

FRIDAY, 6TH NOVEMBER, 2015

The House met at 10.05 a.m. pursuant to notice.

MADAM SPEAKER took the Chair and read the Prayer.

PRESENT

- Hon. Rear Admiral (Ret.) Josai Voreqe Bainimarama, Prime Minister and Minister for *iTaukei* Affairs and Sugar.
- Hon. Aiyaz Sayed-Khaiyum, Attorney-General and Minister for Finance, Public Enterprises, Public Service and Communications.
- Hon. Faiyaz Siddiq Koya, Minister for Industry, Trade and Tourism.
- Hon. Parveen Kumar, Minister for Local Government, Housing, Environment, Infrastructure and Transport.
- Hon. Mereseini Vuniwaqa, Minister for Lands and Mineral Resources.
- Hon. Osea Naiqamu, Minister for Fisheries and Forests.
- Hon. Lt. Col. Inia Batikoto Seruiratu, Minister for Agriculture, Rural & Maritime Development and National Disaster Management.
- Hon. Captain Timoci Lesi Natuva, Minister for Immigration, National Security and Defence.
- Hon. Jone Usamate, Minister for Health and Medical Services.
- Hon. Lt. Col. Laisenia Bale Tuitubou, Minister for Youth and Sports.
- Hon. Rosy Sofia Akbar, Minister for Women, Children and Poverty Alleviation.
- Hon. Lorna Eden, Assistant Minister for Local Government and Tourism.
- Hon. Commander Joeli Ratulevu Cawaki, Assistant Minister for Rural and Maritime Development and National Disaster Management.
- Hon. Veena Kumar Bhatnagar, Assistant Minister for Health and Medical Services.
- Hon. Vijay Nath, Assistant Minister for Infrastructure and Transport.
- Hon. Iliesa Delana, Assistant Minister for Youth and Sports.
- Hon. Mosese Drecala Bulitavu.
- Hon. Roko Tupou Takeiwai Senirewa Draunidalo.
- Hon. Jiosefa Dulakiverata.
- Hon. Viliame Rogoibulu Gavoka.
- Hon. Semesa Druavesi Karavaki.
- Hon. Ro Teimumu Vuikaba Kepa.
- Hon. Ratu Kiniviliame Kiliraki.
- Hon. Jilila Nalibu Kumar.
- Hon. Dr. Brij Lal.
- Hon. Alvik Avhikrit Maharaj.
- Hon. Ratu Suliano Matanitobua.
- Hon. Alivereti Nabulivou.
- Hon. Ruveni Nadabe Nadalo.
- Hon. Ratu Sela Vuinakasa Nanovo.
- Hon. Niko Nawaikula.
- Hon. Alexander D. O'Connor.
- Hon. Viam Pillay.
- Hon. Dr. Biman Chand Prasad.
- Hon. Aseri Masivou Radrodoro.
- Hon. Salote Vuibureta Radrodoro.
- Hon. Lt. Col. Netani Rika.
- Hon. Balmindar Singh.
- Hon. Prem Singh.

Hon. Ashneel Sudhakar.
Hon. Ratu Isoa Delamisi Tikoca.
Hon. Anare Tuidraki Vadei.
Hon. Samuela Bainikalou Vunivalu.

Absent

Hon. Ratu Inoke Kubuabola, Minister for Foreign Affairs.
Hon. Dr. Mahendra Reddy, Minister for Education, Heritage and Arts.
Hon. Commander Semi Tuleca Koroilavesau, Minister for Employment, Productivity and Industrial Relations.
Hon. Ratu Naiqama T. Lalabalavu.

MINUTES

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

That the Minutes of the sitting of Parliament held on Friday, 25th September, 2015 and Monday, 12th October, 2015, as previously circulated, be taken as read and be confirmed.

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

Question put.

Motion agreed to.

COMMUNICATION FROM THE CHAIR

MADAM SPEAKER.- I welcome all Honourable Members to today's special sitting for the delivery of the 2016 National Budget Address by the Honourable and Learned Attorney-General and Minister for Finance, Public Enterprises, Public Service and Communications.

I welcome the guests joining us in the gallery, as well as those seated in both our Committee Rooms. I acknowledge those who are watching proceedings on television and the internet and listening to the radio. Thank you for taking interest in your Parliament.

BILLS – FIRST READING

2016 Appropriation Bill 2015 (Bill No. 23 of 2015)

MADAM SPEAKER.- I now call on the Honourable and Learned Attorney-General and Minister for Finance, Public Enterprises, Public Service and Communications to present the Appropriation Bill.

2016 APPROPRIATION BILL 2015

HON. A. SAYED-KHAIYUM.- Madam Speaker, it is my honour today to deliver to this Parliament the 2016 Budget.

Madam Speaker, a nation sets its priorities and projects its values through its budget, through the policies and objectives that the budget supports, and through the statement the budget makes to the

people. In developing the budget, a government must make hard decisions. It must balance many worthwhile needs against economic realities, in the same way every family and business in Fiji manages its finances.

But a budget, Madam Speaker, is much more than a means of controlling money in and money out. I am pleased, Madam Speaker, to share with this Parliament the ways that Government is fashioning the budget to be an instrument to secure Fiji's future and to advance the values of equality, fairness, personal responsibility and good governance.

The 2016 Budget, Madam Speaker, makes a bold statement to the Fijian people. It says, "Your Government believes in you". It will do everything that the Government can properly do to help you be successful, to help you live a productive and balanced life, and to ensure that your country stands as equal to any other country in the world, large or small. We will do all we can to root out unfairness and to eliminate undue burdens, particularly on those who are least able to bear those burdens. We will build a society where people have more options, and a greater opportunity to make their choices for their own good.

We will not burden the Fijian people with low expectations, Madam Speaker, nor will we ask them to limit their horizons. On the contrary, we wish to clear the way for all Fijians to broaden their horizons to ambitions we have never seen. We will ask everyone to do their fair share, to play by the rules, and to understand that by helping the neediest Fijians succeed, we are helping ourselves.

Madam Speaker, a powerful wind is blowing through Fiji. In Government, we strongly sense that a growing number of our citizens, in particular our youths, believe that Fiji is capable of anything. Indeed, this is what we expected to happen when we launched a solemn project to create a true democracy, one in which all Fijians were equal under the law.

Madam Speaker, democracy rests on the idea that ordinary people are capable of extraordinary things. In a democratic society, the test of a government's strength lies not in the way it controls or prescribes to its people, but in what it demands of itself. The test of a government's competence lies not in the passive management of the status quo, but in its ability to push for something better, not some time in the future but now. The wisdom of government lies not in making all decisions for its people, but in creating the conditions that allow the people to seize opportunities to improve themselves - to create, to build, to grow, and to contribute to building a nation that is more prosperous, more just and more modern everyday. That, Madam Speaker, is what the FijiFirst Government attempts to do with the budget; we are rooted in the present but focused unrelentingly on Fiji's future. Our actions of today, which was the future of yesterday, are very much focused on the tomorrow.

Madam Speaker, in today's world, the advantages of modern communications and transportation are levelling the playing field among nations. We, Fijians, want to grab the respect we deserve in the world, as a small and very able people with the skills, ingenuity and courage to accomplish whatever we choose and to compete with the best of any other country. We have had a strong taste of that - our Military is well respected, we have produced world-champion athletes, our fashion designers are gaining acclaim, our agricultural products are in demand and our hospitality industry is second to none. And we want to consolidate on these strengths, build upon them and position ourselves for more. That must be our future, Madam Speaker.

Unprecedented Growth and Economic Performance

Madam Speaker, just as Fiji, a small island developing nation - demands a level playing field in the world, so we must also provide a level playing field at home for our citizens. We will seek to use the resources we have today, built up because of sound governance from 2007 under the Bainimarama

Government then and the FijiFirst Government now, to secure this bright and fair future for all Fijians. Those resources include the revenue at Government's disposal, the ingenuity and wisdom of Government in managing those resources, and our unshakable belief that if we do our job wisely and well, the people of Fiji will create the future our country deserves.

We have now enjoyed four years of economic growth of more than 4 per cent and growth of 5 per cent for only the seventh time in our history. We are enjoying unprecedented investment, both foreign and domestic. Vigorous engagement by multi-lateral and bi-lateral partners is unprecedented. All these are proof that people at home and abroad have confidence in this country. They believe we are on the right path, and they are betting on us to succeed. We should be proud, but this confidence is not a medal or a trophy to be polished and displayed, this confidence must be harnessed and blessings of opportunity and economic growth shared. All Fijians deserve to share in this prosperity and stake their future on our success.

The Fiji Bureau of Statistics recently completed its exercise on rebasing GDP to the year 2011. With the new base year, we now estimate the economy to have expanded by 5.3 per cent in 2014 and 4.7 per cent in 2013, following a growth of 1.4 per cent in 2012.

The real good news is that, growth is broad-based with the exception of the forestry and logging sector. The transport, financial, hospitality services, wholesale and retail trade, construction and public administration and defence sectors are expected to contribute the most towards growth for 2015.

The services industry is projected to dominate economic activity this year. Increased tourism is expected to spur further growth in the transport and hospitality sectors. We expect increased commercial banking and insurance activity and increased wireless telecommunication services. Improved consumer and business confidence should underpin growth in the wholesale and retail trade sector.

We expect major contributions from construction and manufacturing activities. There are several major projects in addition to the ongoing upgrades by the Fiji Roads Authority, including Water Authority of Fiji's Infrastructure Upgrade projects, the Nadi International Airport Upgrade, the Momi Bay Resort Project, the Vunabaka Tourism Development on Malolo Island, the Fijian Resort Upgrade, the Nadi Bay Resort & Spa and other real estate, manufacturing, industrial and housing projects. Additionally, gold production has increased and is expected to drive growth in the mining and quarrying sector.

Madam Speaker, the successes of 2015 have created momentum and should carry over to 2016, when we expect the economy to grow by 3.5 per cent with the same industries driving that growth, and into 2017 and 2018, when the economy is forecasted to grow by 3.1 per cent in each year.

Madam Speaker, indeed the International Monetary Fund (IMF) team that recently visited Fiji expressed remarkable confidence in us, and the IMF's forecasts are even more positive than ours, which is a first time. They called Fiji's growth momentum, and I quote: "exceptionally strong," and predicted that GDP would grow by 4.3 per cent in 2015 and show continued momentum in 2016. They said, and I quote: "Risks to growth are largely related to external developments", but they were extremely bullish on the internal factors, the things that we can control through policies. They also said, and I quote:

"Sustaining strong growth will depend on timely implementation of reforms to further bolster the business climate, raising private investment and fostering private sector development."

Madam Speaker, those words are music to our ears because Government's 2016 Budget will do all those things - implement reforms, improve the business climate, increase private sector investment opportunities and develop the private sector.

The IMF has remarked that our debt-to-GDP ratio is healthy, in that we are using debt prudently to build infrastructure that will generate income and build the economy. Our overall debt is going down, which is one factor that allows us to reform our taxation system. Economic growth has also resulted predictably in increased revenues. Government revenues have risen from \$1.4 billion in 2006 to a projected \$2.6 billion in 2015; this is apart from asset sales.

Madam Speaker, Government's broad fiscal policy remains focused on growing the economy through investment, while at the same time ensuring fiscal sustainability. This strategy ensures that resources are adequately provided towards priority and growth sectors such as infrastructure, education, health, agriculture, housing and social protection. At the same time, targeted private sector participation and investment is supported and encouraged through a competitive investor friendly taxation regime. The overarching objective is to ensure a high quality fiscal deficit and manageable debt level.

Madam Speaker, in 2016, net deficit is set at \$285.8 million or 2.9 per cent of GDP. Total revenue is projected at \$3.13 billion and total expenditure at \$3.41 billion. The Government debt level is estimated to be around 48.1 per cent of GDP next year. Fiscal deficit for 2017 and 2018 is forecast at 2.5 per cent and 2 per cent of GDP respectively. As a result, debt is expected to reduce further to around 48 per cent of GDP in 2017 and 47.3 per cent of GDP in 2018.

Capital investments, Madam Speaker, provide returns not only to Government, but to all Fijians. The capital to operating expenditure mix has significantly improved in recent years from a mere 14 per cent in 2007 to 40 per cent in the 2016 Budget. The expenditure mix in 2016 has been maintained at 60 per cent operating and 40 per cent capital. The higher the proportion of capital expenditure to total spending, the higher will be the quality of budget deficit.

Our recent successful bond launch was another international show of confidence in Fiji and, Madam Speaker, I wish to once again thank you for holding a Closed Session of Parliament so that Honourable Members of Parliament could learn about and discuss the bond sale confidentially. That action alone, Madam Speaker, saved Fiji \$9 million in the Buy Back and approximately \$400 million in interest payments over a period of five years.

Madam Speaker, you may be aware that we had wanted to sell assets in 2014 and 2015. None of the asset sales in 2014 materialised, the primary reasons being that it was an election year and the FijiFirst Government had been focused on getting the right strategic partner at the right price. These divestments are taking longer than expected, Madam Speaker.

However, Madam Speaker, only yesterday afternoon, the Honourable Prime Minister signed the Agreement for the partial divestment of shares in Fiji Ports Corporation Limited (FPCL). Our superannuation fund, the FNPF, is for the first time venturing into infrastructure enterprise with a strategic partner, Aitken Spence, a listed Fortune 200 company with experience in port management in many other parts of the world. Aitken Spence has been recognised for three consecutive years by *Forbes* Magazine as one of the world's most successful publicly traded companies. The divestment of the shares, Madam Speaker, plus some residual payments will net the Fijian Government a total of approximately \$100 million for 59 per cent of the company. We intend to settle this matter on Friday next week.

Madam Speaker, this brings about a number of opportunities to develop Fiji as a key transshipment hub with internationally recognised port managers. As part of the sale agreement, the company with the new shareholders has to develop a new Port Development Master Plan, which will also be supported through technical assistance by the Australian Development Bank (ADB) with whom we have already signed an agreement. What is also unique, Madam Speaker, is that, none of the landed assets have been sold to the company. The assets will still be owned by the Fijian Government but will be leased through a holding company to FPCL with its new shareholders. After all, such business partners are not necessarily interested in owning real estate, but are interested in actual management services and the delivery of efficient port services.

Madam Speaker, we expect to divest shares in the Fiji Electricity Authority (FEA) and Airports Fiji Limited (AFL) with the same approach next year. Negotiations are currently underway in respect of AFL, and Expressions of Interest for FEA will be assessed through interviews in the next few months.

Madam Speaker, the 2016 National Budget is designed to contribute to that growth and the overall economic health of the nation. It is notable for three main things; firstly, we will continue to develop our infrastructure - our roads and jetties, airports and seaports, electrical grid and potable-water supply. Failure to fully develop these basic resources will only hold our people back. But every dollar spent in these areas repays us many times over because they make such a huge difference in people's lives. They give people access to markets, information, better health, education, employment and create sustainable livelihoods.

Education and Health Priorities

Secondly, we will continue to invest, Madam Speaker, in education and health. The modern Fiji must be a Fiji in which people have access to quality education to make the best decisions in their own lives and to contribute meaningfully to our economy and our society. They also must be stronger and healthier, with the ability to live long, productive lives that are free of preventable diseases, and they must be able to get the kind of treatment that will help them overcome diseases and conditions that can be treated. Modern medicine and medical technology are rapidly changing our expectations for how well and how long we live, and that should include every Fijian.

Thirdly, Madam Speaker, we will organise Government and its resources to ensure that everyone is treated fairly and equally, that Government operates with more efficiency and transparency everyday, and that our tax system becomes progressive and maximises revenue without unduly burdening or favouring any individual sector.

Madam Speaker, like the infrastructure of this country that was ignored for so many years - allowed to deteriorate where it existed, not expanded to where it was needed and managed with indolence and indifference for many years - so our government services need better direction, better organisation and better planning. The demands of a modern Fiji will only grow, and our civil servants need proper systems, infrastructure and aptitude and attitude, in order to do the work that the people of Fiji deserve and demand.

Madam Speaker, I would like to turn our attention now, first to these areas – to explain the ways Government will be managed and financed, and how that will benefit every Fijian.

Civil Service and Administrative Reform

First, we wish to develop our human capital, that is, the people we need to carry out the work of Government at all levels. The reform of the Civil Service will create a Ministry of Civil Service that

will set standards for organisation, hiring, evaluation, discipline and emoluments. It will be up to the individual ministries to manage their own personnel while adhering to these guidelines. This is a global best practice and is very much like systems used in the United States, Europe, Singapore, Japan and Mauritius. The Public Service Commission will have one very important role: to recruit, hire, monitor and evaluate Government's permanent secretaries.

Madam Speaker, the permanent secretaries are the senior Non-Political Executives in Government. They must have sector expertise, management and leadership ability, acumen, and integrity. They will drive performance, and we must have the best people available to fill those positions, whether they are Fijians or professionals recruited from abroad. I am pleased to announce, Madam Speaker, that Government has made progress with the Civil Service Reforms. This is despite admittedly, the disappointingly very slow start to the project made by the World Bank. We have established the Civil Service Reform Management Unit (CSRMU) that is supported by an international Advisor and all progress on reforms to-date have been achieved through this Unit. We continue to be disappointed by the lack of responsiveness of the World Bank to our needs, as they continue to send short term missions to review and write reports, which do not lead to expected action. Through the CSRMU though, we have made some very real achievements.

A review of the role and functions of the current Public Service Commission Ministry has been completed, along with analysis of the role of a Central Agency under the devolutions detailed in our Constitution. As a result, the Public Service Commission Ministry is to be abolished effective from 31st December, 2015, and a new Ministry of Civil Service established from 1st January, 2016. The new Ministry of Civil Service will be much leaner, with functions specifically designed to support Ministries to carry out their Constitutional responsibilities while maintaining central coordination of key areas to ensure consistency across the Civil Service.

Some continuing functions will move to different Ministries, along with the relevant staff, for example, the Scholarships will move to TSLB, the Volunteer Scheme will move to the National Employment Centre, the financing of Government properties will move to the Division of Asset Management of the Ministry of Finance. Positions for the new Ministry of the Civil Service will be advertised later this month for Open Merit selection. The 2016 Budget includes funding for staff carrying out transition duties, funding for the staff of the new Ministry and funding for any remote possibility of redundancies which may need to be paid if staff are not transferred to another Ministry by 29th February, 2016.

Our other major achievement is the development of a Guideline for Ministries to fully implement Open Merit selection for all positions within the Civil Service. This Guideline is being finalised and implementation will begin this month. This is a major change to the way we manage Recruitment and Selection and requires Ministries to consider and apply fair, accountable, Open Merit techniques to all their recruitment and selection activities. Although merit has been a determining factor for some years now, the change here is the requirement to treat internal and external applicants equally, with no preference to either and the decision for appointment (transfer or promotion) to be made only on the actual requirements of the job. This will require major training for staff, for which significant resources have been allocated in this Budget.

Also this year, we have provided funds to engage an independent international recruitment company to support the Public Service Commission in their recruitment and selection of Permanent Secretaries. Together, they have developed a rigorous process which will ensure that we are able to engage high performing executives to lead our Civil Service through the coming period of change and improved professionalism and service to the public. A major shift in our approach towards managing Permanent Secretaries is that, the budget for their salaries will be managed by the Public Service Commission, enabling transparency and accountability for these key positions.

Looking forward, we have provided the CSRMU with \$1 million in 2016, to enable them to continue to work with Ministries to drive and achieve our vision of Reform. The CSRMU will engage with specialists to develop a comprehensive tailored Induction Programme for our new Permanent Secretaries, to ensure that they are fully equipped for their challenging roles ahead. Central guidelines are being developed on Core Skills Training and on Discipline and Grievance Management. Ministries are preparing requests for assistance to restructure and reform themselves in order to meet their new mandates. Government, through the CSRMU will also look to other donors for assistance with specific activities as they are identified.

Madam Speaker, we are not reluctant to bring in skilled administrators from abroad for these positions. To the contrary, we embrace the idea that when doing so, will yield the best talent to serve the people. Countries such as Singapore and Mauritius have had great success in this way.

In fact, Madam Speaker, we see great advantage in bringing to Fiji accomplished professionals with skills and experiences that may not be available here. These individuals will not only give us sound administration for today, but they will also help us develop our own local Fijian cadre of skilled professionals in each ministry where they work. We, Madam Speaker, are investing in our Fiji.

We will also continue to invest more heavily in IT systems. We have not been satisfied with the progress so far, which has been slow to our standards and expectations, but we will continue to pursue the most modern systems possible, and we believe that experience from outside will help accelerate the process. The National Switch and 'FijiPay' System, which has been talked about for the past two years and which has been delayed, will now be implemented by the first quarter of next year, as a result of numerous consultations with relevant stakeholders, and we will be tabling a law for the National Switch to ensure that the interests of all stakeholders are protected and in compliance with financial regulations.

Madam Speaker, we will also realign the process of procurement for the whole of Government to make it more efficient, reliable and transparent. Too often, appropriated funds have been left unspent and projects have been delayed because ministries and offices have not been able to lay all the groundwork and follow all the necessary steps. This has been a particular problem with capital projects, where the delays are caused not because of a lack of funds or government will, but simply because the ministries have lacked the experience and technical expertise...

HON. N. NAWAIKULA (Inaudible interjection)

HON. A. SAYED-KHAIYUM.- ... or have not carried out the necessary...

HON. N. NAWAIKULA.- (Inaudible interjection)

MADAM SPEAKER.- Order!

Honourable Members, this Budget speech is unlike any other speech. It is the delivery of a pre-printed document and responses are impossible in this process, therefore interjections are inappropriate. I beg your indulgence, please; the nation wants to hear the Budget.

Thank you.

Honourable Minister, you may continue.

HON. A. SAIYED-KHAIYUM.- ... preliminary groundworks to take the project from beginning to end. For example, the new police station in Beqa, which has been promised for two years, remains

unbuilt because the land for the post has never been secured and the community has not reached a consensus about the location of the facility. Ministries and agencies' submissions for capital projects in particular, Madam Speaker, will now need to meet minimal threshold requirements of readiness before they are approved. Sometimes, Ministries become aspirational as opposed to what the reality is on the ground.

We have kept this in mind, Madam Speaker, as we set aside funds to help *iTaukei* landowners develop their land. We have received more than 30 proposals so far, but we are determined to do this right. We must make sure that the projects are properly planned and that competent project-management teams are in place to see the project through. These things cannot be rushed, Madam Speaker, it is the first time we are doing such a thing and we need to get it right. We have had too many false starts in Fiji right from Independence, too many unfulfilled promises and too many plans that turned out to be little more than dreams. These *iTaukei* landowners deserve better, and we will give it to them.

Madam Speaker, the way we have been procuring medicine and medical supplies has also suffered from this lack of expertise, and we are suffering because we have been buying many end-of-life products. These medications and treatments lose their potency before they can be used, and they have to be discarded at great cost to the taxpayer and the patients who might need them. We will carry out a number of reforms in procuring medicine and the sources from which they are to be purchased.

Madam Speaker, I am pleased to announce that with the help from the Australian Government, we will, at the end of this month, begin work with the international procurement specialists to develop a National Procurement Strategy and Policy. In fact, two of the specialists have already been to Fiji to carry out some preliminary works. An important component of this work will be to review and improve procurement regulations and build in-house capacity on procurement best practices.

Madam Speaker, we will, from next week, also centralise the coordination of all capital construction through a specialist division in the Ministry of Finance. From 2016, we will also require all public sector tenderers and parties submitting expressions of interest to be fully tax compliant. To give an example, Madam Speaker, we have capital projects that are given to, for example, the Ministry of Health, whom their job is to deliver medical services and not to build hospitals but this has been the practice since Independence. We rely on people who are trained in one particular area to go and work in another area. This will now be specialised and centralised.

Madam Speaker, in 2016, we will also reassign and centralise climate change coordination and project implementation, monitoring and reporting functions at the whole of government level with the Strategic Planning Office of the Ministry of Finance. This will ensure that budget-funded programmes and projects are implemented in a holistic and well-coordinated manner. The Strategic Planning Office will be responsible for the assessment and tracking of performance of all Government Ministries through the new National Development Plan. The Office will also be the national focal point, coordinating with all development partners on all technical, policy development and administrative functions related to climate change.

Madam Speaker, this will streamline and centralise reporting so that Ministries are not tied up in meeting reporting requirements every month. They will be freer to concentrate their efforts on implementation. Ministries will not only be fully accountable at all stages of a project, they will also be more efficient and productive. For his part, the Honourable Prime Minister will have an accurate snapshot of all projects without having to search through dozens of individual reports. This is a best practice worldwide, where one agency responsible for budget monitors not just the dollars that are spent, but the faithfulness of the spending and the quality with which projects are managed and juxtaposed with its corporate plans.

Madam Speaker, from next year, within certain Government Ministries and in order to improve efficiency, we will be putting in place specific timelines by which Government entities must respond to applications. If prescribed timelines are not met, then certain applications will be deemed to have been approved.

Tax Reform

Madam Speaker, we must address two important weaknesses in our tax structure. We must make the system more equitable and transparent, which means simplifying and rationalising the system to root out inconsistencies or special privileges that serve no useful social or economic purpose, and we need to do a better job of collection. There is significant leakage in our system, and we are simply not collecting all the revenue we should be collecting. In the process, ordinary Fijians suffer and the nation as a whole suffers.

Madam Speaker, you may have recall that we have, through this House, passed a law where we gave amnesty to Fijians who have undeclared assets offshore. We gave them amnesty saying that if they declare those assets by 15th October, then they would not suffer any repercussions as penalties but going forward, they will pay taxes from 2016.

Madam Speaker, I am happy to inform Parliament this morning that \$0.5 billion worth of assets that were completely unaccounted for have now been declared, and the numbers are growing because some of the assets that have already been declared do not have the full value attached to it. We also know that many still have not, and we will pursue them. We will pursue the taxes that they owe to us.

Madam Speaker, I would like to thank all those Fijians who have come forward and put their trust in the law that we have put in place and have declared their assets. Fiji has one of the lowest tax rates in this part of the world so the choice should be easy, even though you may have assets offshore, you should pay your taxes here in Fiji.

Madam Speaker, again I want to thank all those Fijians who have come forward and put their faith in the FijiFirst Government. Others have yet to come forward. The very positive response to this amnesty, in a short period of time, has compelled us through this Budget to offer a similar amnesty for all Fijians to declare their assets owned here in Fiji that they have not declared previously, because we know that many are hiding those assets behind other names or other people, including assets held in the names of other people that may be third or fourth parties.

Madam Speaker, furthermore, we have many citizens who have not fulfilled their tax obligations because they have not filed or paid due taxes pertaining to previous taxable periods. We want them, through this Budget and we will through this Budget give them an equal and a last opportunity to voluntarily come forward to pay the due taxes by the end of December, 2015. Late lodgement and late payment penalties will be waived in full, as long as they pay those taxes by the end of December, 2015.

Madam Speaker, tax avoidance, and in some cases, outright tax evasion is a problem that we are going to attack aggressively by collection and by reform. When privileged people and corporations do not pay legitimate taxes, they put more burden on the poor and the working class. This is obviously not fair; Government will not tolerate it and we, as a people, should not tolerate it.

Madam Speaker, throughout this presentation, I will give examples of ways that individuals and companies have simply been ducking their civic responsibilities. For example, a very well-known company that owns major grocery outlets throughout Fiji and other businesses in their pool of businesses across Fiji has paid no taxes for the last 6 years. A major grocery outlet that is present in almost every town in Fiji has not paid any taxes for 6 years, yet it is inconceivable that this company

has made no profits. By not paying taxes, company management is denying services and opportunities to ordinary Fijians - the very people they need to sustain their business.

Madam Speaker, we have also learned that a major accounting firm, one of the top five, is in breach of its civic responsibility and ethics of the accounting profession, has helped its clients make exaggerated claims of allowable expenses. This, Madam Speaker, has to stop.

FRCA will develop a Tax Agents Code of Ethics for tax agents to ensure that everyone understands the rules and the conduct required of tax agents. Then there will be no excuse for dishonesty and agents will be held accountable for the advice they give their clients and their companies.

We also know that in the past, Madam Speaker, when Government reduced duty on goods, merchants often have not passed those savings on to the customers. They broke faith with their customers, taking their reduced cost as something to boost their income. But, Madam Speaker, Government does not reduce duties to benefit a few merchants; it reduces duties to end economic distortions, to give consumers greater choice, to boost economic activity and opportunities and to put more money in the hands of the ordinary Fijians.

We are going to confront these practises, and we will enact responsible and comprehensive measures to change this selfish and pernicious behaviour. We are also going to use technology to do a better job of collections.

Much income goes unreported through the informal economy or through simple tax evasion because we have lacked a credible system to encourage or compel tax compliance. We will invest \$5 million in technology for the Ministry of Finance and FRCA to ensure better reporting and compliance, including a system to link FRCA to cash registers so that retail and wholesale transactions will automatically and in real time be reported to FRCA. This is only fair.

VAT was instituted in 1992 through the VAT Decree, and some shops have long been able to manipulate VAT returns by mixing accounting of VAT and non-VAT items. When customers pay taxes in good faith to merchants who pocket the money, those merchants are stealing from their customers and, of course, from Government. The merchants hold the VAT in trust, and it is their responsibility to turn it over to Government.

Madam Speaker, the current structure of exempt VAT, zero rated VAT, and normal VAT provides the window of opportunity to unscrupulous traders to manipulate their records to underreport VAT sales. What this means is that, VAT collected from ordinary Fijians is not passed over to the Government and on the contrary, these traders overstate their input expenses to claim undue refunds. This is a double whammy because it hurts ordinary Fijians and the Fijian Government, and the punishment, of course, Madam Speaker, will fit the crime - triple the tax due.

By having exemptions to VAT, Madam Speaker, we also create a regressive taxation system. In other words, if the logic is that VAT should be exempt on certain items because you want to protect the less well-off, then it does not work because the rich also do not pay VAT on those items. What is fairer and financially sound is that, assistance to the needy is targeted. Madam Speaker, many of our businesses rely on a model of high margin and low volume.

Madam Speaker, many of our businesses rely on a model of high margin and low volume because it makes one kill on one sale. Our Budget encourages them to move to a different model, one in which lower margins stimulate consumption and produce a higher volume of sales. This is a better model for

the economy because it encourages production, lowers costs, and in the long run increases sustained profits for the merchant.

Madam Speaker, we will propose to this Parliament, legislation to reform the VAT system, which is a part of the daily lives of all Fijians. This will make taxes more equitable and less burdensome while producing more revenue for Government to provide essential services. Under this legislation, VAT will be reduced from 15 per cent to nine per cent, and exemptions that currently exist on rice, cooking oil, fish, flour, tea, powdered milk, kerosene and prescription drugs will be eliminated.

This reduction in VAT will reduce overall costs to citizens as measured by the Consumer Price Index through the RBF by 4.5 per cent, and will overall reduce the overall cost of food to all Fijians by 0.4 per cent. We will further reduce the impact of VAT on the poor by continuing the FijiFirst Government's current Free Food Voucher Programme and free medication for individuals with incomes less than \$20,000 a year, and providing subsidised electricity of up to 95 kilowatts per hour to those households that earn less than \$30,000 a year as aligned to the \$30,000 threshold for the Water Authority of Fiji.

The Free-Medicine List, Madam Speaker, from next year will also be greatly expanded from 72 items to 142 items. This benefit will be financed by the VAT collected on purchases of prescription drugs and basic food by people who can afford to pay, and so they must pay, Madam Speaker.

Whilst people in the outer islands will pay a little more for kerosene, however that will be offset by the lower costs of other items such as outboard motor fuel which will now decline by six per cent, and other food items and other materials which I will highlight as to whether the price will go down.

Madam Speaker, the reduction in VAT rate will present a situation of significant tax savings. In fact, these savings will gradually increase as the person consumes more goods. In other words, the more you buy, the more you save.

Madam Speaker, when VAT is reduced, we must ensure that consumers benefit. We are not reducing VAT to increase profit margins for retailers; we are reducing VAT to put more purchasing power in the hands of ordinary Fijians. Let me quantify this with a real-life example, Madam Speaker. Parents who spend \$200 on school uniforms for their children will save \$12 from the reduction in VAT alone but those same children's clothes will already be lower as much as by 5 per cent because as I will announce later, we have also reduced duty on fabric that is imported into Fiji. It will also become 5 per cent cheaper.

We have also eliminated duty on fabric, thread, buttons, zippers and other items that make up the garments. So, the total savings from \$200 could be as much as \$20, but the price reductions go further and much deeper.

While VAT will be applied to rice, cooking oil, fish, flour, tea, powdered milk, kerosene and prescription drugs, in 2016 the overall cost of groceries will still come down. This is because we have decreased the VAT on other everyday items. The prices of soap, toothpaste and toilet paper will come down. The prices of meat, salt, onions, potatoes, butter and garlic will also come down. Household appliances, furniture, hardware material and mosquito coils will all come down. Cabin crackers will all become more affordable and bus fares will go down – an everyday cost for many working Fijians.

For items where the duties have also been reduced, such as deodorant, sanitary pads for women, running shoes, baby clothes and diapers, the prices will go down even further because we have reduced duty. So, it is not just the 9 per cent but also the duty reduction which needs to be passed on.

In the case of tea which was VAT exempt, Madam Speaker, although VAT is now going to be applied, the removal of duty by 10 per cent will decrease the net price and, of course, there is still no VAT on fresh fruits, vegetables and other things you buy in the market, as this has always been the case.

There is also no VAT, Madam Speaker, on people who are disabled and who use, for example, hearing aids, wheel chairs, there is no duty on any of that.

Madam Speaker, for an ordinary family looking to purchase a \$20,000 car, that family will now save \$1,200, thanks to the VAT reduction from 15 per cent to 9 per cent. This kind of savings can make dreams a reality for many Fijians, who will now have a greater purchasing power in the marketplace.

Madam Speaker, this is a tax reform for the consumer, a tax reform for the ordinary Fijian. This is a tax reform that will put money back in the pockets of families all over the country and give them the choice of how they want to spend their hard-earned cash.

We will also, Madam Speaker, as you will see later today, propose legislation requiring sellers of goods to reflect the lower VAT in their prices. Dealers who attempt to pocket the difference will face stiff punishment - fines of up to \$100,000 or five years imprisonment. This may sound tough, Madam Speaker, but this is a very serious issue that requires sufficient deterrent.

FRCA and the Ministry of Finance have already conducted price surveillance for the past few weeks in co-operation with the Consumer Council of Fiji, and we have provided an additional \$150,000 in this Budget, Madam Speaker, to the Consumer Council to operate a hotline to receive consumer complaints. The lines will be running hot beginning next week, and anyone calling will speak to a person who can begin an investigation of their complaint and report it directly to FRCA.

Madam Speaker, as part of this progressive system, the Service Turnover Tax (STT) will increase from 5 per cent to 10 per cent, and we will also impose an Environmental Levy of 6 per cent to those businesses currently paying the STT. Those who use the services in this sector will pay the increase, Madam Speaker, but we note that most Fijians do not use or very rarely use these services where STT is, like in hotels where all types of activities like water bikes are used, which most ordinary Fijians do not use. We are essentially making up the balance of that from people who can afford those services to supplement the subsidy we are giving to ordinary Fijians.

Our Constitution, Madam Speaker, guarantees all Fijians the right to a clean environment and this measure reinforces Government's commitment guaranteeing that right. Ordinary Fijians will not be affected by this tax.

Madam Speaker, Fiji is a premier destination offering a high-value vacation product. Visitors come for the luxury of the accommodations and the natural beauty and recreational opportunities in Fiji, and they will willingly pay a small additional charge to support environmental protection programmes. By point of reference, Maldives charges US\$6 a day for a night spent in a hotel.

Going back to Environmental Levy, given the VAT reductions, Madam Speaker, visitors will pay only 5 per cent more in taxes than they do today, and, Madam Speaker, of course, we say, Fiji is well worth it. To put it into perspective, Madam Speaker, if you stay at a hotel at the moment, you pay 15 per cent VAT and you pay 5 per cent STT. So, come 1st January, you will pay 9 per cent VAT, you will pay 6 per cent Environmental Levy and you will pay 10 per cent of STT so you move from 20 per cent to 25 per cent - those people who stay at hotels and use hotel services.

Madam Speaker, we are now also consulting with other industries to see how they can participate in this measure to protect the environment.

Madam Speaker, the policy mix involving VAT reduction, broadening of VAT base by imposing VAT on some items, prescription medicine and kerosene, along with the increase in the STT rate and the introduction of the Environmental Levy, will not place tax revenue in a precarious position. In fact, Madam Speaker, the overall impact of these changes is expected to lead to a revenue gain of \$38.5 million.

The VAT rate reduction is a pro-growth tax policy and will have an expansionary impact on the economy and the overall revenue gain will be much higher than this. This is similar to the 2012 income tax cuts when revenue collections increased phenomenally and FRCA reported an average revenue growth of over 10 per cent. The income tax cut impact has actually been felt over a number of years and we will expect the same trend for VAT reduction.

Madam Speaker, although the VAT rate reduction itself will have a loss of \$316 million, this will be offset by a gain of \$108.6 million through VAT on basic food items, \$127.5 million from STT and Environmental Levy, and \$120 million from VAT compliance initiatives, particularly through the VAT monitoring system.

Madam Speaker, there are many anomalies in our tax system that are caused by the accumulation over the years of different privileges and tax breaks, taxes on selected items and exemptions on other items with no logic or consistency behind them. For example, even those items that I read out have been classified as basic food items but in fact, they are not. All of these sometimes lead to cheating and other times, manipulation. People feel that they can play the system rather than work within it because the system appears to be a game. That is why we need to straighten it out, Madam Speaker.

Madam Speaker, we will not ask anything of Fijian citizens that we do not demand of ourselves. The people who assess, collect and record taxes and duties must be unquestionably honest. We have been dismayed by instances of corruption uncovered recently by FICAC, involving payments and favours to FRCA employees. If freight handlers who give gifts to FRCA employees agree to falsify Customs documents, they could very well end up sharing a prison cell with their co-conspirator. FICAC, the FRCA Board and the Ministry of Finance will be unrelenting in rooting out corruption and in prosecuting to the fullest extent anyone who betrays the people's trust. We are asking people to pay their share. They must believe that they can trust the Government.

We have some tax breaks, Madam Speaker, that need to be ended because they serve no useful purpose. One of those is the Short Life Investment Package or SLIP, which grants the hotel industry certain tax holidays of 10 years for investments of \$7 million or more. This may well have been a valuable programme when we were trying to build our tourism industry in the 1960s, 1970s and 1980s but it has outlived its usefulness. We have a mature world-class hospitality sector yet, Madam Speaker, it would be of interest to all Members of this House to know that out of the 263 hotel companies in Fiji, only 68 paid taxes in 2014. On top of that, Madam Speaker, we collected only \$8 million in corporate income taxes from hotel companies.

Madam Speaker, the sole traders in the hotel industry were not any better. Of the 294 sole proprietors, only 89 paid any income taxes at all. FRCA Reports estimate revenue of the entire hotel sector at \$830 million for 2014, but Government received only \$8.56 million in income tax. All SLIP applications from now until 31st December, 2016 will be processed under the existing SLIP framework, but from the future, Madam Speaker, it will change.

Madam Speaker, Fiji's economy has responded well to the reforms put in place over the last several years, and we will continue to root out policies that stifle innovation, create perverse incentives for businesses and have no discernible social or economic value. We will continue to fine-tune the reforms to meet the demands of the modern global economy. As we do that, we will encourage more investment.

Investment Fiji, Madam Speaker, issued 228 Foreign Investment Registration Certificates in the past eight months, valued at more than \$722 million and with 2,903 proposed new jobs. Applications are up by 39 per cent over last year. These investments are distributed across sectors, including services, utilities and manufacturing. This is added to the unprecedented rise in significant investment by Fijians, which has increased from 164 last year to 228 this year. This confidence in Fiji's future is both a pat on the back and a challenge. We must be up to the task of ensuring that people who bet on Fiji's future come out winners. If they win, the Fijian people win. We are putting the elements in place to make Fiji the Geneva of the Pacific, Madam Speaker.

We have a Foreign Policy that seeks good relations with all nations. We have a strategic location that makes us a commercial and telecommunications hub for this part of the world and a leader in pressing the needs of the South Pacific island nations internationally. We have a hard-working, educated and civil population and we are putting the macroeconomic policies and budgetary priorities in place to accelerate those other advantages. The international community has taken note of what we are doing. We have made believers out of sceptics and given hope and new ambition to Fijians.

Madam Speaker, with all this good news, how will we fine-tune the reforms and root out counterproductive policies, laws and regulations? How will we eliminate privilege and ensure that people who are reaping the benefits of this economy are paying their fair share in taxes? We have developed a comprehensive series of reform of taxes and duties designed to achieve that and to propel our economy forward, as the IMF has suggested.

Madam Speaker, we will eliminate the Duty Suspension Scheme, which will mean zero duty on plant and machinery, raw materials and other inputs for manufacturing - everything from shirt buttons to chemicals, and we will reduce the duty on quad bikes, used almost exclusively in the tourism industry, from 15 per cent to 5 per cent and also now by the agricultural sector. The Fiji Exporters Council will also no longer need to play a role. In fact, their role becomes redundant and compliance costs for businesses should go down dramatically.

By reducing duty on these items, Madam Speaker, we are also giving ordinary Fijians the opportunity to get, for example, into the garment industry. The *bubu* in the villages - the ladies who sew clothes, will no longer have to pay duty for buttons and fabrics and zippers that they had to pay but the garment factory did not have to pay.

There is one more factor in making Fiji more attractive to investors, but it also serves Fijian consumers. Reducing costs of duty, compliance and cash flow will give them the promise of higher-quality goods at lower costs.

We have eliminated or reduced duty on many items that are very personal in nature and make a difference in the lives of Fijians, in particular the young population. There will be no more duty on sanitary pads, tampons and diapers. Duty will be reduced from 32 per cent to 5 per cent for baby garments, undergarments for men and women, and deodorants. Skin-care products, shaving preparations, cameras, camcorders, sunglasses, binoculars, electronic games, and watches and jewellery will carry a duty of 15 per cent.

For the sake of public safety, Madam Speaker, we will eliminate duties on fire-safety awareness equipment and consumers will benefit from a reduction in the duty on motorcycles from 15 per cent to 5 per cent, and the complete elimination of duty on bicycles and, of course, the tyres and tubes that go with the bicycles. We want people to cycle more.

Also for safety, Madam Speaker, we will ban the importation of used tyres by 2017, but we will also reduce duty from this coming year on new tyres and tubes from 32 per cent to 5 per cent. Used tyres, Madam Speaker, present a safety hazard on our roads and as we get better roads, people are speeding more and we see more accidents, and the Fijian people deserve better. We will also provide funding to the Land Transport Authority (LTA) for mobile weighbridges and enforcement personnel. We have spent hundreds of millions of dollars to improve our roads over the last three years, and we simply must protect them from overburdened trucks travelling in the night.

All new motor vehicles imported to Fiji must now be Euro 4 compliant. Whilst, Madam Speaker, it has been announced about two years ago that second-hand vehicles need to be Euro 4 compliant, at least, we discovered that new car dealers were procuring Euro 2 cars from all over the world at cheaper price and then charging higher price in Fiji. This must be stopped, and it will be stopped.

We know, Madam Speaker, that a number of new-car dealers (as I have said) are importing Euro 2 vehicles that do not meet safety and environmental standards in Europe and elsewhere, so Fijians were getting a raw deal; they are paying for the newest vehicles but getting the vehicles that cannot be sold in more-developed countries. Used vehicles may be imported only if they are Euro 4 compliant. Vehicles with engines running on both unleaded petrol and diesel fuel must be less than five years from the year of manufacture, and vehicles running on LPG or CNG with solar, electric or hybrid engines must be less than eight years from year of manufacture.

Madam Speaker, Small and Medium Enterprises (SMEs), that is, businesses with gross turnover of less than \$500,000, drive growth and innovation in the economy, and we want to encourage and nurture them.

Stamp duties have been a fact of life for SMES, and as they are for most Fijians, for as long as anyone can remember. Madam Speaker, through the 2016 Budget, we are eliminating stamp duty on all instruments for SMEs, but with the understanding that the onus is on each business to prove that it is a legitimate SME.

Also, SMEs will no longer have to pay fees to the Fire Authority of Fiji or Occupational Health and Safety (OHS) fees. The SME Credit Guarantee Scheme which is facilitated through the Reserve Bank of Fiji (RBF) has made loans valued at \$61 million over the past three years and which, of course, will continue. It shows the confidence in the SME sector.

We will continue to invest in infrastructure, Madam Speaker. The new four-lane highway linking Suva and Nadi has won accolades from local and foreign investors and experts, as you can see the one that has already started, coming out of Nadi Airport. The emphasis on improving transportation infrastructure is paying benefits that go far beyond dollars and cents. It means more unity, more opportunity and less isolation for Fiji.

Madam Speaker, we will continue to support improvements in road, maritime and air transportation. The ADB in one of its recent publications noted the important role of air links between the Pacific and the rest of the world, Asia in particular, in lifting export prospects and establishing new markets in key sectors such as tourism, agriculture and fisheries. The ADB had, in fact, identified Nadi as the South Pacific's regional hub, given Fiji's connectivity and, we might add, Fiji Airways' standing as the lead provider of air services in the Pacific.

The study also noted that due to the market size, the cost of air travel in the Region is among the most expensive in the world. For this reason, a number of Pacific Islands are now offering incentives to commercial airlines to increase flights.

Madam Speaker, we are proud to announce that from April, 2016, Fiji Airways will commence a new route to Singapore with the arrival of its new Airbus A330-300 series. To support our national carrier in this new endeavour to aggressively market and put in place attractive ticketing pricing, Government has provided a sum of \$18 million in the 2016 Budget to Fiji Airways. Singapore is a major international hub with extensive connections to other Asian ports, including India, Thailand, China as well as Europe, to the Middle East which will further promote tourism arrivals and cargo traffic to the country and help send our unique agricultural exports.

We will now have air connections to every continent, Madam Speaker, with this connectivity that borders the Pacific Rim, except South America. In addition to opening up new opportunities for trade between Fiji and Singapore, these direct flights will also be in time for the IRB Rugby 7s Series in April next year. Those of you who follow rugby will know that Singapore has now replaced Tokyo as the next venue after Hong Kong.

Madam Speaker, not all Fijians can take direct advantage of international air travel, but many depend on air transport to travel within Fiji. So, we will increase allocations for domestic air services in order to keep it affordable and accessible. We will subsidise a total of 390 trips at a cost of \$1.85 million.

This support for domestic air travel, Madam Speaker, is one of the many ways we are meeting the FijiFirst Government's long-standing commitment to unite the Fijian people and to end the inequality that stems from geographic isolation and poverty. We will reinforce this commitment with an increased allocation to build Legal Aid Offices to serve people in outer islands and rural communities. These people need access to legal services, as much as anyone else in the cities, and they will have it, Madam Speaker.

Madam Speaker, Government will increase that allocation to \$5 million. Legal Aid will open new Offices in Levuka, Nabouwalu, Kadavu and Rotuma. We have already opened Offices in Taveuni, Koro, Nausori, Nasinu, Suva, Navua, Nadi, Lautoka, Ba, Tavua, Rakiraki, Labasa and Savusavu. This is unprecedented.

We will also work to eliminate the backlog of some 2,500 workers' compensation cases. For this, an amount of \$5 million, an increase of \$2.4 million, is provided in 2016. These are people who claim that injuries suffered on the job have prevented them from working and earning a living. These cases need to be adjudicated for the benefit of the workers and the employers. Facts must be ferreted out, truth must be determined and compensation must be paid where it is warranted.

Madam Speaker, of course, justice delayed is justice denied. The very credibility of Fiji's commitment to protect workers and maintain an insurance scheme to shelter hard-working people from unforeseen workplace injuries is at stake.

We also need to be more generous in compensating injuries and deaths on the job. Workmen's Compensation was established to compensate workers and their families for their inability to earn a living, so the payments must be able to reflect to some extent, the realities of the job market and the economy. So, we have increased the maximum payment to eligible families of workers killed on the job from \$24,000 to \$50,000. We have also expanded the definition of family to include *de facto* partners. Madam Speaker, these are families who have lost a breadwinner and a loved one.

We have also increased the amount payable for incapacitated and disability from the workplace. We may not be able to make them fully whole, Madam Speaker, but we should ensure as much as possible that we relieve their grief and their exposure to indignity.

Madam Speaker, one of the most important institutions acting in the interests of all Fijians is the Fiji National Provident Fund (FNPF), which invest the funds deposited by workers in order to pay out retirement and disability pensions. FNPF is recognised internationally for its recent excellent management, and we are proud to say that only on Monday, FNPF was awarded the Certificate of Merit by the International Social Security Association in recognition of the IT Reform supported by the FijiFirst Government. FNPF has made all the right reforms to ensure that depositors' funds are safe and that the value of its assets grows swiftly.

FNPF's investment income was \$252.8 million in 2014 and stands at \$302.7 million today, an increase of 20 per cent, Madam Speaker. That is the highest ever in the Fund's history, and that is good news for all Fijians.

A Drive for Better Health Care

Madam Speaker, as I had mentioned, this bright future that Fijians are embracing must include good health. Our health system suffers from decades of neglect that have left us with inadequate infrastructure and a lack of sufficient qualified medical professionals. Medical science is progressing rapidly, and advanced medicine is no longer the exclusive domain of the wealthiest and the most advanced countries.

Open-heart surgeries are now routine, and people are released from hospital within a few days following the procedure. Yet, Madam Speaker, there is no one in all of Fiji - not one doctor is qualified and available full time (24/7) to perform open-heart surgery. This means that Fijians who do not have the means to travel to India or Singapore or Australia or New Zealand for the procedure must live with this condition or wait for some group that may come over from overseas, limiting their activity and denying their families and their country of their full efforts.

To have such surgeons require decades of training and specialisation. Unfortunately, Madam Speaker, previous Governments did not invest in our human resources, but we are determined to catch up. The FijiFirst Government has a series of programmes, projects and fiscal and budgetary measures to help us make up that lost ground. This must be a long-term effort, but there can be no compromise, no hedging, and no half-measures. The modern Fiji must be a healthy Fiji.

Madam Speaker, I am very pleased to announce that from 2016, investors who set up private hospitals with a minimum investment of \$7 million will receive a 10-year tax holiday. They can access 60 per cent deduction for new capital improvements, and receive duty free importation of all capital goods. We need to do this; we need to get more people into this space.

Madam Speaker, investors who also establish ancillary medical services such as diagnostics and laboratories will receive a 4-year tax holiday for a minimum investment of \$2 million, and the same 60 per cent investment allowance and customs concessions for private hospitals. Both types of these investors will be able to carry losses forward for 8 years.

Madam Speaker, we will also increase funding for operational costs of existing public health facilities and establish more positions for doctors, skilled nurses and technicians. We will recruit talent from outside in order to give Fiji the best professionals we can acquire, professionals who will bring new skills to pass on to our doctors.

However, our objective goes well beyond the facilities and personnel that our budget can provide. Our objective is to raise the standard for medical care in Fiji, to fundamentally change our belief in what is possible and what is achievable. We want every Fijian to expect good health and a long life, and to have well-justified faith that the care he or she gets in Fiji will guarantee that good health and good life - at least, as much as medical science makes that possible.

We want to provide full tertiary care for our own people, partnering with the private sector when necessary, to build and operate the hospitals and to teach and train professionals. There is no reason why we cannot eventually have a university hospital in Fiji, which of course, has been delayed.

Madam Speaker, to make our health system more efficient and to use our allocated funds more effectively, we are centralising procurement and bringing in professional contract management to direct new construction.

The new hospital in Ba where Government joined forces with the Ba Chamber of Commerce, has the potential to benefit around 140,000 people, is an excellent example of how this can work effectively produce a well-designed facility on time and on budget. The new Ba Hospital is being built to World Health Organisation standards and will be a bridge between the smaller Tavua and Rakiraki hospitals and the larger Lautoka Hospital. So it is more than just a hospital; it is a critical link in a system designed to deliver quality care.

We will also begin purchasing generic drugs from India, as the health systems in nations like Canada and Australia do, in order to obtain critical medications at the lowest cost. Why should Fijians pay top dollar for life-giving medications when people in Australia and Canada get them at a fraction of the cost of brand-name medicines?

Madam Speaker, in addition to providing medical treatment, we need to do more to combat the terrible problem we have with Non-Communicable Diseases (NCDs) like diabetes, lung cancer and heart diseases. We will use taxation to encourage people to alter unhealthy behaviours and to fund prevention and awareness programmes. In order to improve awareness and diagnosis, we will eliminate duties to zero on health diagnostic equipment and products, including diabetes diagnostic strips.

We will increase the tax on cigarettes by 12.5 per cent and add an additional health levy of 6 per cent. Add to that the provision of free prescription medications to persons earning less than \$20,000 a year; we have the beginnings of a tax scheme that supports good health. The number of items available on the Free Medicine List, as stated earlier, has also increased from 72 to 142, nearly double.

We will increase the excise duty on sweet drinks, such as sodas from five cents to 10 cents. These drinks are seductive because they taste good but overconsumption of these drinks, which often have no nutritional value, can lead to long-term problems of obesity. Children who consume too many sugary drinks can set themselves up for a lifetime of poor health, obesity and a near-addiction to sugar.

Madam Speaker, we will maintain the 32 per cent duty on powdered milk in order to ensure that our own Fijian dairy industry continue to thrive and produce high-quality milk and milk products. With the worldwide price of milk in decline, Fijian dairy farmers continue to get paid up to \$1 a litre for farm gate price when their counterparts in New Zealand are getting half of that, if that at all. We want fresh milk, produced locally by our own farmers. It is an important national interest, and it is of benefit to the Fijian people.

Madam Speaker, despite the decreasing world price of milk, we have noted that the price Fijians pay has remained the same because merchants who are importing this product have not passed on these savings. We have milk being sold in less than 50 cents in New Zealand and the powdered milk they

make has substantially decreased, but we do not see that being passed on to Fijian consumers. This, of course, is unacceptable, Madam Speaker.

Government Functions: Ministries, Offices and Commissions

Health

Madam Speaker, the health challenges that we confront, particularly the problem of NCDs like diabetes, which has produced an epidemic of amputations - stand in contrast to the image we have of ourselves as an active, healthy, athletic people. Indeed, encouraging participation in sports and creating opportunities for physical activity remain priorities for the Government.

Government has allocated \$280 million to the Ministry of Health in 2016, an increase of \$11 million over the 2015 Budget level, Madam Speaker. We have rearranged the Ministry's Budget to clearly show the level of funding provided to each of the major urban hospitals and Members of Parliament will see how we have broken that down – the health facilities in each of the Divisions, as well as funding for drugs and medical equipment. The Programmes and Activities are now more detailed.

Fiji desperately needs more qualified doctors and nurses, and we have budgeted an increase of nearly \$9 million to recruit an additional 150 doctors and 200 nurses. Madam Speaker, \$39.4 million is allocated to the Colonial War Memorial Hospital (CWM), one of the largest hospitals in Fiji, an increase of \$2.6 million, mainly to hire an additional 36 doctors and 20 nurses in 2016 and to add to the 1,446 existing staff at the hospital. The 135,000 annual outpatients in the hospital and the average occupancy rate of 80 per cent have required that Government allocate an additional budget of \$1.3 million for the Hospital's operational expenses. The allocation will cover major expenses of power supply, laboratories test referrals, and rations for hospital patients, things like oxygen.

A total of \$39.8 million is allocated toward Government's long-term plans to develop its health infrastructure in all four Divisions. The majority of this allocation (about \$21 million), will go towards the construction of the new 70-bed Ba Hospital. As mentioned, Madam Speaker, this project is being undertaken in partnership with the Ba Chamber of Commerce, and is the first arrangement of its kind. We believe it is a model for future development.

Government has also provided for much-needed infrastructural development at CWM, including \$1.3 million for the extension of CWM Maternity Unit. Other major developments planned for CWM, include the construction of the new 200-bed Maternity Hospital and the new National Radiotherapy Centre.

Madam Speaker, we have increased funding for health services in all of Fiji's Divisions. Central Division Health Services will receive \$16.1 million, an increase of \$1.4 million; Eastern Division will receive \$8.4 million, an increase of \$853,000; Western Division will receive \$16.1 million, an increase of \$1.7 million and the Northern Division will receive \$10.9 million, an increase of \$1.7 million over the 2015 level. All of these increases are due to the hiring of more doctors and nurses. In addition, the Eastern, Western, and Northern Divisions will receive allocations of \$3 million each to upgrade and maintain health facilities.

Fiji Pharmaceutical and Biomedical Services Centre is the centralised procurement centre for the Ministry of Health and Medical Services for biomedical equipment and medical consumables distributed to all Government Health Facilities, and it is allocated \$57 million, an increase of \$6.9 million over 2015. This increase will cover the purchase of three new vaccines; Rotavirus, Pneumococcal and HPV, at a cost of \$5.7 million. For next year, we have increased the allocation for

the Free Medicine Programme from \$8 million to \$10 million to provide approved prescribed medication free to Fijians with an annual income that does not exceed individually \$20,000.

Education

Madam Speaker, this Government has made the improvement of education and, just as importantly, equal access to quality education for the poor and people in remote areas a priority. The 2016 Budget for the Ministry of Education stands at \$432.2 million, which is an increase of \$30.6 million above the 2015 level.

In a major new initiative, Government is providing \$6.87 million to the Ministry to improve the teacher-student ratio by hiring 250 additional teachers. These funds will be spread evenly where the need arises, with the goal of reducing the teacher-student ratio of 1:35 in primary schools. We will also raise the pay of the 250 existing teachers in primary schools to a base salary of \$16,610 and upgrade the existing 150 teachers to a base salary of \$23,411.

Recognising the constitutional rights of children with special needs and the extra burden of their care and education for parents and teachers, we have increased the special-needs grant to primary schools to \$3.3 million, an increase of \$565,000. This is for all the special primary schools, Madam Speaker. This includes an increase in the grant for each child from \$250 to \$500 a year because as we know, children in special schools need special care. In fact, Madam Speaker, we have a problem; we do not have teachers in Fiji who are trained to be teaching in an environment where you have children with special needs. Many of the schools have teachers with ordinary qualifications without that up-skilling, who are actually teaching the students.

While we recognise their efforts and thank them for their efforts, we need more such teachers who are fully trained in this curriculum. We will also examine ways to provide additional grants for capital projects on a needs basis through the Small Grants Projects in these special schools. In addition, special aids and equipment for disabled persons, such as lenses, hearing aids and prosthetics, are now exempt from VAT. They have been imported duty-free for many years, and the elimination of VAT will make them even more affordable for the people who need them.

We have allocated \$8 million for the construction, upgrade and maintenance of schools throughout the country. In addition, we have allocated \$7.9 million to increase allowances for teachers in areas identified as “very remote”. We know many do not want to go there so we are giving them special allowances to go there, in order to adjust for cost of living expenses in those locations, as another measure of our commitment to taking the benefits of education to every corner of Fiji and to leave no child without the chance to attend school with a qualified teacher.

Madam Speaker, Fiji will need to dominate information and computer technology if we are to realise our ambitions in this world, and we begin with an allocation of \$2 million for digital literacy. We have made very good partnerships with organisations, including Microsoft and Intel. We have also increased the allocation for library programmes to \$2.5 million, and we will begin digitising the library collection in order to conform to international best practices.

We have allocated \$19 million to support the three Technical Colleges that were established this year and the eight new Technical Colleges to be established in 2016. Madam Speaker, technical education to prepare our people for the skills of the modern workplace and the modern global economy is essential, if we are to seize the future that rightly belongs to us.

I wish to add, Madam Speaker, that building a healthy Fiji is not only the work of the Ministry of Health; it requires good education and the good nutrition in schools.

In 2016, Madam Speaker, the Free Milk Programme will continue to be funded with an allocation of nearly \$3.6 million.

Fiji's heritage is priceless, Madam Speaker, and we have allocated \$758,000 to upgrade the Fiji Museum and the World Heritage Structures in Levuka and \$150,000 to rehabilitate the Thurston Garden. This area is going to be a very well developed area, including the construction taking place at Albert Park.

Higher Education

Madam Speaker, the future of Fiji demands that we develop our universities and give our brightest young people as many opportunities as possible to reach their potential. The university age is an age of tremendous intellectual and personal growth, and we need the institutions to nurture the potential we have in our midst.

We will continue funding the highly successful Toppers Scheme and the Tertiary Education Loans Scheme (TELS) and we have allocated \$52.5 million for both Schemes next year. We will also extend TELS to students with disabilities and for selected areas of Post-Graduate studies in particular, in medical studies.

As part of its investment in education, Government provides grants to a number of tertiary institutions in Fiji that allow them to provide world-class education and training for Fiji's young people. A total funding of \$76.6 million is provided as Higher Education Institution Grants in 2016. The University of the South Pacific will receive an operating base grant of \$30.2 million, Fiji National University's operating grant will be \$36 million, and the University of Fiji will receive a grant of \$2.3 million.

In addition to its operating grant, FNU will receive a capital grant for work on its Labasa campus in Macuata in the sum of \$5 million for ongoing development and civil works at the campus site. FNU is also allocated \$1 million for preparatory work to establish a teaching hospital in Lautoka. The hospital will eventually train doctors, dentists, nurses and other health workers for Fiji and the Region, and provide advanced medical and surgical procedures to local communities. Madam Speaker, this is a very important need for Fiji if we are to bring our healthcare system to the standard we deserve.

Development and Natural Disaster Mitigation

Madam Speaker, the development of our rural and maritime communities is essential if we are to achieve true equality of opportunity in Fiji and help all our citizens realise their potential. We have challenges that many other countries cannot imagine, challenges of terrain and distance over water. These challenges require special efforts to overcome. The allocation of the Ministry of Rural Development and National Disaster Management is the focus of much of our efforts, but programmes to bring our remote communities closer to the heart of Fiji can be found in the budgets of several ministries, including Education, Health and Transport.

The Ministry of Rural and Maritime Development and National Disaster Management is allocated \$36.9 million for 2016, an increase of around \$8 million over 2015. A sum of \$3.8 million is provided for disaster management in 2016, an increase of \$2.6 million over the 2015 Budget allotment. We have maintained an allocation of \$2 million for Climate Change Mitigation, to minimise the risk and impact of disasters on vulnerable sectors of the economy, particularly the flood-prone areas. This will also cover the relocation of the Tukuraki Village. The Disaster Rehabilitation Fund of \$1 million has also been maintained.

A sum of \$11.3 million is provided for overall management, research, analysis and policy development. Part of this sum will be used for the Government Roadshow to Remote Rural Locations Programme, a cost-effective way to bring together all Government agencies, partners and the private sector to provide services from one single location. This has been a major success for little cost, only \$200,000, Madam Speaker.

The allocation for the Committee on Better Utilisation of Land (CBUL) has been maintained at \$7.8 million.

A sum of \$2.2 million is provided to the Commissioner Central for programmes in the Central Division, including the construction of the Wainua Government Station and project preparatory work for upcoming divisional projects.

The Commissioner Western will receive \$5 million, an increase of \$2.7 million over 2015. The increase is for Divisional Development Projects, including \$418,000 for the second phase of construction of the ADO Korolevu Office, \$915,000 for the construction of Votualevu Health Centre, and \$500,000 for preparatory work for upcoming Divisional Projects. A sum of \$1.2 million is also provided for the Relocation of Nacula Health Centre.

The Commissioner Northern will receive \$6.5 million, an increase of \$3.6 million over the 2015 level. The increase is due to a number of new Divisional Development Projects, including \$442,000 for the construction of quarters and general upgrading of the Tawake Nursing Station, \$720,000 for the construction of staff quarters at Seaqaqa Health Centre, \$400,000 for the construction of staff quarters at Naduri Health Centre, \$720,000 for the construction of staff quarters at Nabouwalu Hospital, and \$500,000 for preparatory work for upcoming Divisional Projects. An allocation of \$2 million is provided for the construction of Kubulau Government Station.

The Commissioner Eastern is allocated \$2.4 million for its programmes, including \$300,000 for construction of a suspension foot bridge in Nalotu; \$400,000 for a foot crossing connecting Gasele-Nacuiwai, and \$500,000 for preparatory work for upcoming Divisional Projects.

A sum of \$3.5 million is provided for Rural Infrastructure, including \$1.5 million to upgrade non-cane access roads. Most rural farmers prefer farming in virgin lands, which are only available in remote areas with very poor roads. This project provides road access to those isolated rural areas.

The Self Help Scheme, funded at \$1.5 million, supports and encourages local initiative by assisting rural dwellers in the construction of small infrastructural and income-generating projects. The Scheme operates on a partnership basis in which the community provides one-third of the program cost and Government provides two-thirds.

The Rural Housing Unit, which procures stores and delivers building materials for projects in rural areas and coordinates the Rural Housing Assistance Programme, will receive \$2.2 million. These funds will cover housing assistance to former Emperor Gold Mine employees. Rural Housing Assistance has been maintained at \$1.4 million to help people in outer islands build affordable, cyclone-resistant homes. Government covers the cost of building materials under this Programme.

Foreign Affairs

Madam Speaker, Fiji has a more active and a more activist Foreign Policy than ever before. We have taken a leadership role in the United Nations and regional groupings, and we are making our voices heard loud. Fijians live and work around the world, and they often need Government support and services. Fiji has 19 missions abroad, including relatively new embassies in the United Arab

Emirates and Brazil to reflect these realities, and we enjoy the respect and friendship of many other nations.

The Ministry is provided \$43 million to manage our Foreign Policy. An outlay of \$555,000 will be necessary in 2016 to expand our new embassy in Abu Dhabi. We are also relocating our Mission in Pretoria to Addis Ababa where many other international and regional organisations are hosted. The total budget for Fijian Missions in 2016 is \$33 million.

Madam Speaker, we are also enacting a new law to clarify that taxation of entities under the Diplomatic Privileges and Immunities Act which will be governed by agreements signed between Government and multi-lateral and international organisations.

National Security

Madam Speaker, Government has allocated \$79 million in 2016 to Peacekeeping Missions for RFMF and Fiji Police Force Peacekeeping Operations, which currently include more than 1,000 deployed personnel. This includes an increase of more than \$6 million to cover an increase in the Location Allowance for the Multinational Force and Observers.

Madam Speaker, Fiji's contributions to the UN Peacekeeping spans more than 35 years, and are part of a proud military tradition going back much farther. This tradition, accomplishments and sacrifices of Fijians who have answered the call of duty since the First World War must be properly recognised, commemorated and even taught. Therefore, we have allotted \$1 million towards the completion of the National War Memorial and the Military Museum, which will include a memorial to the Unknown Soldier.

The Ministry of Defence, National Security and Immigration will also receive \$750,000 to purchase hardware and software that will allow passports to be issued in the Divisions and Embassies. At the moment, Madam Speaker, if you are a Fijian living in Vanua Levu or in the Western Division, to get a passport, you have to come to Suva. By this investment, they will be able to get their passport issued to them in Labasa, in Macuata and in the Western Division in Lautoka. This will be a significant convenience for ordinary Fijians living outside Suva, who will no longer have to bear the expense of traveling to the capital for a passport.

Given the fact that there is economic growth and the need for more services, many of which are not available because Fiji does not have the expertise nor the skill set to provide those services, for this reason, we will need to take a more liberal approach to immigration rules and work permits to remove unnecessary obstacles for foreigners, such as the issuance of work permits.

Madam Speaker, only three years ago, we had one only speech therapist in Fiji and she was a foreigner. We do not even know whether she is there or not but our children need access to speech therapist. Our children need access to these kinds of professionals, our industry needs professionals, even our hotel and catering industries need these professionals. We bring them in, we train our people and we improve the economy.

Madam Speaker, the Fijian people need to feel and believe that they are protected by the Fijian Police Force that is adequately staffed and trained, and working to the highest professional standards. The budget of the Fiji Police Force has been increased by \$5.8 million, to \$126.3 million. The increase is due to the addition of 108 positions - Border Police, Prosecutors, support staff and research officers. The Border Police will be placed in the Western Division, while the others will be deployed around the country.

The sum of \$2.4 million is allocated to build a new police station in Valelevu. Again, one of those projects that has been delayed because of the fact that land matters were not sorted out.

Our Police Force needs to be properly equipped and given the tools of modern police work. The sum of \$732,000 has been provided for additional equipment purchases for quality assurance systems for the Forensic Bio and DNA Lab. The objective of the project is to ensure that those who commit crimes are convicted, innocent suspects cleared, and past wrongful convictions reversed.

Government has provided \$400,000 for communication equipment to migrate police communication systems from analogue to a full digital multiband platform. It will be an expensive exercise requiring a five-year rollout period. The upgrade will allow full network connectivity among the four Police Divisions and the Police Headquarters for the first time. Phase Two of the project will start in 2016 and will encompass procurement of digital equipment. Deployment will begin with the urban centres and the Divisional Command Centre, and will be phased to the rural and maritime stations.

Madam Speaker, purchase of Traffic Management Equipment, budgeted at \$350,000, will help make roads safer. The role of the Traffic Control Unit is to enforce highway laws and educate the public about road safety. The Project involves the purchase of laser speed detectors and equipment for testing drunk drivers.

The purchase of new standard equipment is funded at \$400,000 to ensure that all police officers are properly equipped while performing their duties. Standard equipment is needed to protect the officers from injuries, help them make arrests and contain volatile situations.

The sum of \$307,940 is provided for the purchase of special operational equipment to be used for disasters, civil disturbances, and search and rescue operations.

The purchase of Analytical Forensic Chemistry Equipment is funded at \$400,000. The objective of the project is to purchase the laboratory equipment that will provide a strong capability in toxicology analysis and trace-evidence analysis that will lead to greater accuracy and improved detection and conviction rates. These forensic chemistry capabilities - trace evidence analysis of things like paint chips, glass fragments and fibre were previously unavailable to the Fiji Police Force. This will allow for greater certainty when searching for illicit drugs, chemicals and poisons which is a modern day problem for us.

Justice

A total of \$4.9 million, Madam Speaker, has been allocated to the Ministry in the 2016 Budget. This is an increase of \$104,200 over the 2015 allocation, mainly due to 36 new positions at a cost of \$0.6 million that have been regularised as established staff to support the registry offices and the digitisation of records.

The Ministry of Justice is making a major effort to bring its services closer to the people, making its processes and systems more user-friendly, and develop a more effective and efficient record management systems. It is decentralising services by establishing Births, Deaths and Marriages Offices (BDM) around the country to provide full services in Ba and Nadi at a level similar to those provided in Suva, Savusavu, Lautoka, Rakiraki and Labasa. The Department is allocated \$200,000 to support this initiative.

Corrections Service

Madam Speaker, Fiji's corrections institutions must keep the public safe and maintain humane conditions with the goal of eventually rehabilitating inmates and re-integrating them into society. Government is committed to ensuring that dangerous convicts will remain in custody once they are sentenced, and we understand that we, as decent people have an obligation, however, to uphold international standards and the moral code with which we are raised in the way we treat those who have broken the law.

The Fijian Corrections Service is provided \$39.4 million in the 2016 Budget, an increase of \$1.4 million. This increase is largely to provide funds for an additional 105 Corrections Officers. The officer-inmate ratio in Fiji has dropped from 1:10 in 2012 to 1:6, now close to the United Nations standard of 1:4.

Government has allocated \$4.5 million to complete construction of the Lautoka Remand Centre which will have quarters to accommodate 95 staff, and \$1.8 million will go towards the construction of the New Women's Corrections Facility in Lautoka. To date, Madam Speaker, the only women's corrections facility has been in Suva. So, women from the Western Division will get removed from their children and their families and have to move to Suva. Now, we will have the correction service in Lautoka and eventually, we are looking at having one in the Northern Division.

ITaukei Affairs

Madam Speaker, the Ministry of *ITaukei* Affairs is allocated \$11.5 million, an increase of \$1.2 million over its last allocation. The grant for the *ITaukei* Affairs Board has been increased from nearly \$3.4 million to nearly \$4 million. Among the Ministry's many valuable projects is the Cultural Mapping Programme which aims to preserve and safeguard *iTaukei* cultural heritage, and Government has provided \$222,724 for this Programme. The Programme involves the collection and documentation of tangible and intangible *iTaukei* cultural heritage in all the 14 Provinces in Fiji.

In 2016, the project will focus on Nadroga and Navosa Province and transcribing 500 tapes in the Tailevu Province. The information collected will be stored in the National Inventory for Traditional Knowledge and Expressions of Culture. The verification of the data collected is an integral part of this exercise and therefore, to speed up the verification process, a sum of \$33,440 is provided in the 2016 Budget.

Housing

Madam Speaker, the Constitution requires Government to use its available resources to progressively ensure the right of every person to accessible and adequate housing. To do this, Government has adopted a holistic approach to housing that is in large part carried out by the Department of Housing.

The National Housing Policy emphasises upgrading and resettlement programmes for the less fortunate in Fiji, but it is more than just resettlement, Madam Speaker. When our Honourable Prime Minister gave 99-year leases to squatters as he did last Friday, we give them a stake in the economy - property that they can improve and expand, property that they can use as collateral for loans rather than deal with unscrupulous moneylenders, and property that they can lease or sell should their circumstances change. But, Madam Speaker, we are not in the business of building impersonal government housing for people; we are also engaging the private sector to build viable communities where families can grow and prosper in the same way that we are working with the private sector in the health sector and public enterprises.

Madam Speaker, we will provide developer profit exemptions on a tiered approach, duty concessions on materials and subsidy by the State on project costs depending on the size, to attract private sector investment in developing housing estates to fast-track the provision of affordable housing to many Fijians as possible and in a quick fashion.

The Department of Housing is provided with a total allocation of \$30.8 million, which is an increase of \$314,900 above the 2015 level. One important increase is for the Lagilagi Housing Development Project, commonly known as Jittu Estate; an initiative of the People's Community Network to provide decent and affordable housing for low-income households, especially squatters. We have already seen the fruits of this relationship. Its allocation will increase from \$2 million to \$3.3 million to complete Phase Two in 2016.

Madam Speaker, Government is providing a new allocation of \$2.6 million to build 36 rental flats in Lautoka, to help meet the increase demand for rental units. The Housing Authority will receive \$5 million for the Matavolivoli Project to develop a 45-acre parcel as a subdivision for low-and middle-income families in Nadi. People earning as little as \$8,000 a year can now actually have a home of their own.

Outlays for the upgrading of informal settlements along the Lami-Suva-Nausori corridor will decrease from \$3 million to \$1 million to reflect the progress already made, and the allocation for assistance to first-time home owners will be maintained at \$10 million. This is a Programme, Madam Speaker, that provides grants of \$5,000 or \$10,000 respectively to persons buying or building their first residential property. This will now expand to assist those people who have now been given 99 year leases. Even though they may have a shack, now they can get access to loans and they will also qualify for the \$10,000 grant to build their first proper home.

Madam Speaker, to assist low-income families and farmers and lease holders with TLTB lease arrears, we have allocated a sum of \$500,000 to subsidise lease payments. There are many people who are in poverty who cannot afford this and they are at the cast of losing their lease holdings. Government is going to step in, identify those people and subsidise the lease payments to TLTB which will go directly to the landowners. As a sign of collaboration, the TLTB Board has also set aside an almost equivalent amount of money as contribution towards the payment of this. Again, the money will go from their savings directly to the landowners.

Madam Speaker, \$200,000 has also been provided to review many of the anomalies and identify some of the administrative anomalies where sometimes renewals have been done without the landowners consent or sometimes approvals for lease have been given to would-be lessees but they have not come through. From next year, Madam Speaker, we will identify those processes, travel around the country and make sure that those anomalies are addressed.

Women, Children and Poverty Alleviation

Madam Speaker, Government is allocating \$52.2 million to the Ministry of Women, Children and Poverty Alleviation in 2016, including an increase of \$1.2 million for the Child Protection Allowance, which is designed to help provide care for disadvantaged children under kinship care and in residential homes. That allocation is now \$3.2 million, and an additional \$500,000 is provided for the Child Protection Programme, which involves awareness programmes and implements the recommendations in the Convention of the Rights of the Child.

In 2016, Madam Speaker, Government will increase funding for the Social Pension Scheme from \$8 million to \$13 million, which will allow us, as stated in the FijiFirst Manifesto, to reduce the age of eligibility to receive this Pension from 68 years to 66 years from July, 2016, and we will maintain the

allowance of \$50 a month. The Scheme provides pensions for people who have no other form of income or pension and who have never been beneficiaries of a superannuation scheme. It is highly successful and greatly appreciated, Madam Speaker. The disabled and elderly aged 65 and above will also continue to be assisted with bus fare subsidies to ease the cost of travel.

The Poverty Benefit Scheme, Madam Speaker, which provides food vouchers of \$50 a month and a cash payment of \$50 a month, is allocated \$22 million.

Pregnant women in rural areas will continue to receive assistance through the Food Voucher Programme to reduce cases of malnutrition and complications during pregnancy, and \$500,000 has been allocated for this Programme.

Government has once again provided \$500,000 to the Ministry's Welfare Graduation Programme. This Programme is aimed at helping social welfare recipients move from "welfare to workfare." Fiji does not wish to encourage a culture of dependency. On the contrary, we want to help people become self-sufficient. When people move from welfare to work, they regain their self-esteem and confidence and indeed, dignity.

Madam Speaker, another \$1 million is provided for the Women's Plan of Action, a Programme that works to develop employment in the formal sector, equal participation for women in decision-making, elimination of violence against women and access to services for women. New funding of \$170,000 is being provided for the Domestic Violence Hotline, and the very valuable and successful Fiji Women's Expo which gives women artisans and entrepreneurs access to markets, will again be funded at \$500,000.

Youth and Sports

Madam Speaker, it goes without saying that our young people are Fiji's most precious asset. They are our future, and we must nurture them and help them grow in mind, body and spirit and help them to develop the skills and perhaps, more importantly the attitudes they will need to have productive lives and contribute fully to the development of our nation.

We have long known that participation in sport and in activities to engage the minds and channel intellectual energies do much to develop those skills and attitudes.

Government will continue with its programmes to promote sporting activities, develop sports facilities, encourage civic awareness amongst the youth and build the capabilities of young people through multi-skill training.

Government has allocated a budget of \$22.5 million to the Ministry for Youth Development and Sports Programmes in 2016. This represents an increase of nearly \$5.8 million, which is mainly to allow youth sports teams to compete in a number of major events overseas in 2016.

Funding for the Youth Capacity Building Programme at \$1 million will help widen the scope of the programme and continue its Seeds of Success, Empowerment Training, Youth Feed the Nations and Multi Skills/Mobile Skills training programmes.

A budget of \$706,000 is allocated to upgrade the five main youth training centres - Nasau Youth 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. These Centres provide vital training for skills that give our young people building blocks for the workplace, entrepreneurship, and technical and tertiary education.

The Sports Section's budget, Madam Speaker, has been increased by nearly \$5.7 million to \$16.9 million, mostly due to the expansion of operations into the Eastern Division. The budget includes a grant of \$1 million to continue funding of the Fiji National Sports Commission.

Government has allocated \$5.4 million, to be administered by the Fiji National Sports Council (FNCS), to work with other sporting agencies and coordinate Fiji's participation in major international sporting tournaments held in 2016. These, Madam Speaker, include: the Rio Olympics, the Northern Rugby Tour, Pacific Nations Cup, U20 World Rugby, Pacific Challenge and the National Rugby Championship.

Government has provided an increased budget of \$2 million to continue with work on the rural sporting complex at Vunisea in Kadavu and Sawaieke in Gau, as part of its long-term programme to develop top-level sporting facilities in rural areas.

Madam Speaker, Government has increased the allocation to the Ministry to continue developing rural playing fields to \$400,000. This will provide more opportunities for rural sporting talent to develop and to encourage more young people in rural areas to participate in sports and other kinds of organised physical activity. Four fields were completed in 2015, with 10 additional fields set for completion in 2016.

Madam Speaker, Government has also allocated \$3 million for the upgrade and maintenance of the Government-owned sports facilities across Fiji. Work was completed on Lawaqa Park this year, and is set to begin on the Fiji Flour Mills Gymnasium in 2016. The Fiji Sports Council will prioritise its projects based on which facilities need urgent work and shall receive \$500,000 for its operations.

Madam Speaker, we are justifiably proud of the respect we have earned in world rugby and of the way champion athletes like Vijay Singh have carried the flag of Fiji throughout the world. We can parlay Fiji's love of sports and its reputation into huge economic opportunities and even greater national prestige.

Madam Speaker, we are happy to announce that Government will allocate \$2.6 million to host the Crusaders versus Chiefs Game on 1st July, 2016 in the first ever Super 15s match ever played outside Australia, New Zealand or South Africa, at the National Stadium with the exception, of course, the first match which was played outside was at Twickenham after the exceptional situation of the Christchurch earthquake five years ago. This investment, Madam Speaker, will showcase to the world that we Fijians can do and to show Fijians that we can aspire to world-class status in anything we choose. It will also bring home professional rugby to many of our aspiring rugby players.

Madam Speaker, we will also dedicate \$9 million to continue hosting the Fiji International Golf Tournament. FNPF will also refurbish and upgrade the Natadola Bay Championship Golf Course, to be designed by Vijay Singh, to meet the high standards of the Professional Golfers' Association and to ensure that our tournament becomes an institution on the PGA Tournament. Put simply, it makes Natadola a more enjoyable golf course and more importantly, the real estate around it becomes more attractive.

Speaking of Vijay Singh, Madam Speaker, we are also pleased to announce today that he has agreed to represent Fiji in the 2016 Olympic Games in Rio de Janeiro, where golf will be played in the Games for the first time.

Madam Speaker, we add to that an allocation of nearly \$1.4 million to host 16 international sporting events in 2016, including the Oceania Weightlifting and Swimming Championships. We believe we are well on the way to making Fiji a premier destination for major international sporting

events, and that is good for all Fijians. These events require an upgrading of existing sports facilities, including Vodafone Arena and the Hockey Turf, which is allocated \$3 million.

Madam Speaker, we will also continue to fund the bringing in of professional coaches for the various sporting groups in Fiji including netball, rugby, football, cricket, to name a few, and of course, boxing.

Agriculture

Madam Speaker, moving on to agriculture; agriculture is the backbone of the country's economy, accounting for around 9.3 per cent of Fiji's GDP. We cannot overstate the importance of agriculture for rural development, food security and better national health.

Government's Agricultural Policy is focused on helping Fijians provide for themselves and their families, and we pay special attention to competitive exports. We promote farming as a business, as opposed to farming as just a way of life. Farming today is a highly specialised occupation as our Minister of Agriculture will tell us.

A farmer today is part entrepreneur and part scientist. He invests cash and sweat in his business and toils long hours, yet he can see all his investment and labour wiped out by drought, disease or an unforeseen weather event. Our farmers know their business, and Government is taking a "bottom-up" approach to agricultural policies and programmes. The Ministry listens to farmers, responds to their needs, and keeps an eye out for opportunities in the market.

The "Green Growth Framework for Fiji" makes clear the need to ensure food security by farming more efficiently and managing competing demands for land with efficiency and sensitivity.

The 2016 Budget for the Ministry of Agriculture has been increased from \$64.9 million in 2015 to \$76 million in 2016. Government has provided funding support in areas of our competitive advantage that we believe will increase production, farm incomes and, of course, GDP.

Madam Speaker, this is all about modernising the agriculture sector, and one important step Government is taking is to revive the Agriculture Marketing Authority (AMA), which helps smallholder farmers in remote and isolated areas sell their produce. The Authority buys produce from farmers in rural, interior and maritime areas and sells it to local and overseas markets. This important programme promotes agricultural activity among these communities. The Authority will receive increased funding of \$5.6 million in 2016 to fund infrastructure improvements and to ensure that the farmers we are helping understand and meet the new international standards for exports.

To further assist small farmers and farmers in the most remote areas, Government will provide an allocation of \$800,000 to purchase new agricultural implements and machinery, like tractors and cultivators. This will help bring farming in Fiji into the 21st century by mechanising processes that are currently done by hand, saving farmers both time and money. Farmers can apply in groups for a Government subsidy that will allow for the purchase of specialised machinery.

The Land Clearing Programme has been allocated \$500,000 in 2016. The programme assists farmers by subsidising the preparation of land for farming. The subsidy covers 90 per cent of the cost of land development, and will help them expand farming operations by reducing their costs.

In addition, a sum of \$1 million is also provided for the Rural and Outer Island Agricultural Development Programme, which focuses on projects that improve food security in remote and

maritime areas by constructing the necessary infrastructure. Madam Speaker, 45 projects were completed in 2015, and we have targeted an additional 50 for 2016.

Government has allocated \$300,000 to promote agriculture through Fijian Trade Missions in the European Union and China, and the Ministry conduct weekly Demand Surveys in the United States and Australian markets. This is to improve information on supply and demand in import and export markets.

We are pleased to report that the International Fund for Agriculture is providing \$2 million through a four-year loan to fund the Fiji Agricultural Partnership Project, which will support agribusiness in the provinces of Ba, Nadroga/Navosa and Naitasiri, through 2019.

Madam Speaker, managing precious water has never been more important than it is today, and Government has allocated \$820,400 for the Land and Water Resources Management Division, headquartered in Raiwaqa and with administrators in Luvuluvu, Ba, Navua and Labasa. The Division's engineers, environmentalists and other staff work with other Government agencies to provide technical services and advice to develop sustainable practices, manage water resources and improve crop yield.

Madam Speaker, Government is committed to providing essential services to farming communities through Extension Services, and we have allocated \$914,000 to increase staff mobility, facilitate day-to-day logistical operations and purchase new office equipment.

Government will continue to support industry development programmes across the country to assist farmers with the necessary tools, resources, infrastructure and expertise for specific crops. \$350,000 is provided for the Rice Revitalisation Programme, \$500,000 for the Coconut Development Programme, \$530,000 for the Cocoa Revitalisation Programme, \$800,000 for the Ginger Development Programme, \$50,000 for the Vanilla Development Programme, and \$100,000 for the Cottage Industry Development Programme.

Most importantly, Madam Speaker, Government will launch two new agricultural initiatives in 2016 to support *yaqona* and *dalo* production to meet increased overseas and domestic demand. Government has allocated \$1.7 million for this assistance. Current *dalo* production in Taveuni has suffered from a decrease in fertility, so farming operations are being relocated to the flat areas in Naitasiri. The Ministry of Agriculture will work with farmers in these regions to build capacity for *dalo* production to meet the increased demand.

The Coconut Development Programme has proven to be a success, with more than 480,000 seedlings already replanted. The target is to replant one million coconut trees over the next two years.

The Ginger Development Programme has been increased by \$300,000 to assist farmers with land preparation and procurement of seedlings and agro inputs. This increase is attributed to increased demand in overseas markets for ginger.

The Extension Division is providing rice machines and other services to rice farmers to develop potential rice areas, and assisting rice farmers in the North to increase production.

The Ministry has significantly improved the lives of rural women through the Cottage Industry Development Programme, and this important work will continue in 2016.

The goal of the *Yaqona* Revitalisation Programme is to increase production through mechanisation, increase cultivation of highly recommended varieties, provide training for farmers to improve the quality of kava, and strengthen market linkages between buyers and producers.

The Ministry aims to increase cocoa production in 2016 by opening new areas to cultivation and rehabilitating existing plantations. Initially, we expect to export around 12 tonnes of dry cocoa beans to Australia annually.

Government will allocate \$1 million for the Livestock Rehabilitation Programme, an ongoing activity that supports the growth of the livestock industry through proper artificial insemination. The target in 2016 is to inseminate 2,000 cows.

Madam Speaker, we must also ensure the health of our livestock, so Government will continue efforts to eradicate brucellosis through the Brucellosis Tuberculosis Eradication Campaign, which is funded at \$1 million.

Government will allocate \$1.4 million for watershed management, focusing on the construction of check dams to regulate the peak flow of flood waters during periods of high-intensity rainfall to reduce the impact of flooding in the lower river basin. These small-scale structures work in many ways to mitigate the effects of drought and control sediment. The funding is specifically for the construction of the reinforced concrete retention dam in the Namosi Tributary and in the Nadi Watershed. A total of four Retention Weir Dams have been constructed.

Drainage and Flood Protection Projects are allocated \$6 million. Priorities for 2016 are the dredging of the Sigatoka River and continuing work on the Rewa and Labasa Rivers by the Government-owned dredgers.

Government believes that better farming roads will lead to better production, and we have allocated \$2 million for this activity. Developing new farm roads and improving existing ones will make farming areas more accessible and reduce travel time to and from farms. Everyone will benefit by the improved quality of agricultural products, greater consistency of supply, and increased acreage under cultivation.

The Rural and Outer Island Programme is allocated \$1 million. This is an integrated market-driven agricultural programme to help rural and outer-island farmers meet market demands. It is not a hand out programme, Madam Speaker, applicants must contribute to the programme through land lease, labour and aid in kind.

Government is allocating \$2 million for the Drainage Subsidy, which funds the three Divisional Drainage Boards that maintain and operate drainage schemes under their jurisdictions.

Fisheries and Forests

Madam Speaker, the Ministry of Fisheries and Forests is funded \$26.3 million for 2016 to carry out its responsibilities to promote the sustainable development and management of Fiji's fisheries and forest resources.

Grants and transfers account for \$2.8 million, including the Operating Grant to the Fiji Pine Trust. That Grant has nearly doubled in 2016 to \$550,000, with the aim of extending pine plantations in Fiji where landowners manage forests, sell logs and receive full stumpage.

Government has also allocated \$700,000 in 2016; an increase of \$200,000 to continue the construction of the Multi-Species Hatchery in Ra, which actually has been delayed for some time. The Project will eventually produce freshwater marine fish fry and post-larvae prawns and shrimps. These can be used for cultivation - to reseed the overfished reefs, to feed or generate supplementary income

for rural populations, to open opportunities for aquaculture export markets, to relieve inshore fishing pressure, and to create opportunities for employment.

The ice plant in Ahau, Rotuma, will be completed in 2016 with funding of \$600,000. This was a two-year project.

Government has allocated \$2.6 million for the forest conservation information systems and databanks through forest inventory, GIS and remote sensing, forest surveys and national forest monitoring systems.

The Reducing Emission from Deforestation and Forest Degradation Project or REDD+, will continue in 2016 and is funded at \$100,000. In 2015, the Ministry conducted all baseline assessments for the Emalu site in Navosa for the REDD+ Programme and did necessary work for the Forest Carbon Assessment Programme, a carbon-trading programme that compensates Fiji for preserving forests and reducing carbon emissions.

Lands and Mineral Resources

Madam Speaker, the Ministry of Lands and Mineral Resources plays a pivotal role in Fiji's national development by helping land developers, tenants, investors and indigenous landowning units put land to productive use.

The Ministry administers State-owned land, which comprises 4 per cent of land in Fiji and generates approximately \$11 million in ground rental annually. Since much of the State's land is located within major urban centres around the country, its effective management is crucial to national development. The Ministry's total budget in 2016 is \$31 million.

Madam Speaker, \$4.6 million is allocated for Geological and Mineral Investigation in 2016, including \$1.2 million for surveys and assessments of potential mineral and groundwater sites. This work provides valuable information to potential investors and gives the people of Fiji access to clean and safe water.

Groundwater Assessment and Development for Large Islands is allocated \$750,000, nearly triple the 2015 allocation for this Programme, which will allow people facing water scarcity in rural areas have access to clean and safe drinking water generated from boreholes.

We are allocating \$2.7 million for the development of State land, an increase of \$900,000, in order to develop all vacant and under-utilised State land to its best condition, and lease parcels out for productive use. Development work includes roads and accesses, water supply, sewerage, power supply and drainage, after which maintenance becomes the responsibility of the relevant national and local Government authorities.

Industry, Trade and Tourism

Madam Speaker, the Ministry of Industry, Trade and Tourism is allocated \$58.9 million in 2016.

Madam Speaker, Fiji is attracting more investor interest by the day, and Fijian exports are growing. Fijian investors are confident, and foreign investors are optimistic about what Fiji can offer. Tourism continues to go as the word spreads that Fiji is a vacation destination that stacks up to any in the world. This is the result of hard work by the Fijian people and sound Government policies and plans that are executed in large part by the Ministry.

Madam Speaker, tourism has driven tremendous economic and social growth, increased Fiji's prestige in the world, encouraged development and raised living standards. Every dollar we invest to attract visitors is repaid many times over. So, Tourism Fiji's Marketing Grant has been increased from \$23.5 million to \$30 million. This is money well spent to encourage people in our most important target markets to visit Fiji. The increase will intensify that effort and support promotion in new markets with strong potential.

The allocation for Micro and Small Business Grants has been increased from \$1 million to \$2.2 million. Government initiated this Programme in 2015 to provide assistance for start-ups and improve the quality of products and services for existing micro and small businesses. This Programme, Madam Speaker, is highly successful.

The Department of National Trade Measurement and Standards (NTMS) is allocated a budget of \$3.5 million to carry out its mission of protecting consumers from unsafe and poor-quality products, adopting quality standards, maintaining the nation's system of units and standards of measurement, and generally creating favourable conditions for the exchange of goods.

Government has provided \$2 million for the purchase of laboratory equipment for NTMS in 2016. This equipment will include an automatic bell prover for certifying weighing instruments, vapour meters for liquefied petroleum gas, and instruments to improve accuracy in measurements by land surveyors.

Sugar

Madam Speaker, Government has made the prosperity and future viability of Fiji's sugarcane industry a priority. The days of talking about survival are long past. Some 200,000 Fijians dependent on the sugar cane industry and a healthy cane industry benefits all Fijians. Eight years ago, Government intervened to put a comprehensive series of reforms into action, and these reforms have been producing a remarkable turn-around.

In 2016, the Ministry of Sugar is seeking to collaborate with international organisations to fund capital projects to improve harvesting and transportation for cane growers. Overall the budget for the Ministry is \$23.8 million in 2016, an increase of \$12 million over 2015.

Government has increased funding for upgrading of cane access roads, from \$2.5 million to \$3 million. This Project will involve grading and gravelling of cane access roads, drainage work, installation of culverts, and construction of crossings.

In 2016, Government will continue to provide funding for fertiliser for sugarcane farmers. The allocation will be maintained at \$9.7 million in 2015.

Government will continue the allocation of the Sugar Development Programme at \$5 million. This Programme has two elements; first, is the Cane Development Grants which targets farmers who have fallow land and new growers who lack start-up capital. The Ministry projects that 2,060 hectares will be planted under this Programme.

The second is the Cash-Back Incentive Scheme which incentivises growers with the resources to plant new cane at a total of \$400 an acre. This Scheme can generate an additional 3,000 acres under cultivation.

Public Enterprises

Madam Speaker, Government is committed to a rational and pragmatic reforming Fiji's public enterprises so that they serve the public interest efficiently and support economic growth. Government should do that because it does not do everything best which can be done by the private sector, and State-Owned Enterprises must always be commercially viable.

Government has wholly or partially divested some assets in order to work with the private sector to improve performance and increase efficiency.

The Amendment to the Public Enterprises Act 2014 charges the Ministry of Public Enterprises with oversight of 25 State-Owned Enterprises and the Ministry has been allocated \$16.1 million in 2016 to carry out that role.

Madam Speaker, the Biosecurity Authority of Fiji (BAF) is on the front lines protecting Fiji from invasive pests and ensuring that Fiji's trading partners are assured that our export crops are safe to import into their countries. It is a job of constant vigilance requiring careful management and scientific precision, and it relies on the absolute integrity of the people who manage the inspections.

BAF will receive a Capital Grant of \$5.7 million, up from \$2 million last year, which is a measure of Fiji's commitment to unquestionable quarantine services at all ports of entry. In 2016, Government will fund the construction of a new Transit Containment Centre in Suva and Lautoka, and termite operations and construction of wash bays and mobile treatment facilities for Natovi, Savusavu, Kadavu, Rotuma, Nabouwalu, Natuvu and Taveuni Ports.

The Government Printing and Stationery Department (GPSD) is allocated \$2.7 million in 2016. Government solicited expressions of interest last February for the sale of GPSD. We would like to promote high-quality printing, particularly for export, and we are in negotiation with preferred investors, one of them is a major Fijian enterprise.

Madam Speaker, the potential divestiture of GPSD is not the only reform we are pursuing in order to modernise and more importantly, maximise the potential of these State enterprises.

As highlighted earlier on, Madam Speaker, the Honourable Prime Minister signed the divestiture of the shares agreement yesterday. We hope to also, as highlighted again, continue the divestiture of some of the shares with some very well-known international management companies that are interested in Airports Fiji Limited.

We have already received expression of interests for FEA and we are looking at partial divestment and conversion to a commercial entity with both public and private ownership. Separating FEA's regulatory and commercial functions would promote competition and lead to efficient and affordable electricity services to the general public. FEA will perform a review of the Electricity Act in 2016.

Government completed the sale of eight vacant lots at Kalabo Tax Free Zone (KFTZ) in July and generated \$5 million, Madam Speaker. To maximise return and promote investment, Government will be looking to sell the remaining two properties at the Tax Free Zone.

Finally, Madam Speaker, Government is working with the Fiji National Provident Fund (FNPF) to sell 10 of its foreign-mission properties: four properties in New Zealand, two in Australia, three in the United Kingdom and one in Brussels. The sale of the foreign-mission properties will increase FNPF's foreign investment portfolio for the benefit of its members, and reduce Government's

management and maintenance obligations for offshore properties but also keep these properties in the hands of Fijians right down to the grassroots.

Finance

Madam Speaker, the Ministry of Finance will be leading several of the reform initiatives we have outlined in our budget presentation. It is provided with a budget of \$90 million in 2016, an increase of \$9.2 million primarily directed towards FRCA. FRCA's budget has also increased.

A sum of \$40.7 million is provided for FRCA's operating budget and another \$10 million is allocated to fund FRCA's capital expenses. This will mainly be focused on the upgrading of ICT infrastructure to improve communication and service delivery, and the new technology to connect cash registers to FRCA's offices.

The Fiji Bureau of Statistics has been allocated \$6.2 million in 2016, an increase of \$1.4 million, to hire 17 additional staff to strengthen the Department's analytical capacity to meet increasing demands for detailed statistics (clear and accurate statistics) and the development of new economic indicators.

The Strategic Planning Office is allocated \$6.1 million, to ensure the implementation of new divisional capital projects and the hiring of 13 new staff to assist with the Climate Change Section and the Capital Monitoring Unit.

The Aftercare Fund provides monthly allowances, medical assistance, educational assistance and death benefits to ex-servicemen or their beneficiaries will be funded at \$8.8 million. This is an increase of \$400,000 over 2015 in order to meet the shortfall in the budget for the current recipients, who now stand at 6,768 people. The Aftercare Fund will cater for an additional 137 applicants in 2016.

Pensions

The Pensions budget, which is administered by the Ministry of Finance, will be maintained at \$42.3 million in 2016.

Local Government and Environment

Madam Speaker, the Ministry of Local Government and Environment is provided \$35 million in 2016, an increase of \$2.4 million over the 2015 level. The Ministry's five-year Strategic Plan supports Fiji's economic growth, promotes sustainable development and seeks to improve the services that Government provides to all Fijians through 2019.

The construction of the Naboro Landfill moves to Stage Two and is allocated \$1.7 million. This will provide future space with, at least, six months of contingency airspace remaining.

The construction of a Waste Transfer Station to improve environmental health in the Central Division is allocated more than \$2 million. The Division is one of the most inefficient areas in waste management, largely because the options available to properly dispose of solid waste are expensive.

The National Fire Authority is provided \$4 million to purchase fire trucks and ambulances; fire appliances and personal protective equipment and to build fire stations and satellite stations, including the Nabouwalu Fire Station. An additional \$900,000 is allocated to procure and install fire hydrants in strategic locations around the country.

Madam Speaker, a total of \$7 million is allocated to complete the Albert Park Redevelopment project in Suva. The Albert Park is at the heart of our capital city, a point of pride for the Fijian people and a focus of civic and family activity. The redevelopment of Albert Park will enable organisations to host major events in the country with an improved playing facility to hold national functions.

The Lautoka City Council will receive \$2.8 million, Madam Speaker, to begin work on the redevelopment of Churchill Park. We need to have the same type and same calibre of facilities that we have in Suva out in the Western Division, Madam Speaker.

The Challenge & Investment Fund for Municipal Town Councils is provided \$4 million to help Municipal Councils fund upgrading and maintenance of specific capital projects on a shared basis in partnership with private business. It is a public-private partnership challenge and investment fund that provides seed capital and working capital for all 13 Local and Municipal Councils to use in these partnerships.

Funding for 2016 will support the upgrading of Rakiraki Market facilities, the extension of Garvey Park, onstruction of the new Namaka Market, the upgrading of Johnny Park, Ganilau Park, Nayawa Recreational Centre and Riverbank Development and extension of Garvey Park.

Madam Speaker, the Lautoka City Council will receive \$250,000 for preliminary work to build the first ever public swimming pool at the Lautoka Botanical Garden. The project will include beautification of the area, and the total cost of the project will be approximately \$1.6 million.

The Nasinu Town Council will receive \$500,000 for preliminary work to build a stadium at Valelevu Ground. The proposed stadium will include two changing rooms, a pavilion with seating capacity of 3,500 people, public conveniences, a medical room, a media room and a car park. The total Project cost is \$3.45 million.

Madam Speaker, Government is allocating \$1.9 million to develop town centres in rural areas of five provinces that have been identified as growth centres. These include; Nabouwalu Centre in Bua, Seaqaqa in Macuata, Vunidawa in Naitasiri, Keiyasi in Nadroga/Navosa and Korovou in Tailevu. Funds for 2016 will be directed towards the development of the Keiyasi, Nabouwalu and Seaqaqa sites.

Infrastructure and Transport

Madam Speaker, the Ministry of Infrastructure and Transport is a linchpin ministry because it plans, regulates and carries out activities that help drive economic growth, protect and raise the country's standard of living and ensure public health and safety. It is also critical to many activities carried out by other ministries and the private sector.

The Ministry's budget for 2016 totals \$122.2 million, with \$61.4 million allocated for operations and \$56.7 million allocated for capital expenditure. This is an increase of \$9.2 million over the 2015 level, mainly due to increases in operating costs for the LTA and new capital expenditures.

The Operating Grant for the LTA is increased from \$15 million to \$18 million, but its Capital Grant is increased to \$6.5 million for new projects, such as an Electronic Queue Management System and other system upgrade. The overall increase will provide the additional 71 staff required for law enforcement and road safety and will meet operational expenses for LTA and four new offices around the country; in Nabouwalu, Lekutu, Korovou and Navua.

The Maritime Safety Authority of Fiji's (MSAF) Operating Grant is also slightly increased to \$2.5 million.

Madam Speaker, the Government Shipping Services (GSS) is funded at \$22 million to allow it to provide important services and development to Fiji's maritime communities with a modern, well-provisioned fleet. Major activities include the second phase of the re-construction of the Government Wharf at a cost of \$2.9 million and the upgrade of GSS Building, which is budgeted at \$2.3 million.

The GSS will also receive \$5 million to purchase a new vessel. We are amending the law to allow for older but refurbished vessels that have met maritime safety standards to be imported in Fiji. This will provide more competition and more services to the Maritime dwellers in Fiji.

The Meteorological Services is provided a new allocation of \$1.3 million to replace the aging and worn out Nadi radar antenna components. These components are more than 20 years old, and Madam Speaker, with the unpredictable weather pattern we face, we cannot afford not to replace it.

Fiji Roads Authority

Madam Speaker, the FijiFirst Government and the Bainimarama Government that preceded it have made the upgrade of the nation's roads a matter of urgency. We are about half way through our 10-year plan to essentially create a new, modern land transport infrastructure.

Madam Speaker, FRA is allocated a total of \$635.7 million in 2016, \$79.8 million of which is for basic ongoing maintenance. Government is providing \$75 million for renewal and replacement of roads that are beyond reasonable repair. Around 230 kilometres of the sealed road network need major renewal, and more than 700 kilometres need resealing.

Government has also allocated \$7.6 million for the Capital Community Programme to improve the quality of roads in rural areas and enhance pedestrian safety through the construction of urban footpaths, and \$30.6 million upgrading and replacement of bridges has been allocated. There are still more than 100 bridges that are in danger of collapse and need to be urgently replaced. The maintenance and renewal of jetties in Savusavu, Vunisea in Kadavu and Natovi is provided \$11.7 million in 2016.

Madam Speaker, for the first time reached an agreement between all the four Divisional Commissioners and the FRA and they will next week be signing an agreement where they will identify roads that need to be fixed up immediately and \$50 million has specifically been allocated for the maintenance of rural roads, apart from other major projects in the Rural Roads Division.

Madam Speaker, street lighting is critical for safety - for motorists, pedestrians and for personal security. We have prioritised street lighting through the Streetlight Improvement Programme, which is funded at \$1.1 million, nearly all of that through a loan by the Asian Development Bank. Less than \$1.2 million comes from current funds. This is a good example of how debt can be used for investment that will actually produce growth. \$5.6 million will fund the installation of rural street lighting systems.

Madam Speaker, a number of villages that have been identified from Suva all the way to Nailaga in Ba will be street lighted by May or June next year. Then another trench of villages along the Kings Road going towards Rewa past the Airport, will also be street lighted by the end of next year. There is a long list of villages but I will keep that for the Committee Stage discussions.

The ADB and World Bank are also funding renewal and replacement of roads to the tune of \$81 million, the upgrading and replacement of bridges, for which they have contributed \$16.2 million, and the upgrading of rural roads at \$7.7 million.

As highlighted, Madam Speaker, these agreements will be signed by the Divisional Commissioners. One of the major challenges that we face in particular, in making roads to

international standards, in particular in remote islands and some of the rural areas is access to gravel. Recently to build some of the good roads in Kadavu, they are looking at options of taking gravel or right aggregate from Vitilevu which is obviously very, very expensive. So many of these issues where we want to address long-term road construction needs to be addressed in the very fundamental manner and, of course, accessibility to gravel is very, very critical to this.

Energy

The Department of Energy's allocation is increased to \$34.8 million, and the Rural Electrification Project is allocated \$15 million. A number of new grid extension projects will be undertaken in 2016, and others in progress will be continued. The total allocation for these grid extension projects stands at \$7.5 million.

FEA is provided with \$7.2 million to establish a depot in Taveuni to allow it to oversee the supply and distribution of electricity to households in Somosomo. Four new grid extension projects are earmarked for 2016 and funded at \$2.6 million. They are in Lomaivuna Sector in Naitasiri, Wainivoce and nearby areas in Tavua, Nabukelevu and Nuku Village, and Lawaki Village to Wairiki District School.

The Tokaimalo grid extension in Ra is entering stage two of construction. This Project funded at \$2.2 million, connects 656 customers in 10 villages, 26 settlements and one school. The Koronubu-Namau Project, funded at \$1.8 million, will extend the FEA grid along Koronubu to Navala Village, benefitting 153 families. The grid extension from Lawaki Village to Navakuru/Suweni/Wairiki District School and Vatudamu/Keani Settlement in Cakaudrove province is funded at \$260,000.

Electrification of Rural Government Stations is provided \$400,000 to ensure operations in the four Rural Government Stations; Lakeba, Kadavu, Nabouwalu and Rotuma. Madam Speaker, \$900,000 is allocated for Phase 2 of the grid extension project that will benefit 125 households in the Bureiwei District and some 270 more in Nakorotubu District.

Madam Speaker, we are also happy to announce that from 2016 onwards, Government will no longer require the partial deposit of 10 per cent by various communities to have the grid extension to them. Government will now fully fund this and our main priority, Madam Speaker, is to identify all those communities that have been in the system for a long period of time and they will be the first ones to get the grid extension. One of the reasons why there has been a held up is, for example, if there were 10 homes in a particular area, they all have to pay \$2,000 each, maybe out of the 10 only five pay. That money has been held in trust and that money will be returned to them and that project will be done completely by Government.

Water

Madam Speaker, we all must be committed to extending adequate potable water to all Fijians and providing proper sewerage and sanitation systems. The Operating Grant for the Water authority of Fiji (WAF) is increased by more than \$10 million in 2016 to \$74.2 million, and the Capital Grant will be increased to \$176.3 million.

Major capital works to be implemented in 2016 include the replacements of bulk trunk lines, and further funding of \$31.1 million to improve water distribution. Government has provided \$24.4 million to further improve water treatment quality, \$14.1 million for replacement of old meters and \$8.7 million for Non-Revenue Water. We are providing \$13.1 million for wastewater treatment and \$15.4 million for wastewater distribution in an effort to connect Fijians in urban areas to the wastewater

reticulation and eliminate the use of septic tanks. We are providing \$5 million for the FRA counterpart funding for the relocation of existing water and wastewater pipes.

Madam Speaker, Government is maintaining funding at \$7 million to improve water and sanitation standards for Fijians living in rural settlements and \$3 million for improvement of catchment and water-source areas.

Madam Speaker, our rural communities are suffering the most from drought, and Government is also providing a new allocation of \$1.4 million for free water tanks for Fijians living in maritime and rural drought-stricken areas. A total of 2,000 water tanks will be distributed to these communities in 2016. Another new allocation of \$4.5 million has been provided for a Government subsidy programme for rainwater harvesting systems targeting areas that suffer from an intermittent supply of water. The programme will be expanded in 2017.

In 2016, Government is allocating \$5 million to complement \$5.7 million in funding from the Asian Development Bank for the Urban Water Supply and Wastewater Management project. The project will undertake preparatory works for the new water treatment plant at the Rewa River and the sewage extension at Kinoya.

Madam Speaker, we are also complying with the Job Evaluation Exercise, where all the non-management staff in FEA will be given their new pay rise as per the Job Evaluation Exercise.

Madam Speaker, we are also happy to announce that the community will no longer have to pay the 10 per cent partial deposit, Government will fully fund those projects where they need to have access to water and we will firstly address these matters where communities have already paid deposits, they will be the first to be the beneficiaries of this particular new initiatives by government.

Communications

Madam Speaker, Government is committed to spreading the benefits of technology to all Fijians. As recently seen by the Prime Minister receiving an award. We have been recognised for bridging the digital divide between the rural and the urban, the rich and the poor. The benefits of technological advances shall be equally accessible to all Fijians and not just the elite. In pursuit of this goal, the Ministry of Communications is responsible for providing coordination, support and leadership on all matters of policy, law, regulation and strategy for the Information, Communication and Technology.

A total Budget of \$26.4 million is provided to fund its operations. The International Telecommunications Union recently gave the Honourable Prime Minister a recognition because Fiji is recognised for harnessing the potential of information and communication technology in Fiji. We are taking another big step towards digital television and we have allotted \$2 million for the purchase of digital set top boxes that will allow Fijians to view the enhanced images and gain the advantages of digital television.

Madam Speaker, we also have a new allocation. We have also allocated \$350,000 to support local movie producers who want to make movie productions. We have advertised recently where the first ever trilingual soap opera will be produced in Fiji through the Fiji National University which will be shown in FBC through the PSV service. This \$350,000 will also encourage other producers. It will also be used to cultivate Fijian talents in writing and publishing their novels and this will be done through the Ministry of Communications team.

Office of the President

Madam Speaker, the Office of the President is allocated \$3.4 million for 2016, including \$1.4 million for capital projects. This includes the recreation facility and Stage II of the Coronation Ground Drainage Project.

Office of the Prime Minister

The Office of the Prime Minister, Madam Speaker, is allocated \$15.5 million which represents a slight increase of \$1.2 million compared to 2015. The funding for the Fiji Mahogany Trust is also maintained at its 2015 level with an allocation of \$250,000. The allocation for the Prime Minister's Small Grant Scheme is also maintained at \$7 million. The support to Funds for the Education of Needy Children (FENC) will continue in 2016 at \$200,000.

Office of the Attorney-General

Madam Speaker, the Office of the Attorney-General is allocated \$18.3 million. A budget of \$5 million is allocated to enable the Legal Aid Commission, as we mentioned, to provide services in those areas that I had highlighted and the funding is channelled through the Attorney-General's Office.

Madam Speaker, to cover the associated legal costs of providing refuge for Pacific Islanders displaced by the effects of climate change, and to look at the legal implications, we have allotted \$50,000.

Madam Speaker, \$1.9 million has been allocated for Government's Domestic Air Service Subsidy Programme for Fiji's domestic air service providers, Fiji Link and Northern Air, to operate flights to areas within Fiji that would not otherwise be commercially viable, such as Koro, Gau, Ono-i-Lau, Cicia, Lakeba, Rotuma and Vanuabalavu. Reliable air services to Fiji's outer islands provides critical access to services and markets for the local populations and are also essential for unlocking the economic potential of these areas.

Parliament

Madam Speaker, the total budget for Parliament in 2016 is \$9.9 million, which is a \$962,600 million increase over 2015. The increase is due to a number of capital projects and an increase in sitting allowances for those Members in Committees. This will facilitate delivery of documents and reduce paper costs, with the IT upgrade that will also take place. A \$60,000 allocation is provided for the construction of a ramp for people with disabilities to enter this Parliament.

Auditor General

Madam Speaker, the Office of the Auditor-General has been allocated a sum of \$4.2 million in the 2016 Budget to carry out its important function in the transparent running of Government. This increase of \$143,600 over the 2015 level is to account for the increase in salary levels for audit officers. As discussed with the Auditor General, many officers leave after a period of time because there are better conditions elsewhere, so we have increased their salaries for them to retain their staff.

Fiji Elections Office

Madam Speaker, the Fijian Elections Office has been allocated \$6.4 million in 2016 to ensure that it will continue to operate at a high professional level and continuously seek to improve Fijian

electoral procedures. It will continue with the Electronic Voter Registration exercise and continue to inform Fijians, especially those turning 18, about the importance of voting.

Judiciary

Madam Speaker, a total budget of \$44 million is provided to the Judiciary, an increase of \$3.6 million when compared to the 2015 level. Part of this increase is due to the fact that the Judiciary has assumed responsibility for the Public Service Disciplinary Tribunal and Agricultural Tribunal. It also reflects increases in judges' salaries. \$2.5 million is allocated for upgrading and renovating the courts around the country, and \$7 million is allocated for extending the Lautoka High Court.

Director of Public Prosecutions

Madam Speaker, the Office of the Director of Public Prosecutions has been allocated \$6.1 million in the 2016 Budget, an increase of \$342,600 over the 2015 level primarily due to additional salary adjustments to incentivise the retention of legal and corporate staff.

Employment, Productivity and Industrial Relations

Madam Speaker, the Constitution guarantees every Fijian's right to economic participation, a just minimum wage, speedy resolution of employment grievances and disputes, and fair employment practices and conditions. Government is committed to doing everything in its power to uphold these rights for workers across the country, while at the same time helping employers grow and succeed.

The Ministry of Employment, Productivity and Industrial Relations is provided \$17.3 million in 2016, slightly more than in 2015, to account for an increase in the worker's compensation allowance. The National Occupational Health and Safety Service is allocated \$7.6 million.

Independent Commissions

Madam Speaker, Fiji's independent commissions directly serve the people in specialised areas where objective and non-political judgment is required. These commissions gain credibility, applying the law independently and are a valuable tool for democratic governance. They share the larger purpose of defending the dignity of the individual in society, keeping institutions and the people who serve the public accountable, and serving as a constant reminder that Government serves the people.

A sum of \$15.88 million is provided to fund the operations of the five Independent Commissions: the Human Rights and Anti-Discrimination Commission, the Accountability and Transparency Commission, the Freedom of Information Commission, the Public Service Commission and the Fiji Independent Commission Against Corruption.

Tax Policies

Madam Speaker, the 2016 revenue policies will accomplish the following objectives:

- Reduce the tax burden on ordinary Fijians;
- Promote investment and support economic growth;
- Achieve greater progressivity in the overall tax system;
- Adopt a low rate and broad-based tax regime;
- Respond aggressively to tax non-compliance; and
- Simplify tax administration.

Madam Speaker, as highlighter earlier on, a number of incentives have taken place in respect of duty reduction and duty in various areas, many of them I have highlighted but I would also like to highlight some of the ones that have not been mentioned, where duty of mini vans will be reduced from 32 per cent to 5 per cent, to promote transportation safety, particularly for ordinary Fijians. These are the mini-buses, many of them are used by ordinary Fijians. We want them to use new quality mini-buses and we have reduced the duty from 32 per cent to 5 per cent.

As I mentioned about the tyres, that will be all changed now.

Further to the removal of duty suspension scheme, all raw materials and practising materials will be duty free.

Duty rate will increase to 32 per cent for solar batteries and we have local producers of it unless they come with the vehicle.

Madam Speaker, again all old duty will be removed on sewing machines spare parts and consumable such as buttons, fasteners, needles and zippers.

A reduced duty of 5 per cent will apply to deodorants, underpants and briefs, baby garments, kayaks, auto rickshaws and air compressors.

Duty on what we call “tourism items” will be reduced from 32 per cent to 15 per cent, and these, of course, include a number of items as has been highlighted, Madam Speaker.

We also wish to highlight that for the first time in Fiji, we will be bringing a down town duty free shopping, which basically means that any accredited shop that has been certified by FRCA, if a tourist or a foreigner walks into that shop, they will be able to purchase those goods duty free as it will be marked and then pick those goods at the airport or at the port when they leave. This should, of course, enhance greater shopping experience in Fiji, give more opportunities for our businesses and also create jobs because you need more sales people and you also get VAT from those items.

Madam Speaker, to assist the poultry production in Fiji, we will reduce duty on day-old chicks and fertile eggs to zero per cent duty.

The fiscal duty for electrical cables that cannot be manufactured locally has been reduced from 32 per cent to 5 per cent and the import excise has been reduced from 10 per cent to 9 per cent .

We are also going to reduce duty or completely zero duty on fire-safety awareness equipment.

Madam Speaker, we get a lot of requests for duty free access of furniture that religious organisations, churches and various other organisations, including schools which are donated. In order to allow for that, we are going to give a one year exemption, where these items can be brought in at a fiscal rate of 5 per cent duty and 5 per cent excise for one year from today.

Please, if you are aware of any organisation that want to import these, please tell them to do so and they will be given these concession rates.

Madam Speaker, to strengthen Customs administration, the comptroller of Customs will now be able to dispose of goods that have been placed under lien for recovery of duty and penalty.

For ease of Customs business, importers will have the option to prepay or defer customs payment or pay in instalments for duty shortfalls that have been determined by investigations and audit teams.

Madam Speaker, to promote further development, Tax Free Zone is now extended from the Nausori Airport side of the Rewa Bridge (including the township boundary and beyond that) to the Ba side of Matawalu River. All those areas will now become the entire Tax Free Zone. Originally, as you know, it was marked from Korovou to Tavua. It will now extend all the way, including parts of Rewa, Tailevu and going across all the way to the boarder at Matawalu River after Teidamu.

All projects, Madam Speaker, must commence operations within 18 months from the date of provisional approval, and therefore, they will be able to receive this.

Madam Speaker, the credit card levy, in order to control our credit, will increase from 2 per cent to 3 per cent.

To ease the burden of tax and simplify administration, Contractors Provisional Tax will reduce from 15 per cent to 5 per cent and Certificates of Exemption will no longer be issued.

Madam Speaker, a tax deduction of 150 per cent will be allowed to foreign companies for capital expenditure incurred for the set-up of headquarters relocated to Fiji.

A 50 per cent tax deduction will be offered to businesses that supply Fijian-made uniforms to their staff, provided cost is not recovered from the staff.

To ease compliance for employers, the Employer Monthly Schedule can be lodged half yearly, if all employees are below the \$16,000 income tax exemption threshold.

The FRCA Gold Card taxpayer membership will be expanded to include taxpayers who have an improved tax compliance rating.

Taxation of entities under the Diplomatic Privileges and Immunities Act will be governed by agreements signed by Government.

Madam Speaker, FRCA will reinstate bad debts for collection of tax based on taxpayers' ability to pay.

An audit penalty will apply to all erroneous claims of losses.

Madam Speaker, there will be an extension of Tax Identification Number (TIN) requirements for governments and statutory bodies.

The 50 per cent export income deduction will be continued in 2016 whereby 50 per cent of income from exports will not be subject to tax.

Madam Speaker, there is a number of clarifications that have also been put in place regarding the STT and that has been now smoothed and streamlined.

A number of amendments have also been applied to the Stamp Duties Act, as you know, the micro finance businesses but also, Madam Speaker, we have identified areas where people are bypassing the paying of stamp duties, in particular, in inter-company loans where they are simply signing a deed. This will also now be caught under the new provisions of the Stamp Duties Act.

Madam Speaker, we are also relegating the power to waive stamp duty to the CEO FRCA to the sum of \$10,000 to fast track these applications.

As has been highlighted, we have also removed a number of those anomalies that have been put in place.

Conclusion

Madam Speaker, finally, I wish to thank you for this opportunity to present the 2016 Budget to this Parliament. We have actually seen a brief outline of what is contained in the Budget and the budget is more detailed. However, in the interest of time, I have cut this delivery short.

As you can see, Madam Speaker, the FijiFirst Government is working hard not just to manage Government's revenue but put in place a fiscal and regulatory regime that rewards hard work, honesty and initiative. We are trying to institutionalise through Government policies and programmes the inherent kindness and charity of the Fijian people towards their less fortunate neighbours. We are committed to giving Fijians the kind of education, health care and infrastructure that they deserve for a full life and we are certain that if we stay the course, Fiji will grow more prosperous, more healthy and more united each day.

Madam Speaker, I now have much pleasure to commend the 2016 Budget to Parliament and I do so with the concurrence of Cabinet.

Vinaka Vakalevu. May God bless Fiji.

(Acclamation)

SECRETARY-GENERAL.- The 2016 Appropriation Bill 2015 (Bill No. 23 of 2015), is set down for its second reading on a future sitting date.

MADAM SPEAKER.- I now call upon the Honourable and Learned Attorney-General and Minister of Finance, Public Enterprises, Public Service and Communications to move the Consequential Bills under Standing Order 51.

HON. N. NAWAIKULA.- Madam Speaker, I rise on a Point of Order. We have gone past 12.30 p.m. and perhaps, if Standing Orders could be suspended to allow us to sit beyond 12.30 p.m.

SUSPENSION OF STANDING ORDERS

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

That so much of Standing Order 23 be suspended so that we can continue with the motions before the House.

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

MADAM SPEAKER.- We will now continue as we still have a few agenda Items to complete.

I will now give the floor to the Honourable and Learned Attorney-General and Minister of Finance, Public Enterprises, Public Service and Communications to move the Consequential Bills under Standing Order 51.

2016 BUDGET CONSEQUENTIAL BILLS, 2015

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

That the following Consequential Bills to the 2016 National Budget be considered by Parliament without delay:

- 1) Service Turnover Tax (Budget Amendment) Bill 2015;
- 2) Tax Administration (Budget Amendment) Bill 2015;
- 3) Stamp Duties (Budget Amendment) Bill 2015;
- 4) Value Added Tax (Budget Amendment) Bill 2015;
- 5) Airport Departure Tax (Budget Amendment) Bill 2015;
- 6) Environmental Levy Bill 2015;
- 7) Customs (Budget Amendment) Bill 2015;
- 8) Customs Tariff (Budget Amendment) Bill 2015;
- 9) Excise (Budget Amendment) Bill 2015;
- 10) Fiji Revenue & Customs Authority (Budget Amendment) Bill 2015;
- 11) Medicinal Products (Budget Amendment) Bill 2015;
- 12) Pharmacy Profession (Budget Amendment) Bill 2015;
- 13) National Fire Service (Budget Amendment) Bill 2015;
- 14) Ship Registration (Amendment) Bill 2015;
- 15) Tertiary Scholarship and Loans (Amendment) Bill 2015.

Madam Speaker, pursuant to the Standing Orders, I beg to move that these Bills:

- 1) must pass through one stage at a single sitting of Parliament;
- 2) must not be referred to Standing Committee or other Committees of Parliament;
- 3) must be debated and voted upon by Parliament immediately after the vote on the 2016 Appropriation Bill 2015; and
- 4) that the time for the debate be limited to ensure that these Consequential Bills tabled today are debated and voted upon in the sitting of Parliament beginning on Monday 16th November 2015.

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

HON. A. SAYED-KHAIYUM.- Madam Speaker, these Bills will be circulated today to all Members of Parliament and I understand they have been circulated as we speak.

Madam Speaker, we probably have about a week and half to have a debate on these Bills. As highlighted, these Bills are all consequential to the Budget announcement and, of course, they have to be approved for it to come into effect from 1st January, 2016.

Madam Speaker, there is one particular matter that I would also like to highlight, that some of the matters that I had addressed in the Budget also have an impact on the current Bill that is before Parliament which is the Tax Bill. So, we are not presenting that in this Chambers but we will be sending the recommendations to the Committee to incorporate the Budget implications for the Tax Bill, and that Bill as we know, Madam Speaker, as discussed in the Business Committee Meeting, will also be debated (I understand) on Thursday that we are going to meet.

Madam Speaker, these Bills will, of course, only be debated once the Appropriation Act has been reviewed through the Committee Stage and then voted upon, and then we are saying that these Bills can be debated.

MADAM SPEAKER.- Honourable Members, the Bill is now open for debate.

HON. N. NAWAIKULA.- A point of clarification, Madam Speaker, I think the proper procedure is that, you table the Bills first so that we can be distributed with the Bills, and then we can debate on them.

MADAM SPEAKER.- Thank you, Honourable Member. This particular Item on the Agenda had been agreed to by the Business Committee.

HON. N. NAWAIKULA.- So, where are the Bills?

HON. A. SAYED-KHAIYUM.- Madam Speaker, if I can provide clarification to the Honourable Nawaikula, the Bills have actually been given to the House and will be circulated to you.

MADAM SPEAKER.- Honourable Members, the Business Committee had agreed that this motion be moved today, although there was a difference in opinion on whether there was a need to move these Bills under Standing Order 51. The question will be decided when this motion will be voted on.

The debate now is only on whether or not Parliament agrees that the Bills move more quickly than ordinarily permitted, that is the motion moved by the Honourable Minister under Standing Order 51. As the motion outlines, the Bills themselves will be debated during the sitting period beginning Monday, 16th November, 2015 and ending on Friday, 20th November, 2015. That is when the Bills will be debated on.

HON. ROKO T.T.S DRAUNIDALO.- My apologies, Madam Speaker. Standing Order 51 as you had correctly said, the matter was raised in the Business Committee and we wish *Hansard* to record here that the Opposition had opposed the use of Standing Order 51.

We thought that more time could have been given, Madam Speaker. It is not trying to be difficult, the last time we did this last year, there were all sorts of complications with the Land Sales Act, I believe it was. We do not know how many other Bills that we are going to have a look at but it is not unreasonable to ask, Madam Speaker, that there be a week or two allowed in December to look at this. The laws will still come into force on 1st January, 2016. That is all I wish to say, I do not wish to be used as a rubber stamp, not looking at things properly, and passing them through Standing Order 51.

MADAM SPEAKER.- Thank you, Honourable Member. Your statement as requested will be noted in the *Hansard* Report.

Honourable Members, Parliament will now vote. Does any Member oppose the motion?

HON. OPPOSITION MEMBERS.- Yes.

MADAM SPEAKER.- Since there are oppositions, Parliament will vote on this motion.

HON. ROKO T.T.S DRAUNIDALO.- Madam Speaker, can I ask for your clarification, does this process means that we will have the time curtailed for scrutiny in the Committee of the House? Is there a time limit or will time be given for that Committee to go through thoroughly the entire exercise, for example, if come Friday we do not finish at 12.30 p.m., we extend till what time, Madam Speaker? Can we go on for another day or two (Monday and Tuesday) the following week or what is being proposed here?

MADAM SPEAKER.- As had been agreed to in the Business Committee, we will go with the flow but certainly, there will be no time limit in the scrutiny of the Appropriations Bill. That being clarified, Parliament will now vote.

Question put.

Votes Cast:

Ayes	-	27
Noes	-	16
Not Voted	-	5

Motion agreed to.

PRESENTATION OF PAPERS AND CERTAIN DOCUMENTS

HON. A. SAYED-KHAIYUM.- Madam Speaker, in accordance with Standing Order 38, I present the following Reports to Parliament:

- 1) Report of the Auditor General: Volume 1 – Audit Report on Whole of Government Financial Statements and Annual Appropriation Statement 2014;
- 2) Report of the Auditor General of the Republic of Fiji: Volume 2 – Audit Report on the General Administration Sector;
- 3) Report of the Auditor General of the Republic of Fiji: Volume 3 – Audit Report on the Social Services Sector;

- 4) Report of the Auditor General of the Republic of Fiji: Volume 4 – Audit Report on the Economic and Infrastructure Sector;
- 5) 2015 Quarterly Appropriation Statement for 1st Quarter;
- 6) 2015 Mid-Year Fiscal Statement; and
- 7) 2015 Quarterly Appropriation Statement for 3rd Quarter.

MADAM SPEAKER.- Under Standing Order 38 (2), I refer the above-mentioned Reports tabled in Parliament to the Standing Committee on Public Accounts.

ADJOURNMENT

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

That Parliament adjourns until Monday, 16th November, 2015 at 9.30 a.m.

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

Question put.

Motion agreed to.

MADAM SPEAKER.- That bring us to the end of our sitting and I wish to take this opportunity to thank Honourable Members and guests who are present to witness the presentation of the 2016 National Budget. The Ministry of Finance has organised a light refreshment and I invite all Honourable Members and guests to join in the refreshment.

For the information of all the Members of Parliament, I have asked the Deputy Speaker to convene a meeting for those of you who may be interested in joining Parliamentary Friendship Groups with the Parliaments of Japan, Korea and Indonesia. These Groups are the same as those that existed in previous Parliaments and are open across all parties from both sides of the House. The membership is voluntary and Member driven. The meeting will be convened in the Big Committee Room shortly after today's refreshment. I request that you attend the meeting, if you are interested or want to learn more about these Groups.

I thank you very much and Parliament is now adjourned until Monday, 16th November, 2015 at 9.30 a.m.

The Parliament adjourned at 1.03 p.m.