters around the country. The projects to be undertaken are as follows:

- a) the demolition construction of new 2 x 4 masonite for barracks and quarters;
- b) the construction of Nalawa Police Station and Nayavu Police Post. Furthermore, \$1 million has been allocated for the construction of Lautoka Police Station which has been completely damaged by *TC Winston*.

Madam Speaker, a provision of capital purchase are as follows:

- a) the sum of \$379,000 has been allocated for Quality Assurance Systems for the Forensic Bio and DNA Laboratory.
- b) \$400,000 is provided for leasing of communication equipment to mitigate police communication system from analogue to a fully digital multi-bank platform. It will be an expensive exercise required in a five-year roll out period. The upgrade will allow full network connectivity amongst the four Police Divisions and the police headquarters for the first time.

Phase One of the project has commenced from year 2015 and will finish off in the year 2020. The Fiji Police Force is currently utilising the usual command centre, rural and maritime stations, \$350,000 is for the purpose of Traffic Management and \$400,000 is provided for the purchase of standard equipment to ensure that all officers are properly equipped in performing their duties.

Standard equipment is needed to protect the officers from injuries helping them to make arrest and contain volatile situation. A sum of \$200,000 has been allocated for the purchase of special operation equipment to be used for disaster, civil disturbance and social rescue. The purchase of analytic and forensic chemistry equipment is funded at \$400,000. The Police is in dire need for additional half cabin boats and engines for maritime policing. These boats will be used by officers to attend cases in outer islands and also to facilitate emergency evacuation during disaster whereby \$627,500 has been provided. A sum of \$135,000 has been allocated for the first time purchase and installation of solar power for the first time for the maritime police post namely Matei, Wailevu, Rabi, Korotasere, Saqani, Lekutu, Moala, Namarai, Kese and Nacula, \$490,000 was allocated for the purchase of search lights and police vehicles. Furthermore \$200,000 has been provided for the purpose of IT equipment.

Madam Speaker, in a nutshell, the increase in additional funding were compared to the 2016 operation budget is for the appointment of the officers to address manpower shortage in the border police and the increase funding in the capital budget for the construction of the new police station posts and renovation of living quarters that sustained damage during *TC Winston*.

The Republic Fiji Military Forces, Madam Speaker, the primary responsibility of the RFMF is to ensure that all times hence the security defence and well-being of Fiji and all Fijians. The RFMF are also has also been an important pillar of our foreign policy through significant contribution to United Nation Peacekeeping operations in troubled areas around the world. To achieve that the RFMF needs to be acknowledged adaptable, resilient, skilled, committed and a peace logistically and technically to meet its objectives.

Madam Speaker, the total budget allocation of \$96.4 million in the new financial year provision will no doubt have the RFMF in carrying out its obligation even though it is a decrease \$3.5 million in comparison to 2016 of \$99.9 million. The RFMF operating provisions for the new financial year is \$87.1 million, this has been allocated for adjustment in salaries for some ranks, compensate shortfalls for FNPF contribution and new provision for the Hydrographic Department. A separation of the Hydrographic

Department budget from the Navy is due to better control and practice for good governance given the different roles they play in our maritime zone. The operating provision is an increase of \$364,000 in comparison to the 2016 provision.

Madam Speaker, \$6.8 million is allocated for the capital construction, this is a decrease of \$2.7 million from the 2016 budget allocation. The decrease is attributed to the decrease in integrated peacekeeping centre Black Rock budget.

The significant programme allocation of budget for the RFMF includes, I will name a few; to support the role of the Army Engineers Unit, for the safe storage of the military weapons and ignition explosive of about \$1.1 million is provided to construct a new magazine and upgrade the Armoury at Queen Elizabeth Barracks, the ongoing upgrades of military facilities at the Vasu Hall, Sukanaivalu Barracks, logistics support for unit complex and general maintenance upgrade of the force training group.

Peacekeeping, Madam Speaker, has reached a significant growth since the 1990s and has evolved to become a corner stone of the international community response to international crises. It helps countries torn by conflict create conditions for sustainable peace. Peacekeeping began with the primary military morale for observing ceased fire and separating competence after inter-state wars. Today, peacekeeping has evolved and expended into intergraded system of many elements; military, police and civilian personnel working together to build peace in a dangerous after math of the conflict.

Experts have pointed to a strong inverse correction between peacekeeping deployments and war casualties. That is as peacekeeping goes up, war casualties goes down, in both the short and long term. A major interdependent study found that the UN provides the most suitable institutional framework for all but the largest and the most demanding of nation building missions due to the UN comparatively low cost structure, high success rate and high degree of international legitimacy.

Madam Speaker, the Fiji Police needs the Fijian Government vehicle to support and participate in global peace and security initiatives. For over three decades since 1978, our servicemen and women have participated in peacekeeping operations around the world including Lebanon, Sanai, Bogan Bill, Solomon Islands, Sudan, Iraq and Golan Heights. This commitment has lifted our profile internationally and given us propositional influence in various international forum in relation to our size. They are punching above our weight and I flourish that around the world for doing so.

The increase of 2016-2017 Budget to \$79 million is seen to include and cover the arrangement of peacekeeping deployments, especially to the reconfiguration operation of multi-national force observer in the Sinai and the re-deployment consideration in place by the RFMF. Additional advantage of UN peacekeeping is simply multi-national nature which provides impartiality and legitimacy, staff members experience in most conflicting building operation and a well oval structure for coordinating international assistance.

Peacekeeping operation has contributed to the enhancement of Fiji Bilateral defence co-operation with foreign countries and in defence forces forging ties in the provisions of aid in human terrorism and help for national disaster, for example foreign defence force assistance to Fiji in the wake of *Tropical Cyclone Winston*.

Madam Speaker, as part of the Fiji commitment to global security, the Honourable Prime Minister pledged Fiji's continuous involvement in peacekeeping arena. Peace is the clear indication of our determination to maintain its commitment which is highly valued by the international community.

In regards to Honourable Mosese Bilitavu's comments, I just want to highlight a few. I am somewhat encouraged that the Honourable Member is concerned about the security of the nation and wish to refer to the queries raised by Honourable Bilitavu. I will just highlight a few.

Forensic Bio-DNA, this project is simply made in three phases, commencing in 2016. We have utilised \$732,200 as part of the first phase and for the next financial year. Police is again requesting \$379,000 for the second phase and the third phase it will be solely on the warranty and service level agreement to the equipment.

On communication equipment, the equipment is on lease to own and at the end of the five year 2020, Police will own the equipment. The total cost is \$1.96 million and the Police is required to pay \$400,000 annually for a period of five years.

Traffic management; the purchase and collaboration of speed detectors and breathalyser equipment are done on an annual basis and the cost continues to increase as the collaboration officers of the supplier comes to Fiji to conduct test at our cost as determined by the LTA Act of 1998.

Standard equipment; this is needed to ensure that police officers are fully equipped when they are deployed on an operation. At present, not all officers are fully equipped hence the reason we would request a funding and this is also used for replacement of damaged equipment. The forensic equipment, the project was put on hold this financial year due to the re-deployment of funds, however, the same amount is requested in the next financial year. These are the consumable and equipment with warranty utilised in a daily and specialised forensic chemistry analysis. For example, *Marijuana* testing – urine and leaves. I have already mentioned the upgrading of various police stations. That should meet the Honourable Members concern.

To conclude, in order to continue the Government positive growth outlook of 2017 and beyond, it is vital for us to produce safety, security and stability only with these we can create necessary environment to attract investment for development and re-opportunities of our people to prosper.

Madam Speaker, with total preparation of \$236.8 million provided to the Departments under my Ministerial portfolio, Government is ensuring that the organisation are entrusted with our security and defence remain efficient, active and enough to meet current emerging challenges.

Madam Speaker, I have great pleasure in commending it to the House as an effective blueprint to continue moving our nation forward. Thank you Madam Speaker.

(Applause)

HON. SPEAKER.- I will now call upon the Honourable Niko Nawaikula.

HON. N. NAWAIKULA.- Thank you Madam Speaker. I am the Shadow Minister for Housing and Local Government. My counterpart has left and I need to clarify some of the statements that were raised earlier.

He said initially that Nabouwalu, Seqaqa and Keiyasi are budgeted for development next year. I can assure this House that this is wrong and the \$1 million is set aside only for Nabouwalu. He also said that the rural water supply was neglected by the previous government, but I can say here that out of the 12 or 16 villages that I visited previously complaint of the neglect by Government of the provision of the Works Department.

Having said that, Madam Speaker, I wish to also say that my constituency through indigenous Fijians who lived in the villages and that will also factor into my address.

Having said that, the Housing, I wish to say that the Fiji Government had started in 2009, its effort to formulate a national policy on Housing. Those were the dark days of dictatorship but neither less the Government was working on some important baseline from previous Government, as expected the Government factored in its use from the funding's of the National Charter for progress, as well as the National Council for building a better Fiji but more importantly the millennium goal number 7, was factored into it.

Madam Speaker, the national Housing policy came into existence in March of 2011. Its theme was to provide decent, quality and affordable housing for all Fijians. That is everywhere: in the town, in the countryside, and everywhere. There is uniformity; you do not have a different standard here and a different standard for the villages. It is important for the Government to know that, having this housing assistance after *TC Winston*, so that provision however, has been supplemented as well by Section 35 of the 2013 Constitution that makes this a fundamental right. So we have a fundamental right, accessible and adequate housing which means that the State has an obligation to look into that. So what does the National Housing policy say?

The Housing policy recognises three separate areas of concern that must be addressed differently according to their special needs. So, firstly public and social housing for those like us here with fixed income, secure employment and living in a planned township areas. Second, a form of housing to address the urban poor who mostly live in urban squatters and third and most important which I will put some more emphasis on is the village housing to address the rural dwellers and indigenous *iTaukei* who live a communal life in their villages. A total stock of the nation, the housing stock was 173,000 units in 2012 for our population of 873,000.

The biggest pressure then was on urban squatter and the national policy target for the medium term was to address that. However, it is important to know as well that nearly half of the population live on the countryside, approximately 430,000 by a 2014 figure of this live in rural areas and villages and who occupy 30 percent of the total housing unit nationwide, the number is 50,978. So, Madam Speaker, I am making this assessment on the basis of that Policy, and I wish to make some broad observations on housing for the nation.

Firstly, I am very disappointed that there has been no reference in the Budget Address or its Supplement, to the National Housing Policy. Instead, Page 43 of the Supplement made reference only to Section 35 of the Bill of Rights of the 2013 Constitution, on the right to accessible and adequate housing. I say this, Madam Speaker, because the focal point of all targets and priorities that should be the basis of the Government's decision of allocating any budget is the National Housing Policy, and that leads me to my second point.

The second point that I wish to say is that, looking through the Budget, I discovered that there is no uniformity or consistency in how the National Housing Policy is being managed. The Ministry of Housing has details of expenditure that can be seen on Pages 256 to 261 of the *Budget Estimate*, manages the first component of public and social housing for those who have fixed rate income like us here and secure employment, living in planned and township areas that has a total allocation of \$241.1 million.

The second component of informal housing to address the urban town for those who mostly live in urban squatters, appears to be managed by the Department of Housing and its details of expenditure can be seen on Pages 170 to 173 of the Budget Estimates. In there, you can see that it has an allocation of \$24 million.

The third component of village housing to address the rural dwellers and indigenous *iTaukei* who live a communal life in their villages cover 50 percent of Fiji's population and 30 percent of the housing units in 2012 does not appear to be managed from anywhere. The only indication of where this concern is being addressed is under the Ministry of Rural Development and there you will see on Page 107 of the Budget Estimate, an allocation of Rural Housing Assistance of only \$500,000. That is the sad situation in relation to this and the figures do not add up.

Madam Speaker, I honestly feel that this nation is failing in its duty to address the housing needs of the third part of the equation, who are villagers and rural dwellers, and most seriously the very little that we do, we are not doing so in accordance with the National Housing Policy directives.

Every time and year after year, we are concentrating all our efforts to income owners, who are town and city dwellers and urban squatters, and we totally forget the third part of the equation who are villagers and rural dwellers, and they comprise half of Fiji's population and 30 percent housing units they occupy.

I feel that we give too much attention to us and we do not need to because our income guarantee for us, affordable and decent homes, and the banks guarantee town and country planning standards and bylaws. We patronise the squatters too much and by that, we are sending the message to the villagers and rural dwellers to come to towns and to the cities because we will look after their housing needs there.

Madam Speaker, the attention that we give to village housing needs to be needs for decent, quality and affordable housing because that is the common component. We must give equal attention to that, as we give to squatters and city dwellers. This is an important point, so important that I will be moving a motion to increase that allocation in the assistance when we go to the Committee Stage.

I say this, Madam Speaker, because our villages are our pride and this is not just for us indigenous in this country, it is for everyone. They offer a lifestyle that is unique, free from centralised control that is environmentally friendly, ecologically sustainable and in any event, the International Labour Organisation Convention 169, the UN Declaration Rights of the Indigenous Peoples have declared that lifestyle is a right that must be protected. This nation must, therefore, in its duty to provide for them better housing. However, the irony, Madam Speaker, is that the housing materials for these people are only one kilometre away from the villages where they are living and labour is no problem because the villagers live a communal life of *solesolevaki* and very little imagination is required to bring the timber resources from out there into the village.

In this year's Budget, the only help that is going to the villages and rural housing which has been forced upon the Government by *Cyclone Winston* in the sum of \$75.3 million for the Help for Home initiative but what is very sad is that, the Government has already confirmed that for rural dwellers, the housing standards will be lower because of affordability. I say, that is totally wrong because the National Housing Policy gives the same standard, so if you apply the same standard here, you also apply that with the rural areas, and that is common sense. When *Cyclone Winston* comes, *Cyclone Winston* does not decide to lower its category to Category 1 in the rural area and Category 5 here, so the same standard must be applied here as to those in the villages.

On Local Government, Madam Speaker, page 257 of the Budget Estimate boldly announces that the main focus for the Department of Local Government for the next financial year will include the strengthening and modernising of municipal operations. This, Madam Speaker, implies the need for an independent and the corresponding need, therefore, to immediately hold council elections. So, how can you achieve strength without being independent in decision making?

The need for council elections is crying out to this nation and the Honourable Minister has promised council election to us time and time again. He was very, very specific at the beginning, but his answer is completely vague now, stating that the elections will be done when they are ready. However, there is no provision in this Budget, so as far as I can see for the conduct of election next year, and next year will be the last, so there is simply no commitment here.

Another item that crops up every now and then is the new township development. One year, we hear the names of Seaqaqa, Nabouwalu and Keiyasi together, next year, they will drop one name say, only two; and another year like this year, there will be only one that comes up. It make good reading and good listening to hear the names of these towns but they never happen. So, for the next year, the Budget Estimate is saying on Page 261, \$1 million for the establishment of Nabouwalu, but we are not sure and in any event, it is only under requisition. That has been the recurring case over and over again.

On environment and climate change, Madam Speaker, the description of the role and purpose of the Department of Environment as expressed as to spearhead environmental management in the country and its main objective is to promote sustainability through the development and implementation of policies, legislations and programmes. That definition, to my mind, clearly brings climate change and all its responsibilities within the Ministry of Environment. It baffles me why climate change should be transferred to the Ministry of Economy.

Page 56 of the Supplement to the Budget explains the reason as, and I quote: “Strategic to strengthen the mainstreaming of climate change adaptation and disaster risk management.” That reasoning Madam Speaker, is clearly wrong, and we all know that the real reason is money and how the Honourable Attorney-General wants to put his finger to control the millions that will be flowing through this, together with the others that are all piled up under Head 50.

Still on climate change, Madam Speaker, let me say here that *Cyclone Winston* was not fortunate but our laws could have been mitigated by the Government, ensuring that the population was in a state of readiness. Only one month before *Cyclone Winston*, the Honourable Minister for Disaster Management issued a ministerial statement in this august House to say that we are in a state of readiness to face any phenomenon associated with *El Nino*. The *Cyclone Winston* proved he was all wrong.

A simple and effective early warning system could have mitigated our loss and would have certainly reduced the number of victims, and as well, I think that if we have good evacuation centres in the villages, that would have totally reduced the number of victims.

Madam Speaker, on my constituency, I now wish to address the development issues of my constituency that are impacted directly on this Budget and the distribution of funds. I have just returned from a visit from my part of constituency where I visited 16 villages. There, I was told of how the Honourable Prime Minister commented that they should come to me for development, all who voted for me and not FijiFirst. One individual even explained he was told by Mr. Kisoko who runs a Government Station programme to vote for me instead of FijiFirst.

But, Madam Speaker, I advised them that they had a right to development. Whatever Government that is in power and whichever way they go. I advised them also that by the Elections they give the party that is in power the mandate to rule and decide on development and the role of Opposition is simply to follow-up and to make sure that Government done its job. So I invited them to give me their concerns and issues. The first point that they wish to raise was in relation to water.

So, Madam Speaker, of the 16 villages that I visited, a total of 12 and their names are here. In the *vanua* of Tunuloa, the villages of Navetau, Wailevu, Naqaravutu, Karoko, Vuniboso, Koroivonu and Kanakana. In the *vanua* of Natewa, the villages of Vusasio, Natewa, Dawa and Vusaratu. The *vanua*

of Cakaudrove, Nawi were all very concerned about the delay and the neglect by Government in the implementation of their water supply. They complained that in 2015, representatives from the Fiji Water Authority and the Ministry of Rural Development had attended to survey their water sources, labour and material cost but then they have been following up time and time again, still nothing has been done. All that they were told was that they will be no deposit but they had to wait, wait, wait, and wait and they have been doing so.

So, Madam Speaker, I found that after a quick inquiry with the same problem, this happened in other villages, in other provinces, in rural areas. The problem could be very well be endemic and link to shortage of funds. I wish to say that water is a basic necessity and access to safe drinking water is a constitutional right. It is also a basic health need, to deny a community or even delay their supply is to deny them their health and their constitutional right. No excuse whatsoever can justify the denial, delay or supply of safe drinking water and the Government must act to resolve the problem faced by the 12 villages and other areas in rural Fiji. A sum of \$7.5 million is allocated to improve water and sanitation rural Fiji but clearly the experience from these 12 villages and others show that this allocation may not be enough and I will be moving a motion to increase this simply because of that.

Climate change, Madam Speaker: All climate change projects in the areas that I have visited are facing serious problems. There are two supposedly computer projects that I visited in Kanakana Village and Karoko Village. There is one at Vusasivo that is currently underway. At Karoko, the seawall is supposed to be covered on top by a 3 feet wide cement walkway that is to continue right down into a “V”-shaped drain to drain away water. Instead, these are all being filled up by gravel which will be washed away in the next heavy rain and the next tidal wave. The Kanakana project is even worse. Kanakana Village is sitting beside the mouth of a creek and the open shore line and the climate change project was intended to straighten the creek to prevent the overflow of the bank during floods and build up the shoreline to prevent erosion. What happened, in fact, is that a man turned up with his digger, spent three days, he did not even straighten the creek but he curved it right back towards the village shoreline.

Madam Speaker, the problem clearly is lack of technical supervision and monitoring. We appreciate what is happening but that is what is needed in this project. I am inviting the ministries concerned to send their people down to these places and check it out. So the Government must surely agree when I say that we need technical supervision and monitoring because the default in these areas underscore those needs.

So, Madam Speaker, \$2 million has been allocated to the Disaster Management Office to this type of work in my experience in Karoko and Kanakana so that we need to increase to allow proper supervision. I beseech the Minister for Rural Development to please check this out. He is obliged to, because if not, we will close the road for him to Natewa Bay.

Farm Access Roads, Madam Speaker: My short tour in this development project has proved to me that the Government needs to put a lot more effort in building non-cane access roads. We know and accept that the sugar industry is important and that has been for so many years and rightly so, the Government spends millions to upgrade cane access roads and bring the essential facilities of water and electricity to their farms.

This year another \$3 million is allocated for improving that but the *dalo* industry and the *yaqona* industry also are important to the economy. The Government must not be allowed to benefit from this industry at the expense of the poor *dalo* and *yaqona* farmers who are forced daily to carry their produce on their backs for up to five kilometres. Carrying that on their backs happens daily. At Koroivonu and Vuniboso they complained that the Government had surveyed their farm access road and they have being waiting and waiting and waiting.

So the Government must give due attention to where it is deserved namely by building more non-access roads. It must not build only and run away, it needs to build and continuously look after those. So, Madam Speaker, page 105 of the Budget allocation of \$1.5 million which I do not think is enough, I will be moving a motion to increase that.

The need for evacuation centres is important, Madam Speaker. The villages of Bagasau and Karako complained there were promised by Government to have evacuation centres. We need evacuation centres in the villages if we are to save the population. The need for an evacuation centre in every village in Fiji has been underscored by the severity of *Cyclone Winston*. The reason is very clear, it is because most houses in the villages are not strong and they fair not better than houses you see in any squatter settlement. That is a fact and this Government is already admitting it. Thank you.

(Chorus of interjections)

HON. SPEAKER.- Thank you. I now call upon the Honourable Mataiasi Niumataiwalu to have the floor.

HON. M.A. NIUMATAIWALU.- Thank you, Madam Speaker. Honourable Prime Minister, Honourable Leader of the Opposition, I rise to support the Fijian Government's National Budget 2016-2017 Appropriation Bill.

I would like to focus mainly on sports and its contribution to building a healthy and wealthy nation. This Government is putting in much money into sports than any other previous government which is a very positive sign. UN and other international agencies are beginning to realise the power of sports as an instrument of positive change. As a result, we now see more and more partnerships being forged with international sporting agencies to address the many social challenges facing humanity throughout the world.

There is no reason why we cannot replicate this in Fiji at the national level and use the power of sports to address Fiji's social problems. School curriculums should be heavily based towards physical education, focussed on teaching sports values and producing a healthier Fiji. I know the Honourable Minister for Youth and Sports will give us the rundown on the \$16.4 million budget allocation. However, Madam Speaker, there are two areas I would like to focus on - Sports contribution to achieving the 2030 Sustainable Development Goals and Sports Tourism.

According to the International Olympic Committee and I quote:

“...the enormous potential of sport, its global reach, its universal language, its impact on communities in general and young people in particular is a fact and is increasingly recognised around the world.”

It says sport is a cost effective tool for development, promotes health and prevention of non-communicable diseases, achieve quality education through values based learning, promotes gender equality including the empowerment of girls and women.

Madam Speaker, now to Sports Tourism and its impact on a sports crazy national like ours. Fiji is the administrative hub for sports in the region because the Oceania National Olympic Committee's (ONOC) administrative arm is based in Suva and the President of the Pacific Games Council (PGC) is also a Fijian. What it means is ONOC and the PGC have good access to Government and crop agencies based in Fiji.

Fiji recently hosted the Oceania Volleyball, Weightlifting and Swimming Championships and last week the Hockey World League round one in which both Fiji men and women qualified for round two, not mentioning the rugby that we all saw last week. It is good to take advantage and I encourage hosting, the money stays within the country. For example, the Oceania Weightlifting received worldwide live streaming. The event was viewed by an average of 65 countries per day with an average of 41,000 viewers per day for the four and half days of competition. The highest was on Friday, 27th with 87 countries and 78,000 people viewing, a great marketing opportunity to position Fiji as a great sports tourism destination.

The Government contributed a total of \$336,000 towards the purchase of new equipment and its contribution towards the organisational cost. The total economic benefit from the event is estimated to be in excess of \$4.3 million.

Madam Speaker, as we count down to the 2016 Rio Olympic Games, one month from today, let me at this juncture, thank the Bainimarama-led Government for the foresight to set aside funds for engagement of sports coaches. I do not think we would be world 7s series champions and number one seed for Rio, if it was not for such allocations so that we can contract and maintain Coach Ben Ryan.

Fiji is now a medium sized team in terms of representation, it is kind of twice or three times bigger than the Philippine team. So, Fiji's presence, depending on the number, will make an impact on television and according to the Portuguese alphabet in Brazil, we start at the beginning. So, if you are in the first 20 to 40 minutes of the opening ceremony, you will be featured and you have a big team, if you are the number one in the world, there is a lot more, the camera stays on you.

Madam Speaker, we only imagine the view sheet for Rio in a month's time and I can promise this august House that Fiji will definitely feature prominently at the Rio Olympics.

Madam Speaker, with our focus on Olympic gold in Rio from 7th to 9th August, I would like to wish Team Fiji the best and I fully support the Bill before the House. Thank you, Madam Speaker.

(Applause)

HON. SPEAKER.- I now call upon the Honourable Alexander O'Connor to have the floor.

HON. A.D. O'CONNOR.- Thank you, Madam Speaker. Madam Speaker, the Honourable Prime Minister and fellow Cabinet Ministers, the Honourable Leader of the Opposition, Honourable Members of Parliament, members of the public watching and listening from the comfort of their homes: a very good evening to you all.

Madam Speaker, I rise to support the increase in excise tax on sugar, sweetened drinks, cigarettes, tobacco and alcohol as announced in the 2016-2017 Budget recently.

Madam Speaker, allow me to begin by saying that over 50 per cent of Fijians are unaware of an epidemic that is presently gripping the nation. That epidemic, Madam Speaker, is non-communicable diseases, commonly known as NCDs.

Around 80 per cent of deaths are caused by NCDs each day. Almost three-quarters of non-communicable disease deaths occurred in the low and middle income brackets. NCDs is also known as chronic disease are not passed from person to person, they are long duration and generally, slow progression.

The four main types of non-communicable diseases are diabetes, cardiovascular disease, heart attack and stroke, cancers and chronic respiratory disease such chronic obstructed pulmonary disease and

asthma. All age groups are affected by NCDs and occur before the age of 70. Children, adults and elderly are all vulnerable to the risk factors that contribute to NCDs, whether from unhealthy diets, physical inactivity, exposure to cigarette and tobacco smoke or the effects of the often use of alcohol. However, the largest contributor to NCDs through unhealthy diets is the sweeteners used in the manufacture of fizzy drinks, juices and confectionary.

It has been suggested that the use of artificial sweeteners may have a stimulating effect on appetite and therefore, may play a role in weight gain and obesity. These behaviours lead to four key metabolic physiological changes that increase the risk of NCDs, raise blood pressure, overweight and obesity, high blood glucose levels and high levels of fat in the blood. In terms of attributable deaths, the leading metabolic risk factor is elevated blood pressure, followed by overweight and obesity.

Madam Speaker, these diseases are driven by forces that include aging, rapid unplanned urbanisation and globalisation of unhealthy lifestyles. For example, globalisation of unhealthy lifestyles like unhealthy diets may show up in individuals as raised blood pressure, increased blood glucose, elevated blood lipids and obesity. These are called intermediate risk factors which can lead to cardiovascular disease.

What are the socio-economic impacts of non-communicable diseases? NCDs threatens progress towards the UN Millennium Development Goals Development Agenda. Madam Speaker, poverty is closely linked with NCDs. The rapid rise in NCDs is predicted to impede the poverty reduction initiatives in low income brackets, particularly by increasing household costs associated with health care. Vulnerable and socially disadvantaged people get sicker and die sooner than people of higher social positions, especially they are at a greater risk of being exposed to harmful products such as tobacco or unhealthy food and have limited access to health services, a low resource settings health care plus for cardiovascular disease, cancer, diabetes or chronic lung disease can quickly drain household resources, driving families into poverty.

The exorbitant cost of NCDs, including often lengthy and expensive treatment and loss of bread winners are forcing people into poverty annually stifling development.

Madam Speaker, to lessen the impact of NCDs on individuals and society, a comprehensive approach is needed that requires all sectors including health, finance, foreign affairs, education, agriculture, planning and others to work together to reduce the risk associated with NCDs, as well as promote the interventions to prevent and control them. Of greatest importance in reducing NCDs is to reduce the common modified old risks. I stand to show my support for the motion before this House. Thank you, Madam Speaker.

HON. SPEAKER.- I now call upon the Honourable Viam Pillay to take the floor.

HON. V. PILLAY.- Madam Speaker, I rise to support the 2016-2017 Budget. Madam Speaker, I will keep my short presentation on one aspect of the Budget, that is people with disabilities. There are over a billion people living with some form of disability in this world. The number of people with special needs in Fiji is also increasing, especially due to accidents and diabetic amputations. Our hospital serve a high case of amputees, particularly those suffering from the complications of NCDs.

People with special needs need to be treated as normal people, capable of being productive and potential to contribute to nation building. Living with disabilities should not mean disqualifying them from having access to many aspects of life.

Madam Speaker, the FijiFirst Bainimarama-led Government has carefully considered the needs of people with special needs and has ensured that they are looked after. This is reflected clearly in the 2016-

2017 Budget including Government policies and proposed loans. Prior to the tabling of the Budget, Government has already taken serious concrete steps towards addressing the plight of people with disabilities. We have pushed for Fiji's ratification on the United Nations Convention on the Rights of Persons with Disabilities and the Report of the Parliamentary Standing Committee on UNCRPD was tabled in the May sitting of Parliament.

In order to give domestic effect to the Convention, Government has put forward the Rights of Persons with Disabilities Bill 2016 which is currently before the Standing Committee on Social Affairs. This new law will strengthen the protection of people with disabilities.

As the Honourable Attorney-General and Ministry for Economy made it clear in his Budget Address, we need to put forward policies that give people with disabilities the foundation to have ambitious plans, achieve their potential and live productive and fulfilling lives.

The Government is backing this Bill with necessary funding support and tax incentives. In the 2016-2017 Budget, we can put forward new measures of incentives for the disabled. Madam Speaker, these incentives reflect Government's commitment to improving the status of people with disabilities. Government is not only putting up legislation and talking about the rights of people with disabilities, it is making sure through the 2016-2017 Budget puts up the necessary support required to make these policies a real impact in their everyday lives and livelihoods.

Therefore, Madam Speaker, I commend the Appropriation Bill to this august House and fully support the Budget 2016-2017. Thank you, Madam Speaker.

(Applause)

HON. SPEAKER.- I now call upon the Honourable Aseri Radrodro to have the floor.

HON. A.M. RADRODRO.- Madam Speaker, the Honourable Prime Minister, the Honourable Leader of the Opposition and fellow Honourable Members of Parliament; I am responding to the 2016-2017 Budget Address at a crucial time when the global economy is in serious crisis. Global growth has slowed down from 3.4 percent in 2014 to 3.1 percent in 2015, and 2016 is said to be another tough year with so many global issues looming on the horizon, for example, the Presidential Elections in the USA, the continuing impact of the wars in the Middle East, the exit of Britain from the European Union and just completed, Federal Elections in Australia, and of course, the many natural disasters that had devastated our world including Fiji, where we experienced *TC Winston* a few months ago.

Financial markets have also been battered and global trade has contracted, Madam Speaker. I was, therefore, reservedly optimistic that the revised Budget for 2016-2017 could not only be rehabilitative but a rejuvenating Budget as well, where practical approaches are packaged to address the urgent needs of the people of Fiji. Such a Budget would also prepare the economy and build our resilience to the external shocks fore mentioned.

I was looking for incentives and policies, Madam Speaker, which would ease the burden of our people, the taxpayers, and not to further dampen on our spirits.

I would like to comment on a few revenue policies in this Budget which warrants explanations from the Honourable Minister. Instead of tax cuts, there is now an increase in excise tax on sugar, sweetened and carbonated drinks by 20 cents a litre. Likewise, there is another increase in excise tax on cigarettes and alcohol by 15 percent. If these are supposed to be health conscious taxes to address NCDs, something does not add because there is contradictory positions taken by the Government in the slashing

of the Ministry of Health's budget from \$277 million to \$244 million, which therefore raises the question whether this is just another exercise to further dip into the pockets of ordinary citizens.

Over the years, Government would be aware that despite increasing taxes on cigarettes and alcohol, for example, they remain popular goods for people, and this time around, they have added sweetened, carbonated drinks to the list, knowing it is also a popular daily drink for many.

Madam Speaker, why has Government allowed for the extension of opening hours of nightclubs until 6 o'clock in the morning if they do not recognise people's high preferences for alcohol consumption? It is such measures that confirms Government's intent is to make money from these tax increases and not deter as has been often packaged.

I note there is also an increase in water resource tax, and an increase in cash register thermal and bond rolls, to name a few. This kinds of increases will mean the passing of the cost of doing business to consumers. People will now have to pay more basically, Madam Speaker.

Madam Speaker, the overall cost of living has just risen significantly. One only has to look at the price of root crops and vegetables in our markets to note that a simple heap of cassava or *vudi*, they now cost as much as \$11 to \$15 a heap, from \$5 before *TC Winston*. Consumers now have to work out which one gets the more value for our money; the cassava or *vudi*, instead of simply determining that they prefer *vudi* and buying that. Prices are just too high for preference buying.

I also note with regret the continued application of VAT on basic food items that most ordinary citizens of this country need for their everyday life. I was hoping that this Budget would have a six months to one year VAT exemption on basic food items or removal in total.

Madam Speaker, I was also hoping for tax breaks for companies and businesses and likewise, tax breaks for workers of this country, similarly for at least six months to a year. Madam Speaker, we are a communal society. We should be able to assist ourselves and our families get back to our feet during these tough times. This is why tax breaks are necessary, Madam Speaker, apart from the FNPF assistance as we need to have enough disposable income.

Madam Speaker, in fact, this would be the right time to implement COLA payments of our workers or reintroduce the lodging of annual tax returns by employees to allow us to claim back from FRCA the necessary tax deductible expenditures we used to enjoy, in order to balance off the indirect tax collections by Government.

The sad part of this Budget announcement, Madam Speaker, is the obvious double standards that can be noted everywhere, particularly in the favouring of the elites for example, who have been reworded with the removal of three percent credit card levy. Madam Speaker, who on earth in the under-privileged bracket owns a credit card? Only the elites own such a luxury, Madam Speaker. You have to earn certain wage level to benefit from such services. So instead of removing tax from basic food items, Government has chosen to reward the elites and remove the tax on their credit cards.

(Chorus of interjections)

HON. A.M. RADRODRO.- Madam Speaker, whilst still on the issue of taxes, I wish to address the new addition of VAT onto residential premises that are on rent and earning over \$100,000 per annum. This means that an average home rental will have to earn around \$9,000 per month for them to be subject to VAT. Who pays for such residential rents? This policy is again aimed at assisting the elites.

(Hon. Member interjects)

HON. A.M. RADRODRO.- Why could we not have VAT ceiling introduced for residential properties earning around \$30,000 per annum on rental, for example, to make it realistic for those renting homes, Madam Speaker, from low income brackets?

I picked out this issue because I have noted how hard it is these days to find decent, affordable homes for rent. Unfortunately, the Honourable Minister is not here to hear this.

The prices of homes are so high, people have to move further out of the city to afford decent homes. Only in yesterday's dailies, Government was encouraging landowners to invest in idle land for residential lots, as they said, 'this was now an issue for places like Suva'. This can be further complemented when you speak to University students, who are experiencing the reality of having to live in squalor conditions as they rent to complete their tertiary learning away from home.

Many of these students come from outside of the urban centres - from the West, North, our rural settlements, and then there are the regional students. I wonder if this Government would be interested to do a survey of home rentals against the wages of our people, or at least, can they can advise us...

(Hon. Member interjects)

HON. A.M. RADRODRO.-... if they have worked out how much is being used by students who are taking loans from TELS and those on Toppers Scholarship for rent expenses alone? It will be interesting to see what comes out of this Survey, Madam Speaker. Overall, the Government policies can only exacerbate the wealth disparity amongst our people.

Madam Speaker, this Government has publicly boasted that it has collected tax like never before through FRCA. But ironically, there has also never been a time where the national debt level has likewise been so high in 2010. It reached an all-time record of 56.2 percent, and now in 2016, the debt levels against GDP sits at 47.9 percent.

(Hon. Members interject)

HON. A.M. RADRODRO.- Government collection is on the increase and the question is; why continue to borrow more, Madam Speaker?

I note that in the 2016-2017 Budget, the Ministry of Infrastructure still received the largest allocation of \$956 million. What is also noticeable is that most of the capital expenditures continue to be under 'R' (Requisition) and these are for entities like Water Authority of Fiji (WAF), Fiji Roads Authority (FRA), and others. However, the costs are too high with the budget of the Ministry almost tripling from what it used to be in 2006.

Most of the entities under the Ministry have been privatised and yet, they continue to receive inflated budget provisions, in particular the FRA and the WAF.

(Hon. Member interjects)

HON. A.M. RADRODRO.- This would be good time to conduct performance audit on these privatised institutions, Madam Speaker, which includes ...

(Chorus of interjections)

HON. A.M. RADRODRO.- ...FRA, WAF, FIMSA, LTA, GSS, FEA, and the list goes on. The taxpayers of this nation need to know whether there is value for money obtained out of these budgetary allocations. They need to be informed whether there are leakages and wastages of resources or funds and if any serious actions are taken by Government to address this.

The Honourable Minister for Economy said the poor and negligible state of our national infrastructure, particularly our roads and bridges is due to the poor construction and corruption by past Governments. The FijiFirst Government has now been governing for nine years, and they have now surpassed the years of governance of the SDL Government, the predecessor of our SODELPA Party which led from 2001 to 2006.

(Hon. Member interjects)

HON. A.M. RADRODRO.- Madam Speaker, the FijiFirst Government will surpass the years of leadership of the SVT Government when they reach 2018. To-date, they have equalled them in the number of years in ruling. The only Party which ruled longer than them in Fiji's political history is the Alliance Government.

Madam Speaker, the other side of the House must refrain from constantly bringing past governments as they are so often doing. It does not make them look credible.

Recently, their Government's statutory authorities had picked up on this habit of shuffling blame to others who when two of its leading CEOs looked to the media to have public spat over the reasons behind the temporary one lane closure of the Tamavua-i-Wai bridge. The two needed to be told, to be reminded that they are paid by taxpayers to do a job, which does not include finger pointing. What has come to light, Madam Speaker, is that the deterioration of the said bridge was exacerbated with the weight exemption which was set in 2008. The compromise agreement was made between the Land Transport Authority and the Road Haulers Association.

Meanwhile, the Government has provided extensive incentives for hybrid vehicles in its budget, and likewise has covered a range of measures for second-hand vehicles. I ask, whether the authorities are taking note of the average vehicles against the road capabilities we have, as traffic jams and congestions remain high during rush hour despite the extensive road extensions.

Madam Speaker, on Roads and Bridges Rehabilitation, since 2014 certain derelict bridges have been budgeted for works and I note in particular the Vatuwaqa and the Suva Market bridges. These are crucial entry points into the city and the greater Suva area and yet despite the kind of budget FRA receives, the Suva Bridge remains closed whilst the Vatuwaqa Bridge only caters for one-way traffic. What is the story here, Madam Speaker? The Denarau Bridge was budgeted later but works has visibly started for that one.

Does FRA actually get to receive its budget allocations? I ask these questions out of concern because as earlier mentioned, most of the infrastructure budget remains under Requisition, as was in the last two years.

Madam Speaker, it has become a matter of discussion that FRA these days is only present in areas that are visible – only in Suva. You go up Toorak, you go up Vatuwaqa, a lot of potholes. They seem to have adopted an out-of-sight and out-of-mind strategy, but people are noticing and crying foul. For example, residents of Kuka Place in Narere, outside Suva have sought the assistance of FRA before for streetlights to be installed in their street as it has become a haven for illegal activities. I am told Police presence in these area is minimal, and street lights which must be preferred for the residents to protect them from all kinds of illegal activities that mostly occur at night in this street and where resident are terrified

for their lives. On the announcement of the construction of a number of rural roads, it is hoped there will be no more delays as people have waited patiently for these developments to become a reality. This includes the Kiuva/Kaba peninsula road. If it was up to me, Madam Speaker, this particular road will be done tomorrow.

Meanwhile I thank Government for the beautiful tarsealed 19 kilometres Sawani-Serea road project, now weaving its way up in Naitasiri. The work which started from Naqali, has now reached Naluwai Village. The people of Serea are optimistic that this road will soon reach the village as per the name of the Project. There are concerns that the project has been completed and will not reach Serea, Madam Speaker. I hope for Government's clarification on this matter.

Whilst on project completion delays, I wish to mention two bridges repairs also in Naitasiri that are drawing concern and these are the Wainikovu and Nakorosule Bridges. Is the FRA able to enlighten this House on the reasons for the delay? Concerns from the travelling public include fears that during heavy downpours, buses, for example, get bogged down in certain parts of the river, and the travelling public is left to complete the journey in trying circumstances.

Madam Speaker, on the Water Authority of Fiji (WAF), the *Yavusa Siko Nawaita*, and *Mataqali Natabuivalu*, in the Village of Naqara, being landowners of the Vunidawa Government Station Water Source are querying the arrangement reached with the Department of Water when the site was first developed. This was for workers from the landowning units to work at this Water Station as is customary for such developments around the country. Now that WAF has taken over, these arrangements are now in abeyance. All they are asking for is for Government to honour its commitments with them.

Landowners from Tamavua Savura Water Stations also have issues with WAF, Madam Speaker. They are seeking clarification on the lease arrangements that were established with Government then, given WAF is now a privatised commercial entity.

This is also a matter of interest for other resource owners around the country, whose resources earlier on leased to Government, have now been assumed by privatised Government commercial entities like WAF, FRA and even FEA.

Madam Speaker, Government had allocated a sum of \$4 million for the purchase of a new vessel. If Government is serious about making Fiji the hub of the Pacific, why not reactivate the Shipbuilding Industry to provide as a source of employment and re-engineer the ship repair industry to cater for the more than 200 vessels currently utilising their facilities outside of Fiji?

On rural electrification, Madam Speaker, Government needs to be commended for the initiative of refunding rural electrification deposits, but people should not wait forever for their electrification projects to become a reality.

Madam Speaker, in the budget provisions of *TC Winston Rehabilitation*, Government has mentioned worst affected areas but I fail to see Naitasiri. In some parts of Naitasiri our people have not only lost their homes totally, but also their crops and farms. Some schools like Vunidawa Indian School and Naqelewai District School have been badly devastated and are still awaiting restoration. Currently, they are conducting classes under tents and students are domiciled under dormitories without proper roofing and now have to use tarpaulin tents.

Madam Speaker, under these arrangements, the students are exposed to rainy conditions and I am calling on Government to be fair and deal with all provinces in conducting rehabilitation work.

Madam Speaker, in 2014, a number of sporting complex were also budgeted by Government which included the Vunidawa Sports Ground. I know the Honourable Minister for Defence, like me is a proud follower of the Naitasiri Team. He has been the Manager of our winning Team Highlanders for many years, and knows the talents of our ruggers, and their struggle because of the lack of sporting facilities. I plead with the Government to fulfil its promise to us in this respect urgently.

Madam Speaker, I will now end by stating again that there are a number of global influences, forces that are likely to impact us. Apart from trade, remittances is now one of our leading revenue contributors to GDP. For those of us following the US Elections, Presidential hopeful Donald Trump is against migrant workers. He wishes to focus on jobs for US people first. We have a huge local population working in the US and sending money back home to Fiji to support their families. Should Trump win, therefore, we could have an issue on our hands, Madam Speaker.

Madam Speaker, Economists have noted the Euro weakening at the back of the national referendum in Britain which has favoured an exit from the European Union. This reduction in the dollar will mean money being received by our British Army families will not be as much as they used to receive before.

Similarly, our sugar exports may soon be affected because of the weakening of the *Euro*. Just this past week, Australia has gone to the polls for both the Upper and Lower Houses. Madam Speaker, these global forces occurring will have a bearing on Fiji. They could affect our trade remittances and tourism arrivals. This is why I am saying that the policies of the Government should be solidly based domestically. They should be poised realistically to promote real growth, increase take-home pay and spending power, provide strong incentives and subsidies for investments and encourage employment generation.

Madam Speaker, in the meantime, in whatever developments we are in, it is my fervent hope that as leaders, we will be responsible and heed the fate of our future generations.

I have also highlighted the level of debt in this country which is unprecedented. On that note, as a last contributor to today's Budget response, I categorically deny not supporting this Budget. I shall leave for us the challenge laid down at another time by Benjamin Franklin who once said, "I would rather go to bed without any dinner, than to rise in increasing debts." *Vinaka vakalevu.*

(Applause)

HON. SPEAKER.- Thank you. That brings us to our last speaker for today. I thank you for your most interesting, substantive input to the debate and we will continue tomorrow.

The Parliament is now adjourned until tomorrow at 9.30 a.m. Dinner is served.

The Parliament adjourned at 8.24 p.m.