

TUESDAY, 2ND DECEMBER, 2014

The Parliament resumed at 9.40 a.m. pursuant to adjournment.

MADAM SPEAKER took the Chair and read the Prayer.

PRESENT

All honourable Members were present, except the honourable Prime Minister and Minister for *iTaukei* Affairs and Sugar; and the honourable Assistant Minister for Health and Medical Services.

MINUTES

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

That the Minutes of the sitting of Parliament held on Monday, 1st December, 2014, as previously circulated, be taken as read and be confirmed.

HON. CDR. S.T. KOROILAVESAU.- Madam Speaker, I beg to second the motion.

Question put.

Motion agreed to.

COMMUNICATION FROM THE CHAIR

Ruling on a Point of Order – Hon. Ratu I.D. Tikoca

MADAM SPEAKER.- Honourable Members, I will now rule on the point of order raised by the honourable Ratu Isoa Tikoca yesterday.

The honourable Attorney-General and Minister for Justice, Minister of Finance, Public Enterprises, Public Service and Communications spoke on the first reading of the Appropriation Bill, because the Parliament agreed that he could do so. The Business Committee agreed to allow it and then a motion was agreed to by the Parliament on Friday, to suspend the Standing Orders to allow him to speak. It was not my decision. By calling the honourable Minister to speak, I was simply following the direction of the Parliament.

The honourable Attorney-General and Minister for Justice, Minister of Finance, Public Enterprises, Public Service and Communications introduced 12 other Bills, in addition to the Appropriation Bill on 21st November. The introduction of these Bills was in order. Under Standing Order 83(3), the honourable Minister did not need to give notice of his intention to introduce the Bills, as they were Money Bills. However, I take this opportunity to remind the Ministers that for other Bills, they will need to comply with the notice period in Standing Order 83(2).

The first step for the consideration of Bills by this Parliament is their introduction. Standing Order 83(4) states, and I quote: “A Bill is introduced by being read a first time under Standing Order 84.”

Following the traditions of the Fiji Parliament, the Bill also becomes public at this time and is available to Members. Therefore, it was in order for the honourable Minister to move the first reading of these Bills on 21st November, and for the Parliament to agree to that motion.

Bills are not formally tabled, they are simply made available to Members and the public once the first reading has been passed. After the Appropriation Bill is introduced, Standing Order 99(3) states, and I quote:

“Parliament is then adjourned until a date and time fixed by the Speaker at which time the Bill is read a second time.... The date and time as fixed must be at least six days after the adjournment and notice of the second reading must be given at least two days before that date.”

As I have said in my ruling last Friday, there is nothing in this or any other Standing Orders that prevented the Government from introducing other Bills on that day. In fact, the introduction of any consequential Bills would assist Members in understanding the Budget and its consequences. However, as those Bills appear to be consequential to the Appropriation Bill, I rule that they should not proceed beyond the first reading until the Appropriation Bill had passed all its stages. This was a practical ruling for the benefit of all Members. It allowed the Government to introduce all their Budget related Bills but it also ensured Members to be able to fully debate and vote on the Budget before turning their minds on any consequential Bill.

When I ruled that Bills 2 to 13 should not proceed beyond the first reading until the Appropriation Bill had passed all its stages, it was open to the Parliament to vary that decision using relevant Parliamentary procedures. For example, the Parliament could have done so by using the provisions under Standing Order 51, to set specific times for the consideration of each stage of each of those Bills. I take this opportunity to clarify to honourable Members that when a motion is moved under Standing Order 51, it must clearly set out the elements listed in paragraph 2 of the Standing Order, in particular, the motion must set out how and when Parliament will deal with each stage of the Bill’s passage through Parliament including:

- (a) Whether the Bill will pass through one or more stages at a single sitting; and if so, which stages;
- (b) What if any time limits will apply to any debates on the Bill during its passage; and
- (c) Whether the Bill will be referred to a Standing Committee or other Committee of Parliament.

I remind honourable Members that they may seek advice from the Secretary-General when drafting such motions. I understand that the Estimates were circulated to all honourable Members as soon as they were available.

In concluding, I therefore, do not uphold the honourable Ratu Isoa Tikoca’s point of order. The introduction of the Appropriation Bill was in order, and there is no impediment to the second reading being moved today.

QUESTIONS AND REPLIES

Republic of Fiji Military Forces (RFMF)
(Question No. 7/2014)

HON. RATU I.D. TIKOCA asked the Government, upon notice:

Would the honourable Minister for Immigration, National Security and Defence explain what is meant by the statement “Republic of Fiji Military Forces is responsible for upholding and

defending the Fijian Constitution”, as contained in the RFMF Budget Estimate on Page 126 of the Budget Estimates?

HON. CAPT. T.L. NATUVA (Minister for Immigration, National Security and Defence).- Madam Speaker, I rise to answer the question asked by the honourable Member. The role of the RFMF is clearly spelt out in the Constitution under Section 131(2), and I quote:

“It shall be the overall responsibility of the Republic of Fiji Military Forces to ensure at all times the security, defence and well-being of Fiji and all Fijians.”

Therefore, by upholding and defending the Fijian Constitution, the RFMF is ensuring that the rights of all Fijians enshrined in the Constitution are secured and protected.

HON. RATU V.M. TAGIVETAUA.- A supplementary question, Madam Speaker. Could the honourable Minister explain to this Parliament the role of the Fiji Police Force?

HON. A. SAYED-KHAIYUM.- I rise on a point of order, Madam Speaker. The supplementary question is supposed to relate to the substantive question, which is the role of the RFMF. It is the role of the RFMF that is in question, and not the role of the Fiji Police Force. Of course, we can answer that question, Madam Speaker, if the question is put in a substantive form at a later date.

HON. GOVT. MEMBER.- Hear, hear.

HON. RATU V.M. TAGIVETAUA.- Madam Speaker, I think we need to tie both security forces in this question, which has been raised by the honourable Ratu Isoa Tikoca. In view of what the honourable Minister for Immigration, National Security and Defence had explained, I think we also need to look at the role of the Fiji Police Force.

HON. LT. COL. P. TIKODUADUA.- Madam Speaker, if I might just enlighten the Chamber further on the matter, we believe that the question on the Fiji Police Force is a new matter. We reiterate the point that the question raised by the honourable Ratu Viliane Tagivetaua is actually a new question and not a supplementary one. Perhaps, Madam Speaker, you may want to rule on it.

MADAM SPEAKER.- We will hear the honourable Member’s supplementary question.

HON. RATU I.D. TIKOCA.- The role of the Police is law and order, enshrined in the Constitution, but it is in your role.

HON. LT. COL. P. TIKODUADUA. – Madam Speaker, I think the supplementary question by the honourable Opposition Whip is, in fact, a new question in itself. Similarly, to the honourable Ratu Tagivetaua when making references to the Police. Madam Speaker, the question is on the role of the RFMF in the Constitution and they should stick to that.

MADAM SPEAKER. – Thank you honourable Member. My ruling is that, the question really is related to the RFMF and bringing in the Police Force is not relevant to that question.

HON. M.D. BULITAVU. – Madam Speaker, a supplementary question to that question; the responsibility of the RFMF in upholding and defending the Fijian Constitution, the RFMF is the last bastion of law and this is an inherited traditional role to defend the Constitution.

Firstly, I want to ask the honourable Minister, when the same 1997 Constitution was purported to be abrogated, why did the RFMF not play this traditional role?

Secondly, when the Court of Appeal's Ruling in 2009

HON. A. SAYED-KHAIYUM. - I rise on a Point of Order, Madam Speaker. How can that be when we went to the substantive question, when the honourable Member is talking about the 1997 Constitution which is no longer in place. The 2013 Constitution is in place. The question reads, again to bring to the notice of the floor, can the Minister explain what is meant by the statement "Republic of the Fiji Military Force is responsible for upholding defending the Fijian Constitution", as contained on page 126 in the RFMF Budget Estimates?

If the honourable Members on the other side have an ulterior motive for asking this question, please be upfront and ask the question in a substantive form, not giving us a lecture on the abrogation, purported, or otherwise the 1997 Constitution.

HON. GOVERNMENT MEMBER. – Hear! Hear!

HON. M.D. BULITAVU. – Madam Speaker, the question says, "the Fijian Constitution", it does not specifically say the '2013 Constitution.' The gist of the question, Madam Speaker, is the responsibility of the RFMF to uphold and defend any Constitution.

HON. OPPOSITION MEMBERS. – Hear! Hear!

HON. LT. COL. P. TIKODUADUA. – Madam Speaker, I rise on a point of order on the supplementary question by the honourable Bulitavu. The Attorney General has laid out the question before the Parliament this morning for the honourable Minister for Defence to answer. It is quite clear that it is questioning the role of the RFMF as noted in the Budget Estimates on pages 1 to 6 of the Budget Estimates. So, it cannot be relative to any other Constitution, other than the references made in the question.

Madam Speaker, perhaps, I believe you should be ruling and I think they are making the same attempts to ask the same questions in different ways.

HON. GOVERNMENT MEMBER. – Hear! Hear!

MADAM SPEAKER. – My ruling is this, that when we refer to the Fijian Constitution it is the Constitution that is in place now, and the answer provided by the honourable Minister for Defence is adequate.

Since we have had more than three supplementary questions, I will not allow anymore supplementary questions. Thank you.

Compensation to Families of Soldiers
(Question No. 8/2014)

HON. RATU K. KILIRAKI asked the Government, upon notice:

Would the honourable Prime Minister inform this Parliament on how he plans to provide compensation to the families of his loyal soldiers without breaching the provisions of Chapter 10, Section 158 (3) of the 2013 Constitution?

If you may allow me, Madam Speaker, Section 158 (3) reads, and I quote:

“No compensation shall be tabled by the State to any person in respect of damage, injury or loss to his/her property or person caused by or consequent upon any conduct from which immunity has been granted under this Chapter.”

HON. A. SAYED-KHAIYUM (Acting Prime Minister, Attorney-General and Minister for Justice, Minister of Finance, Public Enterprises, Public Service and Communications). – Madam Speaker, I rise to respond to the question asked by the honourable Member. I am somehow perplexed by the question, the premise of it seems to be fundamentally flawed, although I am not going to ask clarification from the honourable Member when he talks about “his loyal soldiers”. Soldiers are always loyal to the State of Fiji.

Now again, unfortunately, this demonstrates a lack of understanding, perhaps lack of reading of the entire Constitution....

(Laughter)

Let me answer the question. Section 158 of the Constitution talks about immunity. I refer honourable Members to it, and I hope they have a copy of the Constitution with them because this is a document that has set up this Parliament, Madam Speaker.

Section 158 says, which the honourable Member just read out, talks about no payment of compensation but what he must do is to read Sections 155, 156 and 157. They set out the specific areas in which immunity is granted or continues. For example, for the immunity provisions related to the events of 1987, all of those have been captured in 155, 156, 157, but 156 (2) says, and I quote:

“Not notwithstanding anything contained in this Constitution, the Limitation of Liability for Prescribed Political Events Decree 2010 shall, in its entirety, continue in existence and shall not be reviewed, amended, altered, repeal or revoked by Parliament.”

Now what does this decree say, Section 5 states that, and I quote:

“..notwithstanding anything in this decree, the State may on an *ex gratia* basis provide compensation to any person who has suffered any injury to either the person or the property of that person directly or indirectly attributable to the Acts of any prescribed person as a result of any direct or indirect participation involvement in any prescribed political event.”

So, the Constitution quite clearly provides for a provision where *ex gratia* payments can be made. Nonetheless, this immunity provision does not stop anyone from getting compensation. If a soldier today gets injured, he is to be paid compensation. Obviously, he is not caught by chapter 10, because a soldier today in QEB needs compensation. So I suggest to the honourable Member that he reads the provisions under chapter 10 in its entirety. Thank you, Madam Speaker.

HON. N. NAWAIKULA.- A supplementary question, Madam Speaker. That response was too long and winding, and does not relate to what we want. The question is restricted to Section 158(3) of the Constitution which refers to the general conduct arising from the act of a *coup*, which means that even those who lose property or employment cannot claim and there are many of them who are continuing to suffer.

HON. A. SAIYED-KHAIYUM.- I rise on a point of order, Madam Speaker. The question states, and I quote: "Would the honourable Prime Minister inform this Parliament on how he plans to provide compensation to families of his loyal soldiers, without breaching the provisions of Chapter 10?"

MADAM SPEAKER.- With that clarification, could we continue?

HON. N. NAWAIKULA.- My supplementary question is this; that being the case, is that not an act of discrimination? Does it not discriminate against those who lose property, lose employment and those who are also dead as a result of that, like the CRW soldiers? It is not discriminating the other people who also suffer?

HON. A. SAYED-KHAIYUM.- The supplementary question has been allowed, so I will answer the question. I did not see the honourable Nawaikula running up very earnestly when the entrenched provisions of immunity were put in the 1990 Constitution, 1997 Constitution relating to the events of 1987. That answers my question and his question as well.

(Chorus of interjections)

MADAM SPEAKER.- I think the question and also the supplementary questions have been clarified as well.

Nasinu Secondary School
(Question No. 9/2014)

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

Can the honourable Minister for Education, Heritage and Arts confirm whether Nasinu Secondary School is going to be closed, to make way for the development of the Fiji National University?

HON. DR. M. REDDY (Minister for Education, Heritage and Arts).- Madam Speaker, I rise to respond to the question asked by the honourable Member. As of now, there is no such plan, Madam Speaker.

SUSPENSION OF STANDING ORDERS

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

That under Standing Order 6 that so much of Standing Order 68 be suspended so as to allow the honourable Dr. Biman Prasad to speak for one hour on the second Reading of the Appropriations Bill.

I further move, Madam Speaker, that so much of Standing Order 65 be suspended, to allow the honourable Members to read his speech on this debate.

HON. CDR. S.T. KOROILAVESAU.- Madam Speaker, I beg to second the motion.

HON. RATU I.D. TIKOCA.- Madam Speaker, I rise on a point of order. I believe that the result of the Business Committee was that the honourable and learned Attorney-General has kindly given one

to two hours for the Shadow Minister of Finance to present his reply to the Budget Address. Can we be flexible on that, please?

HON. A. SAYED-KHAIYUM.- Madam Speaker, we are always flexible.

MADAM SPEAKER.- Yes, the honourable Shadow Minister may have one to two hours.

HON. LEADER OF GOVERNMENT IN PARLIAMENT.- Madam Speaker, by bipartisan, both sides of Parliament have agreed that the honourable Leader of the Opposition and the Shadow Minister of Finance (Dr. Biman Prasad) make a reply for an hour. He might be feeling very motivated this morning and might spill his time, I am sure we heard the flexibility as the honourable and learned Attorney-General has already mentioned.

As we all know as well, Madam Speaker, the honourable Members of Parliament are still pretty knew and we are still getting our wits around, talking off our notes, so we are asking for leave on this occasion to allow honourable Members to refer to their notes and read off their speeches in conducting the debate on the Appropriation Bill.

2015 APPROPRIATION BILL, 2014

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

That a Bill for an Act to appropriate a sum of Three Billion, Twenty-Five Million, Six Thousand and Five Hundred Dollars for the ordinary services of Government for the year ending 31st December, 2015, be read a second time.

HON. LEADER OF GOVERNMENT IN PARLIAMENT.- Madam Speaker, I beg to second the motion.

HON. A. SAYED-KHAIYUM.- Madam Speaker, as we had agreed to at the Business Committee proceedings that we will allow the spotlight to be on the Shadow Minister of Finance this morning. So, I will not speak on the second reading, but of course I reserve the right to speak in the end after everyone else has spoken.

HON. DR. B.C. PRASAD.- Madam Speaker, may I first of all thank the honourable Leader of the Opposition and Leader of the Social Democratic and Liberal Party (Ro Teimumu Kepa) for giving me this opportunity, this morning to address this Parliament on the 2015 Budget, as the Opposition spokesman on Finance, while being the Leader of the National Federation Party.

I thank the honourable Minister of Finance for the Budget Address and I also thank all the senior civil servants for their hard work and input into the Budget. It is of some relief that our national Budget can finally undergo some semblance of public scrutiny after eight years of Military dictatorship. We remain hopeful that the establishment of Parliamentary democracy will bring about confidence, and we do expect investors to expand the scope of their investments so that Fiji can realise better growth in the future.

HON. A. SAYED-KHAIYUM.- We already are.

HON. DR. B.C. PRASAD.- However, this confidence can erode quickly, if we are not able to bring about media freedom, the removal of fear and some of the draconian decrees ...

HON. A. SAYED-KHAIYUM.- Talk about the Budget.

HON. DR. B.C. PRASAD.- ... and overbearing micromanagement of the economy.

Madam Speaker, before I move on, I must record the Opposition's dismay at the lack of respect by the honourable Minister of Finance to the honourable Members of Parliament, and indeed, the taxpayers who foot those costs in not making his Budget Speech and Budget Estimates available to Parliament on time.

HON. A. SAYED-KHAIYUM.- Speaker's ruling.

HON. DR. B.C. PRASAD.- Many of us did not receive the Budget Estimates until 22nd November, 2014, and the Budget Speech came six days later on 27th November, 2014, which is a clear departure from the rules set out in the Standing Orders and the Constitution. I do not think this has ever happened in the history of Fiji. Of course, this allows the honourable Minister of Finance to get undisputed praise for all the positive aspects he talked at length about, without the Opposition Members and the public being able to criticise his weakness.

Only yesterday, Madam Speaker, the honourable Minister of Finance once again tried his excellent salesman's skills by telling us that the *Supplement to the 2015 Budget Estimates* was, in fact, the official Budget document. Nothing can be further from the truth. During his maiden speech, he displayed his lack of mathematics knowledge and yesterday in Parliament, the honourable Minister showed his lack of understanding of vocabulary.

(Laughter)

The document that he referred to yesterday was the Supplement

MADAM SPEAKER.- Please, refrain from attacking an individual.

HON. DR. B.C. PRASAD.- ... which means completing or enhancing something, just like vitamin supplement or supplementary questions that have been asked in this Chambers.

The *Supplement to the 2015 Budget Estimates* contains details of Programmes. The Budget Estimates is this, which lays down the Estimates for the Appropriation Bill. It is the official Budget document, and it says, "as presented to Parliament". It outlines the Appropriation Bill from Head 1 to Head 52. This Parliament, like our predecessors, will have to scrutinise each individual Head and Programme in the Committee of Supply, as stipulated in the Standing Orders. Even the publication of the Supplement is not a normal practice, but a waste of taxpayers' funds.

The 2014 Budget Estimates, Madam Speaker, is a complete document which was presented last year. It contains the full Estimates of individual Heads and Programmes. This long standing budgetary practice was adopted by his predecessor, the honourable Prime Minister, as well as other former Finance Ministers. Therefore, it is grossly misleading that the 2015 Budget Estimates says in bold print "as presented to Parliament" because it never was, and this is a breach of the 2013 Constitution and the Standing Orders, Madam Speaker.

Madam Speaker, there is great room for improvement by this Government to display magnanimity after winning the Elections. Unfortunately, it continues with its egoistic, "know it all", dictatorial and vindictive attitude, and has presented a Budget which, in the medium to long term, is going to make our future even bleaker. It is a Budget which is going to increase the gap between the rich and poor, and also on that is going to increase income inequality, continuing with previous tax policies, such as the increase in VAT and reductions in income and corporate tax, brought in by previous budgets.

HON. A. SAYED-KHAIYUM.- Speaker the truth!

HON. DR. B.C. PRASAD.- Above all, it is a Budget which is unrealistic and unsustainable in the medium-term, based on likely recurrent revenues.

As I have said in my maiden speech, Madam Speaker, Fiji today is a work in progress, and my hope was that this Budget is going to give the country a vigorous impetus, to turn back the negative results that we have seen in the last several years and build a Fiji for tomorrow, despite the uncertain and somewhat unpredictable global environment.

In the first part of my response, I will deviate from the norm of just looking at the allocations on which a lot of time was spent in the Budget Speech, and that is why I call it an “economically boring Budget.”

A Budget of \$3.3 billion comprising water subsidies, electricity subsidies, subsidies on medicine, free education, bus fare to all students, are all positive features and they have continued from last year, and we welcome these. However, those alone cannot be the only thing one can talk about in a reply to a national Budget.

Madam Speaker, a national Budget is a central political process. It is not only a process which lays down the expenditure and income of the Government, but provides a platform for a longer term vision of our country; political credibility and confidence from the future. It is about achieving resilience in the face of adverse conditions, and improving Fiji’s fiscal position, so that we are not caught in the headlights of global capital market concerns with high and rising debt.

The Budget is about mobilising people’s creative energies to collectively move the nation forward. It is essentially about building trust in the economy. There are elements in this Budget that can be measured quantitatively. They are important, but they are not everything. Issues such as vision, leadership, governance, genuine democracy and a quality of life of people on a sustainable basis, are equally important. A Budget is an opportunity to sow the seeds of inclusivity by reaching out to all the people with sustainable economic and social policies.

In the last eight years, Madam Speaker, we have seen a rapid breakdown of State institutions and the ineffectiveness of them to work for the benefit of the people. Minister after Minister, admitted in their maiden speeches that not all has been good in their ministries these last eight years during which the Bainimarama-Government has had total control, without having to account to taxpayers of Fiji. For example, the honourable Minister for Health laid down a number of problems in the health sector and he is honest about it. The lack of doctors, nurses and equipment, lack of timely services during the eight years, lack of drugs in hospitals, et cetera, and he was honest about it.

HON. A. SAYED-KHAIYUM.- 14 years of neglect!

HON. DR. B.C. PRASAD.- Madam Speaker, the honourable Minister for Education ...

HON. A. SAYED-KHAIYUM.- Tell the truth!

MADAM SPEAKER.- Order, order!

HON. DR. B.C. PRASAD.- ... has already started with reforms, and I thank him. He has pointed out issues like the lack of commitment from teachers and an inadequate curriculum. He has already announced the re-introduction of examinations which were abolished by the previous government and the

Minister for Education, as well as other major changes. Others also pointed out problems in their various Ministries. It is a clear admission that the Interim Government had lost its way in many areas. It is a clear demonstration of the failure of governance, reform and policy ...

HOH. A. SAYED-KHAIYUM.- The figures speak for itself!

HON. DR. B.C. PRASAD.- You have two hours, honourable Minister to deliver your address.

MADAM SPEAKER.- I am asking honourable Members to please allow us to hear what the honourable Dr. Prasad is saying. Please, tone down a little with your interventions.

HON. DR. B.C. PRASAD.- They need to learn to listen as well, Madam Speaker.

(Laughter)

Madam Speaker, allow me to remind the honourable Minister of Finance of the famous words of Albert Einstein, and I quote; "Not everything that can be counted counts, and not everything that counts can be counted".

At the heart of our country's problem in the last 27 years and indeed, exacerbated in the last eight years, has been the lack of good leadership and appalling standards of governance at virtually all levels. The unleashing of bad governance, lack of accountability and transparency after all the *coups* has become a norm. Good governance is not merely a cliché and cat phrase, the principles of it are logical, equitable, transparent and of critical importance for the progress and prosperity of our beloved nation.

Government has talked about the Civil Service Reform and that is welcomed, however, the Civil Service deterioration and militarisation has been presided by the Interim Government. The Public Service must always remain an independent and impartial implementer of Government policies.

HON. OPPOSITION MEMBERS.- Hear! Hear!

HON. DR. B.C. PRASAD.- The Government of the day makes policies and the Civil Service implements them. The role of the Public Sector and the Public Service Commission has been destroyed. The decision to give Permanent Secretaries powers for the recruitment, promotion, et cetera, is a regressive step. The Government must revert to old principles and the robust and consistent Public Service Commission should be given the responsibility to manage the Public Service in the public interest.

Government has talked about the Civil Service Reform and that is welcomed, but reforms must empower public servants to undertake decisions regarding implementing policies made by Government. What we have today is a Civil Service that is besieged, demoralised and fearful. Many senior civil servants feel terrorised and insecure about their jobs, and if they disagree with their masters and are willing to make decisions were simply not allowed to do so.

HON. OPPOSITION MEMBERS.- Hear! Hear!

HON. DR. B.C. PRASAD.- The Reform must, therefore, put in processes and policies where civil servants can take ownership of implementing and enforcing policies in an independent and impartial manner. There can be no room for an overlord mentality.

HON. N. NAWAIKULA.- Hear! Hear!

HON. DR. B.C. PRASAD.- Madam Speaker, let me say a bit more on governance at the executive level – the Cabinet. The imposed Constitution clearly mandates the Attorney-General as the Chief Legal Adviser to the Government, that is why in most parliamentary democracies, the Attorney-General comes from outside the elected Members, but when they come from the elected Members, they hold that portfolio. What we have in Fiji today is that the Attorney-General will end up advising himself....

(Chorus of interjections)

HON. DR. B.C. PRASAD.- ... and making the decisions himself.

MADAM SPEAKER.- Order! Order!

HON. DR. B.C. PRASAD.- Listen, honourable Minister.

Madam Speaker, the honourable and Attorney-General will end up advising himself, making the decision himself as Minister responsible for Finance, Planning, Statistics, Public Enterprises, Public Service, Information, Civil Aviation, Parliament and Elections. This is all about Budget. Might I also add, Madam Speaker, that the honourable Attorney-General is also the General Secretary of the FijiFirst Party.

(Laughter)

(Chorus of interjections)

MADAM SPEAKER.- Order! Order!

Honourable Members, for this one hour, we can go on to three hours if you like, with all these interjections. So, let us listen.

HON. DR. B.C. PRASAD.- That is right, Madam Speaker.

Madam Speaker, if anyone wants to see and understand the paradox of good governance, they should study Fiji now. There is more than one PhD thesis, this is possible. The honourable Dr. Reddy might do another PhD thesis.

(Laughter)

HON. DR. M. REDDY.- This is Budget.

HON. DR. B.C. PRASAD.- Continuing on the paradox of good governance study, we have a litany of examples of nepotism in appointments in the Civil Service, statutory organisations...

HON. OPPOSITION MEMBERS.- Yes! Yes!

HON. DR. B.C. PRASAD.- ... appointments of boards and their chairman, the Government willingly continues to hold executive chairmanship of a number of key organisations.

Madam Speaker, may I repeat what I have said in my maiden speech in October, the continuation of regressive and draconian Decrees will render meaningless talk of Fiji, once again, being a genuinely democratic nation. The Media Industry Development Authority Decree, the Essential Employment National Industries Decree and the Political Parties Decree, must be repealed by Parliament because they curtail the rights of the media, ordinary workers, trade unionists and ultimately our people. More

specifically in a real democracy, people have the liberty to speak openly and candidly. The Government of the day listens and the media exercises its role as the messenger and watchdog of democracy, and as an independent institution, responsibly asserts the right to speak, criticise and agree without fear or favour, and not being the voice of Parliament or the executive Government.

HON. M. VUNIWAQQA.- I rise on a Point of Order, Madam Speaker. Under Standing Order 60(1), the honourable Member should limit his expression to the subject under consideration, which is the Budget.

MADAM SPEAKER.- Honourable Member, I request that you please focus on the Budget.

HON. DR. B.C. PRASAD.- Madam Speaker, Budget is as much as figures, it is as much as about governance as well.

HON. N. NAWAIKULA.- Yes, this is good governance.

HON. DR. B.C. PRASAD.- Continuing with the theme of governance, the public release of the Auditor-General's Reports for the last seven years, are indicative of the severe erosion of good governance and common decency by the Government and Ministers.

HON. A. SAYED-KHAIYUM.- A Point of Order, Madam Speaker.

Madam Speaker, again, I want to remind the Chairman of the Public Accounts Committee and all honourable Members in that Committee that it is a quasi, traditional body. You do not prejudge matters until they have gone through the hearing. The Public Accounts Committee is going to go through the Auditor-General's Reports, it then arrives at a conclusion after hearing and calling people as it can summon people before the Committee, then presents a report to Parliament. The Chairman has again indicated through the media is now prejudging the matter. What sort of a Chairman is he?

(Chorus of interjections)

How dare he does that?

(Laughter)

MADAM SPEAKER.- Honourable Members, I will now give the floor back to honourable Dr. Prasad. Please, consider the issues that have been raised.

HON. DR. B.C. PRASAD.- Madam Speaker, let me respond to the usual side-track by the honourable Minister of Finance and Attorney-General. Never in my public utterances have I cast any aspersion or made reference to the content of the Report.

HON. N. NAWAIKULA.- Thank you.

HON. DR. B.C. PRASAD.- Madam Speaker, the fight against corruption is an important element of good governance. The setting up of FICAC is an important development, but FICAC must be allowed to operate independently and must not be used by Government to intimidate and to harass us.

HON. A. SAYED-KHAIYUM.- What proof?

HON. DR. B. C. PRASAD.- But a score of four out of 10, Fiji was ranked 55 out of 159 countries in 2005, and we do not have the scores for the last several years. Fiji also had below-average integrity

ratings as measured by the Annual Corruption Perceptions Index . This means that most people think that corruption level in Fiji is very high. Let me now come to the Budget.

(Applause)

Madam Speaker, we are looking for a vision in this Budget, something to spark the imagination of the people. A clear vision of a worthwhile future that stretches beyond what we have in this country today. This Budget, and this Government has gone into what we could call a “Brain Glitch” because they cannot truly see the basis of the future of this country. They talk about mandate, as they have the mandate of 59 per cent of the voters in this country, Madam Speaker...

HON. OPPOSITION MEMBERS.- Hear! Hear!

HON. DR. B.C. PRASAD.- ... but when the Government, after winning begin to talk about mandate, you know they have simply lost the plot and have no original ideas.

(Chorus of Interjections)

We can understand what might happen in the last eight years, we are not even going there. There is this strange view that business as usual in governance would be good. Some supporters in the media parrot the view that if we talk about following Singapore’s model, Fiji could become like Singapore. What utter nonsense and shallow journalism.

Singapore’s context is totally different and there is no relevant comparison to Fiji’s circumstances. If there is any country, Madam Speaker, that we should try and compare and emulate, it is Mauritius. If we have to learn anything on good governance, we should learn from Mauritius, a country with a genuine democracy; a country with a good sugar industry; a nation that welcomes millions of tourists, which attracts large foreign investments; a country which has free education from pre-school to the university; free medical for every citizen, including heart surgery; a country which has an unregulated media and where the media freedom is not under threat from draconian decrees; a country where trade unions flourish and defend workers’ rights; a country where electoral system rules under which free and fair elections are conducted; and a country which had an average growth rate of more than five per cent, for more than 30 years.

The heart of Mauritius economic and social success is good governance and genuine democracy, and the absence of a powerful military that does *coups* every few years and retards the country by decades every time it does so. Unfortunately, the Government seems to have looked at the bad example from Mauritius and that is, to follow their model of government acquiring fuel in bulk and supplying it to private companies. This is a bad decision...

HON. RATU I.D. TIKOCA.- Very bad!

HON. MEMBER.- Copy Mauritius.

HON. DR. B.C. PRASAD.- You copied a bad one.

(Laughter)

MADAM SPEAKER.- Order! Order! Order!

HON. DR. B.C. PRASAD.- This is a bad decision in which the specific details to the taxpayers are absent. With an initial investment of \$250,000 to be made, that is for sure, and we will all be witnesses

to this come next year - suggest a more taxing burden of even more public funds in such a huge volatile and investment intensive sector.

This is yet another example of Government trying to meddle in the economy unnecessarily. What we can already envisage happening is that, it will eventually lead to increase in fuel prices and it will be very difficult to control it. It will be open to abuse and control and manipulation by a few. Energy security is central to the economy of any nation and any central control over supply of it should always be treated with great caution.

We suggest that if the Government's sole objective is to stabilise fuel prices, then there is a better way of doing it. Government should set up a stabilisation fund through a levy which can be used to do that. This will avoid the set-up of another State venture and the yet unknown flow on associated costs. It is a contradiction of Government policy.

This Budget, Madam Speaker, lack clarity, interaction and depth. There does not seem to be a coherent link between vision and action, and between strategy and objectives. There is confusion and inconsistency between the economic policies and some ill-devised populace policies. We are talking here, Madam Speaker, about a Budget of a nation and not a company.

(Laughter)

As stated by Nobel Laureate in economics, Paul Krugman; "A country is not a company". This means that a national Budget must be based on some general principles, and not some specific strategies that are normally used by private companies. For example, responsible governments do not make tax policies targeted at certain individuals or companies, offer tax breaks to some and not to others, duty concessions to some and not to others. There have been several cases in the last eight years and I see that being continued. The only difference this time around is that there will be vigilant oversight from the opposition.

Reform and Cost of doing business: For the last eight years, Government claimed that their reforms have improved the business environment in the country. However, the International Monetary Fund (IMF) in its recent Report says that deeper and more rapid structural reform is needed to lift Fiji's potential growth, reduce external vulnerabilities and reduce poverty.

The Report further states, and I quote:

"Priority should be given to improving the investment climate by streamlining government regulations, relaxing price controls while protecting the most vulnerable and further enhancing of the use of land and upgrading infrastructure".

The last World Bank ranking on ease of doing business puts Fiji last among the top 81 countries. We have actually dropped eight points from the previous ranking of 73. Fiji's ranking dropped in nine of the ten categories, Madam Speaker, which the World Bank uses to rank countries such as starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, training across borders and resolving insolvency.

Fiji's ranking on starting a business highlights a number of procedures for starting a business and the number of days to register a business have all increased in 2013, compared to 2012. This suggests that compared to other economies, bottlenecks of starting a business have increased in Fiji. The aggregate ranking on the years of doing business for Fiji in 2003 was 60 out of 185. In 2014, Fiji's ranking, as I said earlier, went down to 73. In terms of starting a business, we ranked 160 out of 189. Investments cannot be expected to thrive in Fiji under these conditions.

Madam Speaker, we can only improve our business environment and the cost of doing business if government stops micromanaging the economy. It has its hand in every aspect of the economy and has created unnecessary bottlenecks at all levels. Those responsible for facilitating business are in a state of paralysis. At one time in India, they used to describe this condition as “Inspector Raj.”

HON. LT. COL. P. TIKODUADUA.- You must be Inspector Raj.

(Laughter)

HON. DR. B.C. PRASAD.- In Fiji ,we have ended up with a “Decree Raj”; from an Inspector Raj to a Decree Raj and some might say, the “Attorney General Raj.”

(Laughter)

Government really has no business, being in business, and neither is what they are being paid to do.

Economic Growth: Madam Speaker, one of the strangest aspect of this Government’s eight years is that, there has been business as usual without a single major initiative to create new industries with good incomes. There are two areas which we, as economists, have always been advocating for more than a decade. They are called the call centres, data processing industries which require cheap telecommunications charges which we have failed to deliver, and the retirement homes industries which require specialist medical services for the elderly, which Fiji currently lacks. However, there are some good moves in the latter direction with the FNU initiatives, and I welcome that in my maiden speech, Madam Speaker. However, we have been hearing this since 1999 when Apollo Hospital first approached Fiji, and little has been done since.

On the retirement home front, Madam Speaker, this Government has already put a spanner in the works by banning the sale of freehold residential land to foreigners, which will actively discourage many overseas retirees to Fiji and the employment and capital that they bring in. This Government has continued to claim unprecedented growth and they have claimed credit for it. It appears that the word “unprecedented” has been misused in an unprecedented manner.

Government claims a lot of credit for recovery in the economy and they make it sound as if this is the only government which has done something to achieve high growth rates. Nothing could be further from the truth. In fact, Fiji in the first decade of Independence, grew with an average of more than five per cent and if we did not have a *coup* in 1987 and another one in 2000, we would have grown at an average growth rate of more than five per cent for the last 30 years. That would have been an unprecedented achievement. But more importantly, Madam Speaker, let us be clear where this moderate growth over the last four years is coming from. Is it coming from the private sector; is it inclusive; has it created many jobs? Is it coming from our local businesses – big, medium and small? Madam Speaker, much of the growth between 2012 and 2014 have been borrowed growth and public sector investment with very little private sector commitment. The Bainimarama-Government has freely borrowed from the Fiji National Provident Fund (FNPF), whose Board he totally controls and even increased our borrowings from abroad, thereby, increasing our overseas expenditure. The only thing unprecedented and historical about these past eight years, apart from the propaganda and hype from Government Ministers is the increase bondage of debt our people have been placed under and sweetened only by the meagre freebies that are not really free, but paid for by themselves and VAT, in particular, whose burden falls on the poor and middle class.

HON. OPPOSITION MEMBERS.- Hear! Hear!

HON. DR. B.C. PRASAD.- Madam Speaker, never in the history of this country have we seen such unprecedented expansionary policies based on borrowing. The honourable Prime Minister keeps talking about the NBF saga and he is right in saying that we should not repeat that. The \$220 million loss from the NBF saga, indeed, was a big hole in the nation's coffers and had to be paid by increased public debt, financed by the \$253 million sale of Government's ownership in ATH shares. However, Madam Speaker, the massive infrastructure spending last year and the allocation of more than \$630 million for next year, funded through borrowing and planned asset sales of more than \$500 million could leave the biggest dent in our budget, and it is our people who will be shackled by the burden of debt. This is unprecedented.

Also unprecedented, Madam Speaker, and bigger than the NBF disaster are the massive losses made by the Bainimarama controlled Board of FNPF investments at Natadola and Momi, where more than \$350 million have already been written down and more in the future, as this Government experiments with building five star resorts, whose function should be left to our tourism industry and the private sector. It will be interesting, if not painful, for taxpayers to see if this Government will lose more of their money in the investments at Momi.

Revenue and Expenditure Policy: Madam Speaker, if we analyse the revenue and expenditure policy between 2009 and 2013, we find that Government has increasingly relied on indirect taxes, which the people do not know that they have to pay. That is why it is easier for Government to always go for indirect taxes.

In 2011, Government increased VAT to 15 per cent. VAT is a regressive tax and the burden on this falls more heavily on the poor. In addition, from 2010, Government also increased fees, fines and charges, which are again a huge burden on the everyday person in this country.

In 2013, the capital budget was underspent by \$140 million and similar patterns are to be found in 2014, and we expect that in 2015 as well. I expect that in 2015, the \$653 million allocated to Fiji Roads Authority will not be spent, and if it is spent, it will be spent in a hurry at the end of the year, just as it was done this year, with much wastage.

HON. GOVERNMENT MEMBER.- Assumption.

HON. DR. B.C. PRASAD. - The honourable Member might want to look at the meaning of "assumption" in the dictionary.

Inflating expenditure and not delivering it has been the strategy used by this Government to take the people for a ride. This budget priority for the second year running must ensure that the bulk of these funds remain in Fiji, and the money is used for the purpose that it was intended. We will vigilantly monitor from this side of the Chamber, and offer advice to the honourable Minister when it is necessary.

In 2014, for example, about \$400 million from asset sales has not been realised but the Government still claims that its deficit will only be two per cent of GDP. How did they arrive at this? The only conclusion that we can draw is that, they have not spent what they have told the people in the Budget. Most funds are under Requisition and Government has used that to withhold expenditure and probably, to manage its cash flow. For example, the \$10 million for first-home buyers in 2014 has not been used by many people and I am aware that just prior to Elections, there were some very showy newspaper advertisements but there was never any intention to actually spend that money.

Government Debt Position: Government debt has increased by about \$1.136 billion between 2006 and 2014. This represents a 39 per cent increase over the eight-year period. Debt, as a percentage of GDP, has fluctuated between 48 to 53 per cent during the same eight-year period.

There was a sharp increase in deficit (as compared to previous years) in 2009. This increase also reflects the fact that the Government moved away from a position of fiscal consolidation adopted in 2007 and 2008. Government guarantees and contingent liabilities are fiscal obligations contingent on the occurrence of particular events. These obligations are not budgeted and accounted for but considered in conventional fiscal analysis. However, to have a complete scenario in the fiscal position, Government's obligations outside the budgetary system should be considered as well.

Madam Speaker, between 2006 and 2012, guarantees and contingent liabilities have increased by \$748 million or 56 per cent. In 2012, it stood at 28.8 per cent of GDP. Therefore, one can add 50.9 per cent of debt to GDP and 28.8 per cent of guarantees and contingent liabilities to GDP, and argue that it stands at 79.7 per cent of GDP. Although the debt (without contingent liability) should not raise immediate concerns, the Government should outline a debt policy for sound and effective management of public debt to a sustainable debt position in the medium to long-term.

There is another serious question to the Government's contention that the deficit for 2014 is 1.9 per cent of GDP. If one excludes the revenue from the sale of Government assets, the Budget deficit would be 7.8 per cent of GDP. Is the Government deliberately using the old Government Financial Statistics (GFS) instead of new financial statistics? This is a pertinent question because if the Government had used the new financial statistics of 2001, then the sale of Government assets would not have been treated as revenue and the budget deficit would be a 7.8 per cent of GDP in 2014, not the two per cent that they are boasting about.

Madam Speaker, another notable trend is the steady increase in overseas borrowings, which was not the case before. Repayments for these borrowings would have to be in foreign exchange. The global bonds of USD\$150 million was a standby facility, at six per cent interest rate under the SDL Government. The Interim Government used it. When it was time to pay, they went and borrowed an additional USD\$250 million, which amounts to FJ\$452 million, at an interest rate of nine per cent when there were clearly options for it to borrow at a lower interest. This bond payment is due in 2016. By then, Government would have paid \$207 million in interest alone. This \$207 million would have gone a long way towards State services, building homes, education and health or welfare payments.

The continued overseas borrowings will require additional foreign exchange earnings. In addition, the Government must top up the Sinking Funds, which stood at about \$182 million at the end of 2013 because this Fund is what enables Fiji to ensure that it is able to meet its debt repayment.

Madam Speaker, the long and short of this is that, the people of this country are and will continue to pay for it. Based on the 2013 figures, each man, woman and child had a debt burden of about \$4,440. A child born today automatically inherits a debt of \$4,440 ...

HON. RATU I.D. TIKOCA.- There you go!

HON. DR. B.C. PRASAD.- ... before they even open their eyes, grown their first tooth or taken their first step.

(Laughter)

Each household would have a debt burden of more than \$20,000. Every family will forego the opportunity to buy a \$20,000 car or invest \$20,000 in a house because they presently and against their will, owe and indirectly paying off \$20,000 towards the servicing of these loans.

HON. GOVERNMENT MEMBER.- Better roads.

HON. DR. B.C. PRASAD.- They are already paying for it from increased prices.

HON. GOVERNMENT MEMBER.- Better university.

HON. OPPOSITION MEMBERS.- Oh!

HON. DR. B.C. PRASAD.- They are already paying for it from increased prices, poor health services because large amounts of funds are going towards paying our debt, including interest payments. There has never been a time when the need for sound financial management has been more critical. We should set clear targets on debt and concise clear targets for borrowings. How do we spend public funds? One just spends another \$12 million on hosting an international golf tournament next year (the best use of public funds), when it could be used to build 600 homes for our people in the squatter settlements. I take this opportunity to suggest to the Government, to conduct cost benefit analysis of major spending, to provide a clear thinking to the taxpayers regarding the worth of how their funds are spent.

Trade Policy: Madam Speaker, an import duty of 32 per cent placed on all Importers Bar One, which gets a zero duty to import cream milk and sells them to consumers at a price which many are not able to afford, makes the argument by Government to protect the local dairy industry pretty shallow and hollow. This favoured company, which has zero duty, has no incentive to promote the local industry, when it can continue to rake in millions of dollars by simply importing. This is also at the expense of the ordinary consumers, who are paying very high prices for milk and milk products.

On one hand, when the Government is giving millions of dollars to one private company, it is trying to provide milk to Class One students, thereby, putting more profits into the pockets of the same company. The simpler and more sustainable policy for Government would have been to reduce the duty on cream and milk. This would allow every child and every family to afford milk in this country. The gimmicky nature of this policy by the honourable Minister of Finance is easily seen when you ask, if taxpayers are going to provide milk to Class One students, why not to pre-school students who probably need milk more? What about Class Two students?

HON. P. KUMAR.- It's coming.

HON. DR. B.C. PRASAD.- Every child needs milk and milk products.

HON. P. KUMAR.- It's coming.

HON. DR. B.C. PRASAD.- You probably need milk, honourable Minister.

(Laughter)

HON. DR. B.C. PRASAD.- Indeed, I would like to ask the honourable Minister of Finance, if he had consulted the Food and Nutrition Centre, whether this was the best way to tackle malnutrition among our children throughout the length and breadth of Fiji?

Madam Speaker, there are some ridiculous discretionary tariff policies adopted by this Government, quite at odds with our commitment to WTO trends. We urge the Government to immediately review this policy. If it wants to help the dairy industry, we would suggest that it should be through direct support to the farmers in improving their pastures, breeding infrastructure and close extension and advisory support to the farmers. I see the honourable Member, who is a farmer, might agree with me.

When we talk about trade policy, we are not only talking about export policies and strategies. Good trade policy puts emphasis on good import policies as well. Protecting one company to promote local

dairy industry by assisting their imports will be a colossal failure. Import substitution policy is an age-old policy which has failed elsewhere, it has previously failed in Fiji and there is no doubt that it will fail in this case. The losers would be ordinary consumers and dairy farmers in this country.

Madam Speaker, the same kind of what I call, “cronyism and favouritism” in trade policy continues in this Budget. It is an immature and irresponsible decision to raise duty to 32 per cent on printing and photocopying papers and exercise books. It is preposterous to put a special rate of \$1 or 32 per cent, whichever is greater on exercise books. A 200-page exercise book costing \$1.70 now will cost \$2.70 as a result of the increase in duty. What good than is free milk, education and bus-fare when any savings will be diverted towards buying exercise books and paying higher prices for paper for all the children at all levels - primary and secondary, including those in tertiary education?

HON. OPPOSITION MEMBERS.- More, more.

HON. DR. B.C. PRASAD.- Another example, Madam Speaker, the lack of any economic logic is the duty of \$5 on blank DVD, supposedly to help protect against piracy. Again, this is to protect one company. But this is simply an admission of the total failure of the Government in prosecuting the dozens of music and video outlets that sell pirated products. Again, what is the rationale for this action?

HON. LT. COL. P. TIKODUADUA.- You are joking all along.

HON. DR. B.C. PRASAD.- Who is this Government trying to help at the expense of consumers? It is critically important for the Fijian Government to continue with the trade liberalisation that it began in the 1980s. A reversal of trade policy in this area will not provide support for broad-based economic growth.

Fiji's experience from the past suggests that it cannot go back to an inward-oriented strategy by providing protection to domestic firms in order to encourage production and employment. The potato example is strongly relevant in the case against an inward-oriented strategy such as the import substitution policy. Despite the subsidy from the Government to encourage farming, the industry has failed to take off. Just these last few days, we hear that the Ministry of Agriculture were importing seed potatoes from New Zealand, a temperate country, when we should have been importing the red pontiac variety from tropical Australia. Goodness - did our decision makers in the Ministry of Agriculture not know this simple basic geographical fact or they were simply experimenting with our farmers?

Trade restrictions will end up restricting growth and produce a loss of real income. This will go on as long as certain sectors of the economy is protected. The argument that protection will protect jobs is not supported by the empirical literature. Some of you, honourable Members on the Government side, read some of the papers by my fellow colleague, the honourable Dr. Mahendra Reddy on this argument.

(Laughter)

In fact, empirical evidence from around the world argues to the contrary. While costs such as job losses are likely from import competition, the solution to this is not trade restriction but other policies to help workers adjust.

Cost of Living: Madam Speaker, since 2006, food prices have increased by about 59 per cent, heating and lighting has increased by 60 per cent and transportation has gone up by 50 per cent. Between 2006 and 2012 alone, food prices went up by 54 per cent while non-food prices increased by 32 per cent. This has left most households worse off in very real terms. In particular, households have been affected because while the cost of living rose, incomes/wages have not kept pace with most sectors across the

economy. The sharp rise in food prices has disproportionately impacted the poor as poor households spend a large proportion of their household budget on food.

The Government has always quickly jumped to the conclusion that VAT is zero-rated on basic food items. It is true that VAT is zero on tinned fish, flour, sharps, powdered milk, edible oil, rice and tea. I challenge the honourable Minister of Finance to show to this Chamber that his policy has actually worked in keeping down prices for these products between 2006 and 2014 and the evidence suggests that it has not. He has not been able to keep the prices down or have retailers taken advantage of the zero rating to still increase prices, and profits, as the Minister of Finance himself admitted at the Budget Forum.

Madam Speaker, more importantly, a typical poor household does not only consume these items. A typical basket for any poor household also includes electricity bill, water bill, mobile phone recharge, frozen meat, bread, processed food, transportation and entertainment. Further, even the poor and the middle class now consume more fresh meat products such as chicken, sausages, fish and goat (which have all increased in prices). The poor simply consume less meat and hence protein intakes, or consume far more unhealthy meat cuts, which are high in fat and hence, extremely bad for the health.

Poverty and Social Sectors: The 2002/2003 Household Income and Expenditure Survey (HIES) showed that 35 per cent of the population lived in income poverty. The 2002/2003 Survey also showed that 40 per cent of the population in rural areas were in income poverty. This proportion of people living in poverty in rural areas increased to 43 per cent in the 2008/2009 Survey.

By 2008 to 2009, the overall rate of poverty recorded a slight decrease to 31 per cent, particularly due a decline in urban poverty. Despite this decrease, it still remains clear that almost a third of our population live below the poverty line. This is a serious economic issue and needs to be encompassed in any agenda towards greater and inclusive economic growth. I understand, Madam Speaker, that the most HIES is being analysed now. Looking at the per capita GDP growth rates, I can say that poverty would still be over 30 per cent.

In the last first five years, in the interim regime, when there was economic stagnation and freezing of nominal incomes, and a decline in employment, real incomes of our people may have declined as much as by 30 per cent, because of the continued increase in cost of living. Poverty remains high because unemployment rates have been high and the country's low economic growth has been ineffective in reducing poverty, although we expect some improvements these last three years based on the moderate economic growth and high infrastructure spending. Fiji needs high inclusive growth that translates into more employment, higher earnings and increase family incomes. Only such changes can make any significant dent on poverty by improving the living standards of the poor and the middle class.

Education and Health: We wholeheartedly support the continuation of the increase spending on health and education. We support free education including for pre-school. We also support the Ministry's plan to provide flexibility in the use of grants to schools and address student-to-teachers ratio and additional teachers. However, let me once again implore on the honourable Minister for Education to set up an Independent Education Commission, to look at the whole education system. The honourable Minister for Education announced in his maiden speech that he will set up an Education Commission, but I see no mention of it in the Budget speech. We have had so many changes over the last two to three decades that educationally, we have gone this way and that way, often reversing policy, so that today, we really do not know where we are. An independent and expert commission should be able to provide recommendations for change which should be sustainable. The last one was set up in 2000 but because of the *coup*, the Commission did not complete its full report.

I am also surprised, Madam Speaker, that the University of Fiji had its allocation reduced by \$1 million. It is unclear what the basis for this was. The University of Fiji is a great example of a display of

community spirit by a committed group of people to provide choice for students wanting to pursue higher education.

There are so many allocations which we can point out in this Budget that are not a priority and wastage of taxpayer funds. We ask the Government to restore the grant to the same level as 2014, and if possible, increase it to \$4.5 million. Perhaps, we can reduce the infrastructure budget by \$2 million, but I am sure the honourable Minister for Infrastructure would not mind as he is well aware that they cannot spend it all in 2015, if it is done efficiently and wisely,

(Chorus of interjections)

Health: Madam Speaker, we support the increased allocation and the plans by the Ministry of Health to recruit more doctors and nurses to provide better services to our people. However, there are several questions that arise from the plans of the Ministry of Health in 2015, for the recruitment of 150 additional doctors next year. What plans has Government got to recruit all of them? It is our understanding that only 75 local graduates come out every year. Where will the other 75 come from? Will graduating standards be reduced so as to increase the number of graduates? Will they be recruited from overseas? If so, when is that expected to take effect so that the new year has the full complement of 150 new doctors by 1st January? As the honourable Minister himself admitted, the real issue is quality of service delivery and I hope the Public Service Reform will address some of the staffing issues within the Ministry of Health, including allied health workers.

Madam Speaker, the \$8 million allocation for free drugs for household is welcomed, but consequently also raises a lot of questions on the logistics of implementation, especially with regard to the income threshold requirements. Government has not come out with any clear plan. First, we understand that all current pharmaceutical supplied to the public hospitals are already free and those available in pharmacies, 74 of them are under price control. It appears that the public availability of medicine has failed and the Government should first re-look at this before it decides on the scheme.

With respect to the \$8 million free medication, how will Government determine the \$20,000 threshold? How is this to be monitored? Will free medicine be available at all pharmacies or are only some favoured ones likely to get the nod? We suggest that Government appoints a holistic Expert Committee to seriously look at how this \$8 million free medicine is distributed. This \$8 million allocation must reach the people for whom it was intended and we will vigilantly monitor from this side of Parliament to see that it is done.

With respect to Millennium Development Goals 4 and 5: Fiji seems to have made good progress and that is commendable but with respect to MDG 6 and the looming NCD crisis, there is room for improvement.

HON. LT. COL. P. TIKODUADUA. – Eat vegetables!

HON. DR. B.C. PRASAD. – You can talk for yourself, honourable Minister.

(Laughter)

HON. DR. B.C. PRASAD. – Death rates as a result of NCD related diseases such as diabetes, pressure and heart attacks has shown significant increase over the last several years.

Finally, Madam Speaker, our health budget of 2.7 per cent of GDP and 8 per cent of total expenditure is below the international benchmark and in fact below most of the Pacific Island countries. We need to at least raise the expenditure to about 10 per cent of the total expenditure. Of the \$47 million

increase in the health budget for 2015, about \$17 million goes to capital expenditure and only \$16 million for operational expenditure. I hope the honourable Minister for Health knows this. This is inadequate for the Ministry if it is seriously considering improving health services at all levels. The Government should seriously consider additional allocations to operational expenditure, specifically targeted to improving services at our public hospitals, reducing waiting time and improve doctor and nurse availability after hours, which is a major concern for our people in this country.

Economic Sectors – Sugar: The Government has once again congratulated itself for an increase in sugarcane production by 12 per cent just between 2013 and 2014 – the Government just looks at one year, if there is an increase, it congratulates themselves for a job well done. That is understandable, but they are not telling us that the number of active growers has declined to 13,000, from more than 16,000 in 2011. They are not telling us that the cane production has declined by 50 per cent since 2006.

Madam Speaker, the truth is that the sugar industry, which is still very important for Fiji seems to be on a permanent decline. Farmers have lost confidence in the industry and unless there is a major injection into the industry to restore that confidence, I am afraid that the sugar industry will be dead and buried in the next five to seven years. An allocation of \$9.7 million for the industry, less than the \$12 million allocated for the Natadola Golf Tournament, is not going to remove the binding constraints currently facing the industry – let us be serious.

Madam Speaker, farmers have been short-changed over the last several years. While they have received the share for the sale of molasses, they have not received the share of the electricity co-generation undertaken by FSC. We suggest that FSC immediately rectify this and pay the farmers the arrears of shares that they have not been paid. This could, to some extent, restore the confidence in the industry and there are several other possibilities throughout the world which shows that the sugar industry could be developed further, improve the income of farmers by high valued by-products which should be seriously considered by the Government.

Tourism: Madam Speaker, is a key sector for our economy and will remain so in the future. What is there that is holding back the tourism industry? What is stopping us to get a million tourists to visit our shores which we have talked about for many years? We need simple answers to these questions.

If we do a simple analysis, we find that the infrastructure is enough to get more than a million tourists in Fiji. There are enough rooms alone (I am told) in Denarau to accommodate more than a million tourists. However, Madam Speaker, the total rooms available, even at 70 per cent occupancy is not utilised. Fiji Airways decision to purchase the three A330 does not justify the fact that it can be the major carrier of tourists into Fiji. The current fleet of 3 x A330 = 242 seats per aircraft amounts to 726 seats per day; 3 x B737 aircraft = 150 x 3 equates to 450 seats per day. The total available seats per day is 1,176. The 70 per cent seat factor, we are looking at only 823 seats per day.

Fiji Airways has 300,468 seats that is available to contribute. If Fiji Airways does trips twice daily to all destinations, it will still not come close to carrying 70 per cent inbound tourists. It is quite evident that Fiji Airways cannot be the sole contributor towards achieving one million tourists in the next three years. Partnerships with other new airlines is necessary for Fiji and the Government should consider this.

Let me say, Madam Speaker, that I have serious doubts about the financial reports of the Fiji Airways showing significant profits. The financial reports should be provided in full. Additionally, we note that in the three years, we are in a search for a third Chief Executive Officer (CEO) and the airline is now being run by expatriates, when many local people are available to do those jobs. May I add that there are people who can also be CEO of Fiji Airways.

We welcome the allocation of \$23.5 million towards Tourism Fiji. However, we are concerned that tourism numbers have only grown by 43,000 visitors between 2009 and 2013. The record visitor arrival was achieved in 2011 of 675,050 visitors, still a long way to achieving a million tourists a year. There should be a total overhaul of Tourism Fiji because the best way to promote Fiji is to have our local people representing us in many of our marketing offices. With the last local CEO, for example, Jo Tuamoto, we were doing well. Since 2011, Tourism Fiji has since seen three CEOs and they are now looking for a fourth one. I am told the acting one has resigned too.

(Laughter)

Government wants to promote Fiji products. Fiji itself is a Fijian product. We must promote Fiji with Fijians. I am told that some expatriates, representing us in our marketing office, cannot even say “*bula*” properly.

(Laughter)

HON. LT. COL. P. TIKODUADUA.- You have not said anything interesting.

HON. DR. B.C. PRASAD.- Madam Speaker, I will give 30 seconds for Government Members to have a conversation amongst themselves.

Madam Speaker, in wrapping up, I wish to reflect on the poignant remarks delivered by the honourable Prime Minister during his maiden contribution, where he made reference to His Excellency the President’s reminder of this Chamber having borne witness to some of the greatest moments in our history and also some of the worst.

I also share His Excellency’s observation on the symbolism of the highest court of the land returning to this very Chamber. I also share the honourable Prime Minister’s view of the need to work together, to achieve a future that our people deserve. He can count on the Opposition to do exactly that and ensure that any legislation and policies that passes through us will be robustly debated, questioned and to best of our abilities, reflective of the good interest of the people. It is what we have been called to do.

Madam Speaker, it was also reassuring to see the supplications of the esteemed Government Members of Parliament, with hands outstretched from the other side of the Chamber, besetting us to work together. I total agree with that sentiment. However, in moving forward, as seems to be the catch phrase of the Government, let us never forget how we got here and the legacy of the past *coups* that our people who elected us continue to be hurt by. The *coup* culture must be purged and the honourable Prime Minister has an opportunity indeed to come full circle, right these wrongs and truly, but not tokenistically champion what is good for Fiji by convening a Government of National Unity. Madam Speaker, our people throughout Fiji are yearning for magnanimity, wisdom, statesmanship, moderation that bequeaths a way forward that binds; unites; leads; compromises and heals.

Madam Speaker, people are also looking at being freed from environmental fear and vindictiveness. On vindictiveness, I have many examples. But one that I would like to raise in particular is the Government’s continued victimisation of former Prime Minister, Laisenia Qarase. He was promised by a letter in December 2013 that his Prime Ministerial pension would be restored but today, he is still waiting for it. Why?

This Government currently wields absolute power and has created a culture of servility and sycophancy amongst civil servants, the media, the professionals and the private sector. In fact, never in the history of Fiji we have had such shocking levels of servility, sycophancy and fear of those wielding

Government power. It is very depressing, Madam Speaker, to find people who are fearful of even shaking hands with an Opposition Member to talk about this Budget.

HON. A.A. MAHARAJ.- Point of order. Madam Speaker, the honourable Member is going out of context. The context should be on the Budget debate but his bringing up other topics in his speech.

MADAM SPEAKER.- Honourable Dr. Prasad, I do agree with the sentiments being said, please focus your presentation on the budget.

HON. DR. B.C. PRASAD.- I have taken it upon myself to assure many of them to shake hands quickly and move away, lest they find themselves suddenly being considered 55 years of age and over. This is real.

Madam Speaker, in a multi-racial society such as ours and the presence of a strong indigenous community, we must build a culture of respect, tolerance and inclusivity. We need inclusive and democratic institutions. There are many

HON. J. USAMATE.- Madam Speaker, a point of order was made. You had already asked the honourable Member to commit his comments on the Budget, but he has totally disregarded this and he continued on the line of speech that he has taken. I think he needs to be reminded that once a decision has been made, he needs to abide by it.

MADAM SPEAKER.- Please focus on the Budget.

HON. DR. B.C. PRASAD.- Thank you, Madam Speaker. There are many institutions that as a country we need to collectively relook at - economically and politically. We need to honestly re-examine our Constitution using a consensus approach as was being done by the *Ghai Commission* which this Government itself appointed. We need to build trust in our rule of law, equality to all our society without bias. We need a vibrant independent press and an active watchdog on Government and Opposition. We need respect for property rights for all our people and investors, both local and foreign, and above all we need to remove all forms of intimidation and fear. We need a clear pathway and mechanism to do so.

Madam Speaker, as I said earlier, a Government of National Unity, comprising representation from all three parties, can provide such pathway which would moreover give confidence to our people and investors. All it needs is a firm first step from both sides of the Chamber. Let this not be construed as me personally, trying to get into Government. Let me assure the people of this country that I am quite happy to continue to serve Fiji as a backbencher, holding such a Government of National Unity to account as part of the Opposition, with other backbenchers drawn from all other parties.

Madam Speaker, the “winner-takes-all” concept of governance has, and will result in bitter acrimonious debates and finger-pointing. In my view, power-sharing, as was espoused in the 1997 Constitution, is the only way forward for the long-term peace, progress and stability of our country.

For the first time in our history, there was a genuine power-sharing in the form of a Multi-Party Cabinet, after May, 2006 General Elections, but that was not to be. The establishment of the Constitutional Commission, which was one of the suggestions made by a Member-State on the United Nations Rights Council during the recent Universal Periodical Review, was shot down in Parliament yesterday by the honourable and learned Attorney-General and Minister for Justice, Minister of Finance, Public Enterprises, Public Service and Communications. He basically described it as a “useless mechanism”, saying that the Constitution had its own review provisions, such as the need for a 75 per cent majority in Parliament, and a similar majority of all registered voters.

HON. A. SAYED-KHAIYUM.- Madam Speaker, I rise on a point of order. The honourable Member is trying to quote from what I said. Did I say that it was a useless institution? I merely talked about the Recommendations that were made by individual Member States and what they meant. I said that in this case, the Commission is not applicable, it is very simple as that.

I request, Madam Speaker, that if honourable Members are going to quote another Member, they should quote it correctly. That is all, Madam Speaker.

MADAM SPEAKER.- Honourable Dr. Prasad, there have been three Points of Order raised, so I request you to please focus on the Budget.

HON. DR. B.C. PRASAD.- Madam Speaker, I rephrase my comment.

Madam Speaker, the 1990 Constitution had similar-type review provisions, but even under that Constitution, the leaders of political parties and Members of Parliament were able to work through it and have it reviewed.

HON. LT. COL. P. TIKODUADUA.- I rise on a point of order. I think the honourable Member should abide by your ruling, Madam Speaker, and stay on the subject of debate as opposed to dwelling on other subjects, including the Constitution.

HON. N. NAWAIKULA.- The Constitution is Budget!

HON. A. SAYED-KHAIYUM- Madam Speaker, I rise on a point of order. If the honourable Member wants to address the Chair, he should stand up and make his speech.

HON. N. NAWAIKULA.- I was interjecting!

MADAM SPEAKER.- Honourable Members, I request you all to respect the rules of Parliament and I expect all honourable Members addressing the Chair to stand up and speak. However, honourable Dr. Prasad, there has already been four Points of Order raised on your presentation that you are diverting from the Budget, and let this be the last warning. Otherwise, I might be forced to use my authority to stop your presentation. So I request you again to please, focus on the Budget.

HON. DR. B.C. PRASAD.- Thank you, Madam Speaker, I am about to finish.

Madam Speaker, the Constitution is always the foundation of any economy but I am not going to dwell on it. Some of the Government Members might need to understand that better but let me say, Madam Speaker, there are several good policies in health, education and infrastructure that we support, but there are serious shortcomings in the Budget and some of the policies based on which the Opposition is unable to support this Budget.

MADAM SPEAKER.- Honourable Members, we will adjourn for morning tea. We will resume at 11.55 a.m.

The Parliament adjourned at 11.27 a.m.

The Parliament resumed at 12.00 p.m.

MADAM SPEAKER.- Honourable Members, we will now get into the Batting Order, and the first speaker is the honourable Rosy Akbar, Minister for Women, Children and Poverty Alleviation.

HON. R.S. AKBAR.- Madam Speaker, I rise to speak in support of the 2015 Budget. Please allow me to thank the honourable Minister of Finance for the 2015 national Budget that was delivered on the 21st of November, 2015, a Budget pro-people and geared towards stimulating economic prosperity and empowerment and wellbeing of ordinary Fijians with the theme “Turning Promises into Deeds”.

Madam Speaker, the Budget reflects the Government’s intention to build a “just and fair society”, where the benefits of progress encompasses every Fijian wherever they come from, wherever they live, or whatever their income levels may be.

Madam Speaker, the Budget reaffirms the Government’s determination to transform Fiji into a modern nation State, and cement its position as a preeminent Pacific Island nation. This Budget is not just a financial document, it is Government in action, Government turning its philosophies into programmes and its promises into deeds.

Madam Speaker, the Bainimarama-Government has targeted a number of key objectives in this Budget. It has rationalised funding across the board, to ensure that all sectors of the society are treated fairly, and all spending priorities are properly funded. It has concentrated funding in a number of high-priority areas that needed immediate attention, and it has sought to correct past oversights or injustices and fulfil outstanding promises, or in the words of the Budget theme “Turning Promises into Deeds”.

Madam Speaker, I am pleased to say that the 2015 Budget is gender responsive and reflects this Government’s unprecedented effort to accelerate Fiji’s progress towards Millennium Development Goal (MDG) (iii) that says, and I quote: “Promoting Gender Equality and Women Empowerment”, and the MDG (i), says and I quote: “Eradicating extreme poverty and hunger”.

Madam Speaker, at this point, if I may say, alleviating poverty is a key challenge for any government, and this Government intends to step up the efforts in this area during the current term. We will do this through forward-looking policies and tackle some fundamental costs of living pressures for low-income earners. We intend to make a difference in peoples’ lives and do it in a holistic fashion in which key government ministries and agencies will work in a targeted and coordinated manner, whether it is education, health, social welfare, housing, or any other area that involves the welfare of the Fijian people.

Madam Speaker, our Government will partner with credible community-based institutions and networks, to make a bigger impact in the lives of the disadvantaged members of the community. Our buoyant economic outlook at the present time reflected in our annual growth rate of four per cent gives us an unprecedented opportunity to improve the living standards of all our people. We have the chance to really make a difference, and we intend to seize it.

Madam Speaker, against this backdrop, we are seriously examining all our policies and programmes and especially those that impact our women, children, senior citizens and people with disabilities. We must make sure that we take advantage of a better economy, generally to improve and expand our social protection programme.

Madam Speaker, to achieve our desired poverty reduction outcomes, this Government has allocated a sum of \$160 million for Poverty Alleviation Programmes. Out of this amount, \$44.8 million has been allocated to the Ministry for Women, Children and Poverty Alleviation, an increase of \$4.4 million from

last year. This increase in the Ministry's Budget, Madam Speaker, reaffirms the Bainimarama-Government's unwavering commitment to fulfil the core functions of the Ministry, namely:

- (a) Empowerment of Fijian Women;
- (b) Protection and Support for our Children; and
- (c) our overarching objective of poverty alleviation.

Madam Speaker, this Government has pioneered a number of policies to improve the lives of underprivileged. More generally, it has established once and for all that Fiji continues to develop as a nation, where everyone can proudly identify themselves as a Fijian, regardless of culture, age and gender.

As we keep stressing, Madam Speaker, the Fiji-First Government's Vision is to 'Build an Inclusive Society' in which everyone belongs, and we believe that wherever Fijians live, they are entitled to expect the same level of access to basic services. In the case of my own ministry, Madam Speaker, we have placed this principle at the core of our activities, by boldly reaching out to remote, rural and maritime communities across Fiji. Madam Speaker, it was you who pioneered this approach when you were a Minister, and I intend to build on your legacy in the months and years ahead.

Madam Speaker, the 2015 Budget reaffirms this Government's commitment to the economic empowerment of women, with the boost of \$1.82 million in the allocation for the Department of Women. This allocation will enable the department to implement Fiji's first national gender policy, which empowers Fijian women and girls, and particularly those in rural communities by equipping them with skills and education they need to participate as equal members of the society.

We are proud to be the first Government to develop a national gender policy, as it reflects the basic truth that without empowering our women, Fijian society and the Fijian nation cannot achieve sustainable development.

Madam Speaker, the voices of our women must be heard in decision-making at every level, and as Minister, I am committed to ensuring that our women are treated as equal in all aspects of our socio-economic development, and are able to participate fully and equally in all aspects of our national life.

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 in next year's Budget, to enable them to advance the interest of women and girls around the country.

Madam Speaker, this Government intends to capitalise on the success of Fiji's first National Women's Expo this year, to further strengthen financial returns to Fijian women entrepreneurs. We are allocating \$500,000 to the 2015 National Women's Expo, recognising its vital role in building confidence, business skills and the production of Fijian-made products.

Madam Speaker, our Government is all inclusive and pro-development, and it will continue to focus on targeting the needs of women, children, families, senior citizens and persons living with disability, especially those Fijians who are disadvantaged. To achieve these objectives, Madam Speaker, Government will continue to support existing social protection programmes such as the Poverty Benefit Scheme, Child Protection Scheme, Social Pension Scheme and the Food Voucher Programmes.

With the 2015 Budgetary allocations, the following Social Protection Programmes will continue:

Poverty Benefit Scheme: A total of \$22 million has been allocated in the 2015 Budget. This scheme will be reconfigured so that the food voucher component is increased from \$30 to \$50 a month from January next year, plus a cash payment of \$50.

Welfare Graduation Programme: The Government has allocated \$500,000 for the Welfare to walk their programme in the 2015 Budget. It further underlines our compassion towards the needy and the disadvantaged. In 2014 alone, the lives of 200 families have been transformed, taking them from a state of dependency and putting them on the path of self-sufficiency. With the 2015 Budget, the Ministry hopes to expand these opportunities.

Madam Speaker, Government has strengthened the Social Pension Scheme. Funding for this programme has been increased from \$3 million in 2014 to \$8 million in 2015. Government will reform the social pension to reduce the age eligibility from 70 years to 68 years from July, 2015, and to increase the allowances from \$30 a month to \$50 a month from the beginning of next year.

Madam Speaker, this Scheme provides pensions for persons aged 68 and over who do not have any form of income or pension, or who have never been beneficiaries of the Superannuation Scheme. In 2015, we are targeting 33,000 senior citizens, who will benefit from the scheme which assures them of continuing Government support. Madam Speaker, this is a three-fold increase in the number of senior citizens who are currently being assisted. Currently we are assisting 11,000 senior citizens.

The disabled and the elderly also continue to be assisted through the Government allocation of \$150,000 for bus fare subsidies to ease the cost of travel. Madam Speaker, 42,475 individuals continue to be assisted through this initiative, with more to be covered next year. Once again, this demonstrates our compassion for our senior citizens and our desire to make their twilight years more pleasurable and fulfilling.

With these initiatives in place, I am sure those who we are assisting will not consider this budget to be boring.

Madam Speaker, in the history of Fijian politics, this is the only democratically elected Government to place children's affairs at the top of the national agenda, with the budgetary allocation of \$2.5 million.

HON. LT. COL. P. TIKODUADUA.- Hear, hear!

HON. R.S. AKBAR.- We have renamed the Ministry as the "Ministry for Women, Children and Poverty Alleviation" and refocussed its priorities specifically with the view of improving child care in Fiji.

Madam Speaker, the child protection allowance is allocated at \$2 million. This allowance provides for the care and support of children of single mothers, prisoners, those cared for by family members or guardians, and of course, the children in our residential homes, to name a few. It also caters for children living with disabilities. This funding allows 2,243 children to benefit from this scheme, and we expect that number to increase as awareness spreads about. That assistance is available for the disadvantaged.

The overall Budget theme which is, "Turning Promises into Deeds" encapsulates the Government's effort across all ministries, but it is specially apt in relation to my own. Neither can we merely promise to improve the circumstances of Fijian women and children, nor can we give lip service to poverty alleviation. We must deliver on those promises with concrete actions because deeds make a real difference to the lives of ordinary people.

Madam Speaker, the defining characteristics of the FijiFirst Government is to deliver, to serve and that is what we will continue to do for all Fijians, especially our women, children and those who are less fortunate.

As the honourable Prime Minister has often stated and I quote: “We seek to be a smart country, a successful country, standing tall and proud in the world, but we are also a compassionate country. We intend to work as hard as we can to leave no one behind”. That is what is driving my every move as Minister for Women, Children and Poverty Alleviation.

As Mahatma Gandhi once so eloquently stated, “A nation’s greatness is measured by how it treats its weakest members”. That is the principle on which this Government also stands, and I am proud to be the Minister charged with delivering better outcomes to some of the most vulnerable people in Fiji, to give them the leg-up they need, to provide them with better lives and to give them a chance also to fulfil their dreams.

Madam Speaker, no matter what the Budget has been target as, “boring, creative and uneconomical”, for me this is the “mother of all budgets.”

HON. GOVERNMENT MEMBERS.- Hear, hear!

HON. R. S.AKBAR.- As the Minister for Women, Children and Poverty Alleviation, I endorse the 2015 Budget.

HON. N. NAWAIKULA.- Finish!

(Laughter)

HON. L. EDEN.- Madam Speaker, I wish to join my fellow Parliamentarians in support of the 2015 Budget as delivered by the honourable Minister of Finance on 21st November, 2014.

The Ministries of Industry, Trade and Tourism have been allocated a total budget of \$49.48 million for 2015. This budgetary allocation will enable the Ministries to accomplish their mission, to create an enabling environment for trade, investment, business development, tourism promotion and an inclusive and sustainable economic growth.

Madam Speaker, one of the roles of my Ministry also involves tourism development and promotion. Tourism is the highest revenue- earner for the Fijian economy contributing to approximately 34.8 per cent to Fiji’s gross domestic product. It provides direct and indirect employment to one in every three Fijians.

It is forecasted that the sector will maintain an upward trajectory in the coming years which will be enabled by the commitment of the Bainimarama-Government. The support of the tourism sector is evident through the continued and consistent budgetary support in 2015.

Madam Speaker, consistency enables sustainability and sustainability enables growth which our country needs.

Madam Speaker, I will now highlight the following projects and initiatives:

- (a) Tourism Development Plan for 2015 to 2020: An allocation of \$50,000 will assist the Ministry to implement the Tourism Development Plan for 2015 to 2010. The FTDP aims to guide the tourism industry and other stakeholders to ensure the best and most efficient use of Fiji’s limited resources minimising waste, redundancy, leakage and overlap. It will also develop

programmes for the tourism sector to promote quality service, enhance security and provide training in design of materials. The FTDP will assist in achieving the target of FJD2 billion in visitor earnings by 2020.

Madam Speaker, we have also decided in our 5-year tourism development plan to shift our focus from the old, which was based more on increasing visitor numbers into the country, but rather now to increase visitor spend in the country. What this basically means is that instead of bringing in a million people who spend very little, we encourage quality people who will spend a lot.

(b) Tourism Research and Survey Expenses - \$100,000: Under this allocation, the Ministry will undertake an international visitor survey that will provide the Ministry and key tourism stakeholders with a timely, comprehensive and accurate visitor information.

Madam Speaker, information is golden and is the key to success in every venture. The survey captures vital tourism indicators, for example, the number of nights spent in Fiji, travel arrangements, reasons for visiting, types of accommodation used, types of transport used, activities undertaken, attractions visited, visitors satisfaction, to name a few. The survey will provide us a better understanding of characteristics and behaviours of tourism visitors to support Tourism Fiji's marketing efforts, hence, will enable the Ministry to develop appropriate policies and strategies.

Madam Speaker, I recently returned from a symposium in Shanghai where it was reported that China's total outbound international travel for 2013 was 98 million people and their spending for 2013 was US\$318 billion.

China jumped into first place worldwide back in 2012, surpassing top spender Germany and second top spender United States of America (USA). We plan to attract our fair share of this market which should make the honourable Dr. Biman Prasad a bit happy.

Madam Speaker, it is about the right type of tourism facilities and services in the right locations at the right time. It is also about spreading our tourism dollar beyond the shores of Viti Levu to Vanua Levu, Taveuni, Kadavu and other outer island destinations.

Hotel Data Collection System: An allocation of \$80,000 is envisaged to address two critical gaps regarding the lack of proper and timely data, such as visitor arrivals, hotel yields, the proper accounting of the sales turnover tax, VAT and corporate tax. The system will be implemented in hotels across Fiji, which will be mandatory when it is operational. The hotel data collection system will ensure the availability of timely and reliable data to provide sound tourism development and investment advice, and identify visitor trends and preferences to effectively market Fiji abroad.

Small and Medium Enterprises Development: The contribution of the Small and Medium Enterprises (SMEs) sector to the Fijian economy is very important. The Ministry aims to encourage the development and growth of the SMEs through the following strategies:

Small and Medium Enterprise grant - \$1 million. Government has allocated a grant of \$1 million in the 2015 Budget, earmarked to benefit 1,000 recipients, eligible to meet the criteria of the grant funding. This grant will assist and encourage our micro and small businesses to boost their income capacity and improve the standards and quality of their products and services. This product, Madam Speaker, is geared to assist people at grassroots level, for example, our roadside stalls that we see on the way from Suva to Nadi selling fruits and juice. This budget of up to \$1,000 per recipient will assist them to buy boxes to contain their fruits in, coolers, et cetera.

The broad vision of the *Fijian Made* by Fijian campaign is to promote the uniqueness and authenticity of Fijian products and services. This year, the campaign has licenced 208 individual, small and medium enterprises and companies and more than 1,000 products.

The \$500,000 allocation will be used towards promotions and marketing of Fijian products, both domestically and internationally, and put in place audit and compliance procedures. This campaign has instilled a sense of pride, ownership and has also contributed to increase sales of quality Fijian products. The campaign aims to reduce reliance on the imports for substitute products to reduce our import bills. It aims to raise the profile of the *Fijian Made* brand amongst Fijians, also to create sustainable employment and improve livelihood for all Fijians, and increase domestic consumption and exports of Fijian brand products.

Tourism and Investment Promotion: Madam Speaker, Fiji is an active member of the South Pacific Tourism Organisation (SPTO) and has been allocated a budget of \$174,100. Fiji stands to benefit from its membership of the SPTO through technical and financial assistance, regional training, seminars and workshops.

On investment promotion, Investment Fiji has been allocated \$2 million to undertake the core responsibilities of promotion, marketing, facilitation of investments, registration and monitoring of foreign and domestic investments and have created an effective and friendly one stop shop.

Standards and Consumer Protection: Standards development and consumer affairs also play a key role in providing a business and consumer friendly environment. On this note, my Ministry is currently undertaking a comprehensive review of the Department of National Trade Measurement and Standards, with the aim to improve its operational effectiveness and efficiency in delivering its services to traders and consumers.

Consumer protection and awareness is also a key role of our Ministry. In this connection, the Consumer Council of Fiji has been allocated a budget of \$700,000 to advocate and protect consumers through mediation and referrals to relevant consumer protection agencies.

The Fiji Commerce Commission has been allocated a budget of \$1.75 million in 2015, to effectively monitor the market for fair competition and consumer protection through the enforcement of the Consumer Convention Decree, 2010.

Madam Speaker, I thank you for giving me the opportunity to provide my support for the 2015 Budget.

HON. M.D. BULITAVU.- Madam Speaker, the honourable Prime Minister, Cabinet Ministers, the honourable Leader of the Opposition and honourable Members of Parliament.

I rise today as shadow minister for the Ministry of Public Enterprises, to give my response to the 2015 Budget as presented two weeks ago by the honourable Minister of Finance.

I acknowledge the Budget then given. It is Government's desired progress plan for national development and growth. It is a dream plan. Dreams as we all know, sometimes come true and sometimes do not. Sometimes only part of the dream is realised. I now make this statement as an immediate reaction to this dream budget presented.

It is the words of the late Vladimir Lenin, an economist, the first Premier of the Soviet Union and the main theorist of Leninism who said and I quote, "To accept anything on trust, to preclude critical

applications and development, is a grievous sin; and in order to apply and develop, (simple interpretation) is obviously not enough.”

From the onset, I will state that I agree with that view, that we must not accept and trust that this budget, as proposed, is necessarily for the development of our nation and is meant to benefit our people. We must not accept this Budget at face value and truly determine the fabrics that weave this budget together.

The policies of the Bainimarama-Government is obvious. Their intent is to create growth in Fiji, unprecedented by any other government. They have claimed so in their political campaign and with their budget titled “Turning Promises Into Deeds”, this is a reflection of this very ideology. Their Budget has outlined a very ambitious plan on how to deliver the promises where many are asking the question, how will the Government meet the high cost of this Budget?

This Government has achieved unprecedented results and its budget is the largest in the history of this country – from \$1.7 billion in total expenditures in 2006, the budget estimate for 2015 will be a massive \$3.3 billion. Should the Government argue that this is an estimate of what it could spend for the coming year? Let me remind them that last year, their budget estimate was \$2.5 billion, they actually utilised \$2.3 billion - a shortfall of \$0.2 billion. Therefore, the people of this country can expect this Budget for 2015 to be anything but realistic.

I make this comment with a lot of conviction. In this Government’s quest to stay in power for years to come, it has manipulated the Budget in such a way to reflect obvious growth in measurable areas like infrastructure. The cost of meeting that huge budget bill, this Government had obviously figured that out already, but to what extent will the Budget have to be met by the taxpayers of this country?

Madam Speaker, I remind us of the famous words of John Maynard Keynes, and I quote:

“The glory of the nation you love is a desirable end but generally to be obtained at your neighbour’s expense”.

You and I and our neighbours are the funders of this Budget. We are taxpayers, we fund bulk of the Government’s budget plans and Election promises and trust me, we do not want to be financially drained in the process of funding for this Budget by heavy taxes of all forms, which I can see, will be this Government’s main target to facilitate the funding of your Budget plan.

Madam Speaker, neither do I wish for my speech to be long, neither do I want to make it into a lecture about how to utilise national spending. Instead, I want to make it a collection of concerns relating to the funding of this Budget, people and decisions linked to this Budget, who will have influential role in next year’s budget and some commendations relating to this Budget for Government. A couple of points stand out for me as a layman.

The first being, of course, the Budget, as already being said is the biggest ever to be effective in Fiji. Secondly, this Budget is Government’s plan on how to stay in Government, irrespective how it achieves that so we, the people, will just have to do with whatever it is giving and mostly taking from us. Thirdly, this is the second time in a row that this Government has factored into the Budget plans to sell Government assets which includes the divestment of shares in Fiji Electricity Authority (FEA), Ports Authority of Fiji (PAF) and Airports Fiji Limited (AFL). It looks to me that the sale of these Government assets is intended to complement the Budget coffers, but is that the real reason? Can the Government come clean if it is more interested in foreign partnership, rather than these Government Commercial Public companies?

In the last two years, we have heard the sale of these assets mentioned in the budget, however I understand that the Government has yet to sell these assets. First, it is Government's prerogative to tell this nation how it funded its budget for last year, given the sale of assets were to complete the funding of the 2014 Budget as it appears again in next year's budget plan. Is Government being dishonest in funding revenue lines as a smokescreen when the actual fact is that, it is buying time with the sourcing of funding from elsewhere.

Madam Speaker, I would like this august Chamber to reflect on what Professor Wadan Narsey said in his article "Good, bad and ugly in the 2015 Budget" on page 13 of *The Fiji Times* dated Saturday, 29th November, 2014. He said, and I quote:

"For the second year, the Government presents artificial low ratios for the deficit as a proportion of GDP (2.5 per cent) and a low ratio of public debt to GDP, ratio of around 48 per cent by including sales of public assets as part of normal revenue".

That is deception one - claiming as investing receipts and part of normal revenue.

A sum of \$510 million will be raised by selling public assets. This then enables the honourable Minister of Finance to claim deception two - a low net deficit of \$214 million or a low 2.5 per cent of GDP, but takeaway the sale of public assets and you suddenly have a net deficit of \$724 million or extremely a record of 8.7 per cent of GDP. Readers might like to contemplate that Government could actually plan to sell another \$300 million of public assets and boast it was a surplus.

Similarly, if Government was not to sell assets but borrow, in order to spend what they are planning to spend, then public debt would rise from \$4.1 billion to \$4.6 billion, which is about 53 per cent of GDP and not 48 per cent they are claiming – that is deception three. Essentially, the normal revenue of Government cannot support the massive increases in expenditure that they have planned without the sale of public assets. All the pretty graphs in the Supplements are equally deceptive and worthless.

Madam Speaker, we would like to remind the authors of this Budget that Government's preference in companies that provide crucial basic services to the people must always be retained as the ownership of co-assets. Privatisation of efficient public assets can be justified when they are making a loss which increases the burden on taxpayers. In this case, FEA, AFL and FPCL are operating on a profit.

Madam Speaker, these are strategic assets and monopolies which should not be in private hands. In privatising a Government monopoly, we immediately create a private monopoly and without a regulatory environment, it is unfair to the people, especially when the Ministry of Public Enterprises has already been corporatized in operating relatively efficiently and is totally within the control of Government. The reasons are many.

Apart from the control of the cost of services provision, the people, in such a basic product like electricity, there also are issues of national security, especially in main entry points to any nation and in this case, both major overseers of our entry points (AFL and FPCL) are being put for public sale. Can we afford to compromise healthy profit lines on so call efficiency and productivity against national security, given the rise of international trend of terrorism, human and drug trafficking and other crimes that have prevailed in this environment?

There are a number of scenarios that must be considered in the best interest of mutual benefit for all concerned. I present my first scenario, and that is a personal view. Government should not rush to sell assets. Rush sales are not in the public interest. Any sale must be carefully staged and a comparative process undertaken, however, after extensive consultation are first done and preferably in this august Chamber, where we have been elected to be custodians of all things precious to the people.

Madam Speaker, the other scenario I pose for all of us to perhaps, also consider is whether the Government is indeed the best owner of these assets and the purpose served by Government ownership. Would a company in private hands be better able to serve the consumers or ratepayers? Would bringing in the private sector to unlock a company which could grow and create jobs? The other scenario is the obvious.

These sales as highlighted in the Budget announcement is meant to fund Government expenditure for 2015. Therefore, it is not intended to be sold, preferably to be re-invested into a new income generating asset. Perhaps, if the reason for the sale were to be re-investment, the new asset may be added an enormous value to Fiji by creating income and employment opportunities.

Madam Speaker, in a nutshell, I ask that good sense prevails and this Parliament engages in true democratic principles to first debate the merits of the sale of these Government assets before it is allowed to do so. It would be proper, accountable and a responsible thing to do for our nation and our people.

Madam Speaker, I now wish to speak briefly on the issue of privatisation. The current Bainimarama-Government has under its unelected period of governance carried out the reform of a couple of Government services. A few to mention were the Water Authority of Fiji, Fiji Roads Authority and the Maritime Safety Authority of Fiji. Since the reforms and privatisation, we have seen a number of developments that they have effected such as the so-called roads, to new water piping extensions, installation of water meters and licensing of small boat operators, to name a few.

My question is, under the guise of national development, ensuring growth for all people who have indeed benefitted from these reforms, or have the real benefits been siphoned out of Fiji into the hands of foreign companies, which have mostly expatriate managers, holding positions and having international contracts that means a highly inflated administrative expenditure cost.

We, the people of this nation, Madam Speaker, before we can even pretend that this Government is serious about serving us, we must demand that they should inform us the truth of what I have highlighted above or after all, most of these reform companies had people who crawled out of the woodworks, took our financial resources and disappeared into the night.

Some of these people I could recall were the former Permanent Secretary for Finance and the Chairman of the Water Authority of Fiji, Mr. John Prasad. Could the honourable Minister of Finance inform this Chamber as to how he came to Fiji, what qualifications he had, if any, and why was he disposed by the Government? Can we also know how the former Chief Executive Officer of Water Authority of Fiji, Mr. Tony Fullman came to Fiji, what credentials he had, if any, and why he suddenly disappeared?

We also have a very charismatic....

MADAM SPEAKER.- Order, order!

Please do not be critical of personalities, keep to the subject.

HON. M.D. BULITAVU.- Madam Speaker, I think we really need to question how these people came in.

HON. A. SAYED-KHAIYUM.- Talk on the Budget Address.

HON. M.D. BULITAVUA.- The issue here is on the implementation and monitoring of Government Commercial Companies on how Government will monitor all these works.

MADAM SPEAKER.- Generalise your statement, please and not on personalities.

HON. M.D. BULITAVU.- Madam Speaker, there are many dubious characters around and people have been treated like fools. Those who now sit on the opposite side of this Chamber came with a lot of guns blazing and sang songs that we were all made to dance to. Some of these people who have left, looted our coffers as a suspect, and this is the reason why they have been forced to leave. I pose this question to the Government; were they investigated by FICAC, and if they were not, can you please explain why? No one dared to question the Bainimarama-Government then, as it was obvious, they had the men in green uniforms forever standing by their side, making sure in every fort they were evidently present.

Our people have never been able to question where all these people, who supposedly knew better than our people came from, have now gone. It is now time to ask these questions. This will be the start of the unveiling of all proceedings that have been ongoing – the “cannot question” in this country for the past eight years. At this point, I may state that we, of course, still have some people around who have questionable attributes and questionable appointments, some of them include our own locals who, according to Government, are smarter than any other in Fiji and can be excused for holding a job in a private company, but also hold executive chairmanship of a Government Commercial Company, acting as both Executive Officer and Chairman of a company. The likes of Executive Manager of Coca Cola Amatil Company Limited, an international company....

MADAM SPEAKER.- Please, last warning. Refrain from attacking personalities and keep to your response to the Budget.

HON. M.D. BULITAVU.- These questions, Madam Speaker, are not meant to be racist but just questioning the rationale behind the fact that we have qualified Fijians in this country to hold those positions. We just do not understand why the Government is bringing all these expatriates to come and hold these jobs because one of the purpose of public enterprise is to create jobs for our own people and not for people coming from overseas. We question all those appointments, Madam Speaker, because most of these individuals hold two to three more board appointments and we want to question that. These people will hold influential roles in the decision-making in the 2015 Budget.

In the spirit of reforms, public, accountability and transparency, it will be prudent to establish the backgrounds of some of these people now in Fijian Holdings and also in other Government Commercial Companies, as I had mentioned. At this juncture, Madam Speaker, I wish to say that the expenditure of Government for next year is quite substantial, and I would like to say is intended to deliver Election promises and assure to be remaining in Government as long as they can thus carrying out development at the expense of a high tax collection from the people.

Madam Speaker, over time, this side of the Chamber would like to review a lot of public appointments made in the last eight years, to ensure we keep Government true to its own policies. The floodgates has just opened.

Madam Speaker, watching the way the Government has been led in the past few years, and again evident in this Budget debate, I can see that the honourable Minister of Finance, who also happens to be the honourable and learned Attorney-General, is the smartest man in Fiji. His sole advice is often the one relied upon by the honourable Prime Minister in all national matters. There is a very special relationship and I commend the honourable Prime Minister, that if he wants this country move to

HON. LT. COL. P. TIKODUADUA.- Madam Speaker, I rise to make a point of order. I think the honourable Member is not only deviating but his making personal attacks on the character of individuals.

HON. M.D. BULITAVU.- I was only commenting on the honourable Minister of Finance, Madam Speaker.

MADAM SPEAKER.- Keep to the subject, do not attack personalities as I had mentioned. This will be the last warning.

HON. M. D.BULITAVU.- On that note, Madam Speaker, I conclude by saying that I cannot find myself to support the Budget plan for 2015.

For me, dare I say that certain companies look evident to benefit hugely from the 2015 Budget. Suddenly there is an increase from five per cent tax to 32 per cent on exercise books come the new school year and yet, Government dares to claim free education. This is like “robbing Peter to pay Paul.”

The tax free on imported powdered milk, whilst everyone else is paying tax, Fiji Dairy Limited is offered tax free on this commodity. So, I imagine some companies like C.J. Patel, Kanvan Papers and others will be raking huge profits next year, and here we are, the landowners and indigenous people have very little incentives - only from leasing out our land. Could we perhaps, be given tax free on certain items that we have consistently used, or maybe could have had an average of \$10 million grants per province and buying into stock from publicly listed companies, like Flour Mills of Fiji. Surely with all that, the indigenous people of this country have had to give up and endure, surely Government could have now taken that important decision and recognised that. I could have cited many others, but I will conclude my contribution.

To conclude, I will say that those who are claiming that this Budget is a people-focussed Budget or a development-focussed Budget, a pro-active Budget must think twice. In that Madam Speaker, I do not support this Budget. I thank the media and all other citizens who are in attendance today.

May God bless Fiji and may God bless us all.

HON. CDR. J.R. CAWAKI.- Madam Speaker, please allow me to commend and congratulate the honourable Minister of Finance for the 2015 National Budget that he delivered on 21st November, 2014 and join my fellow colleagues in supporting the Budget. A Budget which is geared towards stimulating investment-led growth in a sustainable and sound fiscal environment with the theme of “Turning Promises into Deeds”. This Budget was delivered on the promises that we, the FijiFirst Party made during our campaign has turned into initiatives and programmes that will benefit all Fijians.

Madam Speaker, my Ministry, the Ministry of Rural and Maritime Development and National Disaster Management is in full support of the Budget, but more so on the emphasis, the Budget has placed on priority the areas of focus which includes health, education, infrastructure, public utilities development, agriculture and fisheries and forests. We are keenly supportive of these priority areas of the Budget, due in large to the fact that these are the areas of real need in our rural and maritime communities.

Madam Speaker, guided by the rights of citizens as detailed in our Constitution, the Ministry of Rural & Maritime Development and National Disaster Management is mandated to manage and co-ordinate Government's rural and maritime development programmes. To provide all Fijians in our rural and maritime communities the necessary tools to empower them to be able to support themselves and their families. This is the primary basis of our support for the 2015 Budget.

We are equally supportive, Madam Speaker, of the plans to reform the Public Service with the aim of improving service delivery and efficiencies. We owe this to the Fijian people.

Madam Speaker, the revision of the fiscal and excise duty, aimed at protecting our local producers is commendable, noting that it will raise the level of confidence and participation of our local producers, including those who are in our rural and maritime communities. The increased level of confidence of local producers will contribute positively to the projected domestic economic growth of four per cent for 2015, which is expected to be broad-based, with contributions from all sectors.

Madam Speaker, whilst there has been no major variation in our Ministry's 2015 Budget compared to 2014, our Ministry is satisfied that there has been significant budgetary allocations to other sectors and programmes that are targeted at developing and shaping our rural and maritime areas. These include:

- (a) Rural electrification in the extension of the Fiji Electricity Authority (FEA) National Grid and Solar Power facilities to our remote and isolated rural and maritime communities;
- (b) Electricity subsidy to low income earners;
- (c) Roads and infrastructure in the extension of the Fiji Roads Authority (FRA) road networking, together with the construction of bridges, crossings and jetties in our maritime areas;
- (d) Rural water in the extension of Water Authority of Fiji's (WAF) reticulation lines, and upgrade and construction of new rural water supply systems;
- (e) Fisheries rural empowerment programmes;
- (f) Forestry rural empowerment programmes;
- (g) Non-sugar agricultural programmes; and, of course,
- (h) Improvements in health and educational services and facilities.

Madam Speaker, our Ministry's 2015 Budget saw a reduction of \$7.6 million from our budget this year. Our budget for 2015 is \$32.1 million compared to \$39.7 million for this year, a reduction of 19 per cent. The reason for this reduction is very clear to us.

Our 2014 budget included a one-off allocation for the purchase of a new Marine Landing Craft at the cost of \$7 million. The Landing Craft is expected to be delivered to Fiji by April next year. The Craft will be administered and managed by the Government Shipping Services Department, whilst its operations and tasking will be to enhance rural and maritime mobility for our maritime provinces of Lau, Kadavu, Lomaiviti and Rotuma.

Madam Speaker, the removal of the Tropical Cyclone Evans allocation of \$2 million from our budget and the transfer of the Rural and Outer Island (ROI) Agricultural Programme Allocation of \$1 million from our Ministry to the Ministry of Agriculture in the 2015 Budget, are also results of our budget reduction.

The other notable variations in our 2015 Budget compared to this year, Madam Speaker, include the allocation of funds in 2015 for the construction of the office and quarters for the Kubulau Government Station in Bua and the construction of the District Administration Office on Koro Island. These are all part of an initiative to expand services, to be able to better meet the needs of our rural and maritime communities.

The 2015 Budget, Madam Speaker, has also allocated a sum of \$640,000 to cover the allowances of District Advisory Councillors, to bring their allowances up to par with those of the *Turaga ni koros*

and *Mata ni Tikinas*. This is a new allocation, and it has been devised because of the vast area covered by Advisory Councillors in the responsibilities and roles that they play in rural development. This, again, is aimed at enhancing services to our multi-ethnic communities in the rural and maritime areas.

Madam Speaker, with the decision of Cabinet, the Ministry in 2015, will be hosting the Executive Committee and Governing Council Meetings of the Centre of Integrated Rural Development for Asia and the Pacific (CIRDAP) for which the sum of \$250,000 has been allocated. For the information of Parliament, in this organisation, Fiji is the only member from the Pacific.

The Executive Committee is made up of Permanent Secretaries and Chief Executive Officers of Rural Development Agencies of Governments within the Asia-Pacific Region. The Governing Council of CIRDAP is comprised of Rural Development Ministers and Assistant Ministers within the Region. By hosting these meetings, Madam Speaker, we wish to reassert the status of the Fiji Government as the leader and development conduit between the emerging powers in the Region, and Small Island Developing States (SIDS) within the Pacific Region.

We are grateful, Madam Speaker, that the Ministry's Rural Housing allocation has been increased from \$0.7 million this year to \$1.4 million in 2015. This will provide affordable rural housing for our people in the rural and maritime areas. This will allow for the provision of homes to those in dire needs within our rural and maritime communities.

Madam Speaker, sugar yields increased this year. A major contributing factor to this is the rental subsidy provided by Government to induce landowners to continue to lease their land for cane production, and for other agricultural purposes. This year, the Budget has allocated a sum of \$7.8 million for this purpose under CBUL (Committee on Better Utilisation of Land).

Madam Speaker, for 2015, there has been an increase from \$1 million to \$2 million in the Ministry's Disaster Risk and Mitigation Allocation. Whilst we are grateful for the increase, the anticipated effects of climate change on our coastal communities where some of these funds will be utilised, will definitely continue to grow. As of today, we have only been able to relocate one whole village, that is, the village of Vunidogoloa in Cakaudrove, at a cost of over \$1 million. The number of villages and communities that have been assessed and which will possibly require this level of assistance and intervention, stand at over 100. This, Madam Speaker, is a universal phenomenon and we will be looking at strengthening our partnerships with our development partners, to assist us in devising solutions to address this problem.

The above allocation, Madam Speaker, will also be used to retrofit houses in our rural and maritime communities, to ensure that they are able to withstand cyclone force winds. It should be worth noting, Madam Speaker, that according to a study conducted by SOPAC (South Pacific Applied Geoscience Commission), the estimated cost of damages incurred by Fiji over the 28 years from 1985 to 2012, resulting from natural disasters, is around US\$1 billion mark. This is a significant amount but this could be reduced, if we are able to prepare our communities better for disasters, and retrofitting is one of the strategies identified, to enable us to assist our communities in preparing them for natural disasters.

Madam Speaker, the Ministry's normal programmes of assistance to rural and maritime communities for which funds have been allocated in 2015, include an allocation of \$1.5 million for the upgrade of non-cane access roads, a grant of \$1.5 million for self-help projects and \$0.35 million for the provision of emergency water.

Additionally, Madam Speaker, we have also received funding in 2015 for Divisional Development Projects to the total value of \$3.1 million, details of which are as follows:

- (a) Namosi Government Station;

- (b) Waikalou Flood Gates;
- (c) Navua Landing Waiting Shed;
- (d) Beqa Island Seawall;
- (e) Serua Island Seawall;
- (f) Nacula Health Centre Relocation;
- (g) Rabi Health Centre Staff Quarters;
- (h) Waiting Shed – Koro;
- (i) Repair of Suspension Bridge – Levuka; and
- (j) Toki Village Flood Protection.

Madam Speaker, a funding of \$200,000 has been allocated in 2015, for the conduct of Government Roadshows in remote Rural and Maritime communities. This Programme has proven to be an extremely popular and meaningful avenue to reach out to all sectors of our communities that are often deprived of government services.

Madam Speaker, the Ministry's Budget for 2015 represents about 0.1 per cent of the total national Budget, but this does not reflect totally Government's commitment to rural and maritime communities and Disaster Management, as funding for sectorial developments have been allocated, as alluded to earlier, to respective line agencies.

Madam Speaker, the Capital to Operating Ratio of the Ministry's Budget is 62 per cent to 38 per cent which provides positive indications on the emphasis Government places on developing our rural and maritime communities.

In our submission for the 2015 Budget, we had also requested for additional staffing to enhance our services, including the appointment of Divisional Disaster Management Officers to improve our disaster preparedness and to enhance our disaster response strategies at the Divisional, District and Local Levels. We are hopeful that these requests will be considered in the planned review of the Public Service.

Madam Speaker, similar to all other Government agencies, we had asked for more, but we cannot be more content with the slice of the budget that has been allocated to us, and we will endeavour to utilise our 2015 Budgetary allocations for the purposes for which they are intended, that is to empower our rural and maritime communities, to raise their standards of living and to enhance their disaster resilience capabilities.

Madam Speaker, and honourable Members of Parliament, I thank you for your indulgence.

HON. I. DELANA.- Madam Speaker, it is indeed a great pleasure to address Parliament today, to add my praise for the 2015 National Budget, that was announced on Friday, 21st November by the honourable Minister of Finance, Mr. Aiyaz Sayed-Khaiyum. I could not be more proud to be part of a Government that delivers on its promises, with the theme "Turning promises Into Deeds". This Budget fulfils the FijiFirst promises and lays out its visions for future development.

Madam Speaker, three key areas that have received some of the biggest allocations in the 2015 Budget are Health, Education and Infrastructure Development. Each of these represent a smart investment and its evidence of government's commitment to the wellbeing and development of the country.

Madam Speaker, in addition to these key areas, this Budget has also delivered a host of other initiatives and programmes. Indeed, I am sure that this Budget has brought smiles to the faces of Fijians across the nation, irrespective of creed, race, religion and social backgrounds because it has addressed a number of outstanding issues and has delivered on a number of promises. For this reason, Madam

Speaker, I would call it the “mother of all Budgets”, representing a \$3.3 billion investment in our national development.

The 2015 National Budget must also be held in special regard because of all it does for the disfranchised and disabled people in the country, who are often forgotten about by mainstream society. With much gratitude, I thank Government for always bearing in mind the needs of our disabled citizens. In recent years, people living with special needs have been brought to the forefront of our national discussion, affirming their place in our society and instilling in them the notion of dignity and worth.

Madam Speaker, our young people are often said to be the leaders of tomorrow, but I would like to suggest a new paradigm for us in Fiji – youths are the leaders of today. Young people are one of Fiji’s most precious assets, not just for what they will do in the future, but also for what they have to offer today. It is therefore, imperative that young people are included in our discussions and plans for the future, and I can assure this august Parliament that as the Assistant Minister for Youth and Sports, this is one of my top priorities.

Madam Speaker, we, Fijians also love sports. Sports encourage team work and are defining aspects of life in Fiji. Therefore, the allocation of \$16.7 million to the Ministry of Youth and Sports is indicative of Government’s commitment to these two sectors. I take this opportunity to convey the Ministry’s gratitude for the allocation of these funds. This represent an increase of \$6.3 million from the 2014 Budget, and will go a long way towards supporting our young people and developing sports in the country. Madam Speaker, the major component of this increase is to enable youth sporting teams to compete in a number of major events overseas in 2015. I would like therefore, to show my appreciation for the tremendous support shown towards Fiji’s sporting bodies.

Madam Speaker, the Ministry of Youth’s Development Programmes are all aimed at equipping young people with knowledge and skills that enable them to stand on their own feet and to develop income generating opportunities that are viable, sustainable, and satisfying. Our Youth Training Centres; Nasau Training Centre in Sigatoka, Yavitu Training Centre in Kadavu, Naleba Training Centre in Macuata, Naqere Training Centre in Savusavu, and the National Youth Band Centre in Valelevu will all undergo upgrades. This is all thanks to the increased allocation for the Ministry. This work will allow us to better meet the needs of our young people, especially those who are vulnerable.

There is also good news for various sporting organisations around the country, Madam Speaker, as Government will provide \$2 million to assist our national teams with their overseas tours. I am also pleased to note that Government has allocated \$400,000 for the hosting of international tournaments in Fiji, and \$2 million has been allocated to help sporting bodies secure the service of top international coaches which will encourage sports development in the country. Never before has such support and commitment been shown for sports in the country. I am confident that such commitment will be interpreted by an even fresher determination for sporting excellence by our Sportsman and Sportswoman. On their behalf, I would like to say, thank you.

Madam Speaker, please allow me to also show my appreciation for the assistance which will come next year for Pre-Schoolers. Early Childhood Learning is important for the development of our children. I am overwhelmed at the level of support which this Government is giving towards our children’s education. As I have heard the honourable Prime Minister say before, it is the smartest investment we can make in the future of our country, funds spent on education is money well spent.

Overall, the 2015 National Budget keeps Fiji on course for a new era of prosperity and unity. I, for one have heard nothing but praise for this Budget from all works of life, especially from the disfranchised and the disabled.

HON. GOVERNMENT MEMBERS.- Hear! Hear!

HON. I. DELANA.- For me, it is this feedback that matters most, and which reflects best on Government's commitment to the Fijian people.

Madam Speaker, this Government is one for the people, and the 2015 Budget outlines the philosophy of delivering on our promises. Therefore, as the Assistant Minister for Youth and Sports, I endorse the 2015 Appropriation Bill.

HON. ROKO T.T.S. DRAUNIDALO.- Madam Speaker, it is my honour and pleasure to present a response today to the Budget address as a shadow spokesperson for Immigration, National Security and Defence. This is not a task that I take lightly, for my views on the matter of national security and defence are no secret.

I take this opportunity to say upfront that what I say today, I say with a lot of love. Love for the institutions, the country and all of us, the people of Fiji.

I will continue on the shadow Finance Minister's emphasis on good governance as the absolute foundation of good economics.

The Government address by the honourable Minister has us fixated on moving forward and this Budget is the Governments part in that push forward. It is the responsibility of a good and responsible Opposition to continue to express caution and constructive opposition where it is required.

HON RATU I.D. TIKOCA.- Hear! hear!

HON. ROKO T.T.S. DRAUNIDALO.- Especially, if we have been on a perilous pathway so that we avoid repeating mistakes.

Yes, Madam Speaker, no one person or thing is perfect, but this morning I say to the honourable Parliament that some mistakes are all too legible and costly.

In looking to learn from the past, Madam Speaker, allow me to touch on the cost of *coups* and the steady "mission creep" of Military spending, to emphasise the point of past journeys and pathways. It is also the context in which the 2015 Budget particularly military spending sits.

In the Budget Estimates for 1988, Madam Speaker, we learn that the actual total expenditure for the RFMF for 1986 was \$16,518,000.60. The 1986 Estimates show as an interesting indicative point of comparison that the estimates for health services was almost three times more than the military budget - 1986 as we are all too aware was the pre-first *coup* year.

Moving swiftly on through the years, especially the post-*coup* years, mission creep of military spending continued and thrived. By 2001 the year after the 2000 *coup*, the military's actual total expenditure was \$79,346,000.50. By 2007, a year after the 2006 *coup*, the military's actual total expenditure had catapulted into the \$100 million mark and total actual expenditure was pegged at \$126,285,000.10.

For 2015, Madam Speaker, the people of Fiji will be expected to now cough up the bill for Military expenditure that hovers close to the \$200 million mark. What is more disconcerting is that the estimated cost is not presented as per the norm under one Head, but the costs have been insidiously spread across several Heads. The intent perhaps, to hide the glaring burden on the nation's coffers.

Madam Speaker, I am no economist but my rudimentary understanding of economics from my second favourite economics teacher, Ms Singh at the Suva Grammar School (she has now been relegated to second, as I have had the great fortune of listening to and learning from the Professor of Economics sitting next to me for the last year), but back to that teacher, her favourite mantra was that resources are scarce and we have to make the best possible use of those resources for maximum benefit.

Therefore, as responsible elected representatives of the people, who all pay taxes directly and indirectly, we have to ask the hard questions:

- (a) Do we all agree with this “mission creep”?
- (b) Do we all agree that the steady increase in military funding from 1987 up to and including Budget 2015 is the best use of scarce resources for the maximum good?
- (c) Do we all agree that “mission creep”, or the steady increase in military spending is to be allowed to continue and for how long?
- (d) Do we all agree that all of this military spending is the best use of our scarce resources?
- (e) Have we critically evaluated the benefits (if any) and disadvantages of lavishly funding our military.
- (f) Apart from the dichotomy between military *coups* and peace-keeping for the moral free zone which is the United Nations (and perhaps, it is not a dichotomy), what are we funding our Military for?
- (g) Do we all agree that all the money diverted to the military is best spent there over and above building more and better schools and hospitals?
- (h) Do we all agree that all the money diverted to the military is best spent there over and above better wages and salaries for our Government nurses, teachers, doctors and all of the other civil servants?
- (i) Do we all agree that all the money diverted to the military is best spent there to unnecessarily rack up national debt for our children and grandchildren to pay?
- (j) Could we not use all the money diverted to the Military, to train our people inside and outside of the military for far better employment that does not include *coup* making or peace-keeping for the moral free zone, which is the United Nations?
- (k) Could we not use all the money diverted to the military for job creation for the young people looking for jobs?
- (l) Could we not use all the money diverted to the Military for better health care equipment at our hospitals?
- (m) Could we not use all the money diverted to the military to give more funding for scholarships to our young people?

These questions, Madam Speaker, to be considered in light of the fact that the greatest security breaches and threats that this country has known, has been from our Military. Giving them more and more money will only encourage them to believe that they are the final arbiters of fact and issues in national public life that they know much better than the other Fijians, including all of us, who speak through the ballot box. This is significantly encouraged too by their elevated status in writing in the Constitution of 2013.

I say again, Madam Speaker, before I end my small contribution this morning, I have said all I have said with much love. It is not targeted at any individual or to criticise anyone in particular, it is about looking forward and not repeating the mistakes. I am confident that many men and women serving in our Military will agree with having the hard discussion as they too would appreciate up skilling an alternative

employment, they too use our Government services and they too have children and families who use public schools, public hospitals and young people in their families who expect and want much better employment and other opportunities that the Government can create the environment for, if only it had the extra few billions that *coups* have cost us, so to the hundreds of millions diverted to unnecessary military spending.

Thank you Madam Speaker.

HON. J. DULAKIVERATA.- Madam Speaker, I rise to respond to the Budget Address by the honourable Minister of Finance on Friday, 21st of November, 2014.

Madam Speaker, we have been elected by the people and are accountable to them in all matters of governance, and we expect the Government machinery and services to provide the foundations to deliver these services. The public have come up with their own descriptions of this Budget and one commentator described it as “the good, the bad, the ugly and the deceptive.” I tend to agree with that description, Madam Speaker, as it appropriately describes this Budget.

Education: I must commend the Government for allocating \$556 million in the budget for Education. This is an increase of \$30 million compared to this year’s Budget or 17 per cent of the total budget, but it is a concern, Madam Speaker....

(Laughter)

.... that the Government is still misleading the public by telling them that they are providing free education. I think they should come clean on this and tell the public that they are only providing free tuition. With this free tuition programme, free text books and bus fare schemes, I think the Government should review these policies and see if this money is well spent. This assistance does not tantamount to provide, or guarantee quality education.

Vocational education and training: Madam Speaker, the standard of technical vocational training in Fiji has declined dramatically over the years due to the changing education programmes and the quality and standard of technical teachers. I believe that we should re-introduce the City and Guilds of London Institute courses that used to be taught in technical schools up to the 1980s. There is no need to build three technical colleges, as has been outlined in the Budget, as most of the secondary schools are already teaching vocational courses. What is required is the improvement of their workshops and the provision of the state-of-the-art plants and machinery.

Tertiary Education: Madam Speaker, the Government is paying more attention now on Tertiary Loan Scheme (TELS) than Toppers. The Government has allocated \$52.5 million for this programme. The Government should indicate how much of this allocation is used on the Toppers Programme and how much for TELS. There should be an incentive for TELS for students to obtain good grades in their studies, to encourage them to perform well. The public has not, till today, been informed of the recipients of the Toppers awards and the courses that they are undertaking.

The Government should embark on a programme to review the education curriculum to ensure that quality education is achieved in all levels of education.

Land: Madam Speaker, it is encouraging to note that the Government has provided \$10 million for developing *iTaukei* land for subdivisions and other development works. While this is a good gesture, the amount is very little and will only allow development on few projects.

The Government should reciprocate by providing more financial development assistance to the *iTaukei* for making their land available for development for the benefit of the whole country. The allocation of \$1.8 million for the development of State land to be used for productive purposes, is ill-conceived. Does this mean that the State is going to be engaged in farming activities? If this is done for the benefit of its tenants, then it should do likewise to the *iTaukei* leasehold properties.

The allocation of \$800,000 to upgrade and improve infrastructure and public utilities in existing State land subdivision is also ill-conceived. State land or any subdivision, once included into municipal boundaries, the above developments normally become the responsibility of the respective municipal council.

Madam Speaker, we do not see developers of Laucala Beach Estate, Namadi Heights, set aside a certain number or sum of money to upgrade the facilities in these subdivisions after they had completed.

Committee of Better Utilisation of Land (CBUL): Madam Speaker, this Committee has been allocated an additional \$7.8 million. What is really the role of this Committee? What is its legal standing? How many staff does it have? What are the qualifications of the people working in this Committee? The public needs to be informed of the above. It appears, Madam Speaker, that it has been duplicating the work carried out by *iTaukei* Lands Trust Board and the Department of Land.

Tourism: Madam Speaker, Fiji is probably the most preferred tourist destination in the South Pacific. Our tourism development has been concentrated largely on the western side of Viti Levu and the outlying islands in Malolo, Mamanuca and Yasawa. The theme has always been “the sun, sea and sand.” It is about time, Madam Speaker, that we introduce and develop some other tourist segments that could provide more attractions to the tourist market. The Government should provide incentives for hotel development in rural areas in the provinces of Tailevu, Namosi, Serua, Naitasiri and the interior of Vanua Levu. They have the potential and resources to cater for these tourist segments. This will give more options for tourists who come to our shores to see other places and engage in a lot of other activities.

The tourists come to Fiji to see the countryside and the local people. Staying in five star hotels during holidays does not really mean that one has been to Fiji. By engaging in this sector of tourism development will spread the tourist dollars across the wide spectrum of the society. By spending \$23.5 million next year to go and tell the world why they should come to Fiji, will only benefit big international hotel operators. The money could be better utilised by developing the other segments of tourism, as I have just mentioned.

I have noted that the Government has also budgeted \$12 million to host the International Golf Tournament next year. I am a keen golfer, but I do not support this investment. What was the real financial benefit from last year’s tournament to our country? Madam Speaker, \$12 million is a lot of money to be spent on just one tournament. It could be better utilised if spent on developments that would benefit a larger proportion of the population in this country.

Culture and Heritage: Madam Speaker, Fiji is a country which is proud of its history and cherish their culture. Unfortunately, this Government does not want to recognise the history of this country. This allocation is a deception, to make people believe that the Government is serious about history, culture and tradition. The Government should establish a Fijian Cultural Institute, to teach and promote culture, tradition and languages. This will ensure that the Fijian generation will understand and maintain their culture and heritage in the future. Operating the Fiji Museum and the National Trust are part of maintaining our culture and heritage. More allocation should be spent on the establishment of a Fijian Cultural Institute, where people can learn. Even India, Madam Speaker, has established an Indian Cultural Centre in Fiji. This is to promote their culture and traditions to Indians living in Fiji. This is another deception to make people believe that the Government is concerned about promoting culture awareness.

Upgrade and Re-development of Albert Park: Madam Speaker, I note that \$10 million has been allocated on the upgrade and re-development of Albert Park. The amount is for the improvements of ground facilities, and relocation and modernisation of the pavilion. What is the urgency of this work? Why should the pavilion be relocated? It has a lot of historical significance. It is named after the first pilot who landed the plane on Albert Park. In fact, it should be classified as a heritage building under the National Trust Act.

Nausori Airport: I did not find anything on the Budget for the upgrading and extension of Nausori Airport. This money allocated to the Suva City Council for the upgrading of Albert Park could be better utilised for this purpose. As I had mentioned in my maiden speech that Fiji needs two international airports. In case of disaster in one of the airports, the other could be the alternative. At present for bigger planes that come to Nadi, the alternative airports are Nukualofa in Tonga or Apia in Western Samoa. If the plane cannot land in Nadi and has to fly to Tonga, which is 859 kilometres away, it will burn approximately five tonnes of fuel at a cost of \$15,000. If it has to fly to Apia, which is 1204 kilometres away, it will burn 7.5 tonnes of fuel at a cost of \$25,000. However, if Nausori Airport is upgraded and extended, it can accommodate those big planes and become the alternative airport. It will be economical to the Fiji Government. The money can be better utilised at Nausori Airport than Albert Park. This will augur well with tourism development on this side of the island.

Housing: Madam Speaker, the provision of affordable housing to all Fijians being the key priority of the FijiFirst Government is a farce. Again, this is another deception. We just have to look at a few examples right before our eyes here in Suva. Look at the Raiwai flats, Madam Speaker - have they been taken up? Government should tell the nation why they have not been taken up, if there is really a demand for low cost houses in Suva. The quality and standard of the facility does not meet the local needs and they are very expensive. Most low income earners cannot afford it.

Another example, Madam Speaker, is the Tacirua Heights Housing Authority Subdivision. This was developed by the Housing Authority, supposedly for low income-earners. To start with, the location was wrong for low cost housing. The *iTaukei* Land Trust Board should have exploited the full potential of this land to maximise the return to the landowners. The Housing Authority developed these sites and tagged the lot prices to suit the low income owners. They could not look at the market because they are required by the Act to provide housing only for low income earners. What happened? The lots were sold at \$60,000 to \$70,000. Now they are being resold for \$100,000 and more. No wonder, Madam Speaker, we have lots of squatters.

Land Sales Act: Madam Speaker, the amendment to the Land Sales Act to restrict non-residents from buying freehold land, or leasing State land for residential purposes will not overnight push the demand for *iTaukei* land. Again, this is a deception.

Madam Speaker, the Government is promoting foreign investment in this country and then introducing respective legislations. I think in dealing with land, the market should dictate the prices. What will happen to the existing residential subdivisions on freehold land that have a niche market for foreigners like Nanuku in Pacific Harbour, Naisoso Island, Denarau, Momi Bay and the coastal area of Savusavu? These developments, Madam Speaker, target foreigners. Locals will not be able to buy properties in these locations.

The *iTaukei* have a social, cultural and traditional responsibility in dealing with their land. Money is not the issue. I remind the Government to try and understand the mind of the *itaukei* - do not think that they can accept all that you want to entice them with.

Civil Service Reforms: Madam Speaker, Government said that it is part of the vision to transform ourselves into a modern and dynamic nation state and a genuine beacon of good governance in our region.

This is again empty talk. The record in the last eight years did not translate into that statement. Talk is cheap. We must walk the talk, again, this is a deception.

I understand that the Minister responsible will be the driver of this reform. We have already heard that this will tantamount to micro-managing the Public Service. Let us give this to the people that should do it, give it to the management. We know what type of reform this will bring about. I do not want to indulge into all these things.

Madam Speaker, I have spoken at length and thank you. God bless us all and bless Fiji.

MADAM SPEAKER.- Honourable Members, we will now adjourn for the day.

I request the honourable Members of the Business Committee to have a quick meeting in the Big Committee Room.

The House is now adjourn to 9.30 a.m. tomorrow.

The House adjourned at 1.40 p.m.