

# **PARLIAMENT OF THE REPUBLIC OF FIJI**



## **PARLIAMENTARY DEBATES**

### **DAILY HANSARD**

**MONDAY, 16TH NOVEMBER, 2015**

**[CORRECTED COPY]**

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## **MONDAY, 16TH NOVEMBER, 2015**

The Parliament resumed at 9.35 a.m. pursuant to adjournment.

MADAM SPEAKER took the Chair and read the Prayer.

*(The Parliament observed a minute of silence in remembrance of the victims of acts of terror in France and Lebanon)*

### **PRESENT**

All Honourable Members were present, except the Honourable Prime Minister and Minister for *iTaukei* Affairs and Sugar, the Honourable Ratu S. Matanitobua and the Honourable Ratu N.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, 6<sup>th</sup> November, 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.

### **COMMUNICATIONS FROM THE CHAIR**

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

#### Conduct of Parliament Proceedings

I would like to thank the Whips for meeting last Friday and agreeing to the Batting Order, as well as working out the various speaking times which will enable us to complete the business before us.

We have a full week ahead of us as we envisage completing the Second Reading by Tuesday evening, then moving into Committee of Supply which will conclude on Thursday evening, as well as the Third Reading of the 2016 Appropriation Bill, 2015. We will then debate the Consequential Bills as well as the Income Tax Bill on Friday.

To enable the conduct of business to proceed smoothly, the Honourable Leader of Government in Parliament will be moving a procedural motion to allow us to make certain adjustments, as have been agreed to between the Whips. These require the limiting of breaks including lunch, which will be provided in the Big Committee Room for the whole of this week.

Welcome – Members of the Public

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

**SUSPENSION OF STANDING ORDERS**

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Madam Speaker, before I do so, through you, may I on behalf of all the Honourable Members, seek the House to applaud the effort of the Fijiana Team for their victory yesterday in New Zealand.

(Acclamation)

Madam Speaker, I beg to move:

That under Standing Order 6, so much of Standing Orders 23, 34 and 46 be suspended to allow the following during the sitting period beginning Monday, 16<sup>th</sup> November, 2015 and ending Friday, 20<sup>th</sup> November, 2015:

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

Thank you, Madam Speaker.

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

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Madam Speaker, and Honourable Members, this motion is purely procedural and as we know, the significance of the Budget debate and as has been agreed to in principle by the Business Committee and the Party Whips, the changes are necessary to enable us to complete the business before the House for this entire week.

I, therefore, commend this motion to the House.

Question put.

Motion agreed to.

**RESTORATION OF BILL IN THE ORDER PAPER**

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

That pursuant to Standing Order 97, that a Bill for an act to revise, simplify and consolidate the laws relating to the Income Tax Bill, 2015 (Bill No. 22 of 2015), be restored to the Order Paper at the stage it had reached in the previous session.

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

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Madam Speaker and Honourable Members, again this motion is purely procedural and has been agreed to by the Business Committee, I therefore, commend this motion to the House.

MADAM SPEAKER.- Honourable Members, the floor is open for comments but I must remind everyone that debate should not be on the merits of the Bill but only on whether or not the Bill should be restored to the Order Paper.

Question put.

Motion agreed to.

## **PRESENTATION OF COMMITTEE REPORT**

### Standing Committee on Justice, Law and Human Rights – Income Tax Bill

HON. A. SUDHAKAR.- Madam Speaker, the Committee on Justice, Law and Human Rights is ready to present its Report on the Income Tax Bill, 2015 (Bill No. 22 of 2015).

Madam Speaker, please allow me to make brief comments and observations regarding the Bill.

Madam Speaker, income tax forms a major part of the country's revenue, whether it is Company Tax, Business Tax or Personal (Pay As You Earn) Tax, they all contribute to Government's coffers from which, among other things, the Government provides essential services to the people and builds infrastructure via which these services are provided. No matter how much we may dislike the idea of paying taxes, we will all appreciate that the schools we gain education in, the hospitals we are treated at, the roads we travelled on and the security forces which protect us from interference are all funded by tax money.

The sectors from which tax is to be collected and the mechanisms which enable the authorities to collect it must be clearly defined and demarcated. It, therefore, becomes necessary to enact laws which direct us to the areas from which taxes are to be collected and also provide formulae and mechanisms to collect revenue for the progress of the entire nation. This Bill hopes to achieve all that.

The Income Tax Bill (Bill No. 22 of 2015) was referred to the Standing Committee on Justice, Law and Human Rights by this honourable Parliament on 27<sup>th</sup> August, 2015 for scrutiny with instructions to return a report in the November session of Parliament. I, on behalf of the Committee as its Chairperson, present that report today.

The Income Tax Bill addresses some of the many different aspects of taxation such as Income Tax, Social Responsibility Tax, Presumptive Income Tax, Withholding Tax, Shipping Income Tax, Company and Business Tax, Capital Gains Tax, Fringe Benefit Tax, Mining Tax, et cetera. Taxes touch the lives of each and every individual in one way or another. The Committee, therefore, ventured into hearing submissions from as many sectors as possible from around the country in the timeframe given.

The Committee started consultation in Suva with its first meeting on 31<sup>st</sup> August, 2015. Thereafter, the Committee toured the Western Division, hearing submissions which included Rakiraki, Ba, Lautoka, Nadi and Sigatoka. The following week the Committee travelled to the Northern Division and heard submissions in Nabouwalu, Labasa and Savusavu. The Committee also visited the Namosi Joint Venture Mining Operations to supplement information on Mining Tax. The Committee was also fortunate to hear Professor Lee Burns, the chief draftsman of the Bill, who attended the session on 2<sup>nd</sup> November, 2015 to brief the Committee on the various aspects of the Bill and to answer the queries which the Members had.

Madam Speaker, this Report examines and takes into consideration the written submissions received and oral evidence heard at the Committee's public hearings. The amendments, which appear in red colour in the text of the Bill for ease of reference, have been the result of many days and nights of hard work by the Committee and the Secretariat Staff in consultation with the experts from Fiji Revenue and Customs Authority and where drafting aspects were concerned in consultation with the drafters from the Solicitor General's Office.

On behalf of the Honourable Members of the Committee, I would like to express my sincere gratitude and appreciation to all those organisations and individuals, who made submissions and/or attended public hearings. The strength and depth of the Committee's inquiry rests with the voluntary commitment and time of groups and individuals, making submissions and appearing at public hearings. This was evident in the high quality of submissions received and with presenters at the public hearings, who candidly provided their opinions and advice to the Committee.

At this juncture, I would like to extend my sincere gratitude to the Honourable Members involved with the production of this bipartisan report, my Committee colleagues:

- Honourable Semesa Karavaki (Deputy Chair);
- Honourable Lorna Eden;
- Honourable Alvick Maharaj;
- Honourable Mikaele Leawere;
- Honourable Anare Vadei;
- Honourable Alex O'Connor;
- Honourable Salote Radrodro;
- Honourable Balmindar Singh;
- Honourable Ratu Sela Nanovo;
- Honourable Viam Pillay and;
- Honourable Vijay Nath.

I wish to thank the various television and radio stations for providing valuable airtime to Committee Members to interact with the public, and print media organisations, who provided positive coverage of the Committee's work which informed the public of the proceedings.

Also, to the Parliament Corporate staff for liaising with the Ministry of Finance to provide transportation for the Western, Northern and Namosi tours and the drivers - Koroi from the Fiji Police Force, Bula and Apenisa from the Fiji Corrections Service.

The Committee is thankful to the:

- Assistant Provincial Administrator, Mr. Jovesa Naqarikau;
- CEO Ba Town Council, Mr. Dip Narayan;
- CEO Lautoka City Council, Mr. Jone Nakauvadra;
- Special Administrator Nadi, Mr. Robin Ali;
- Provincial Administrator, Nabouwalu, Mr. Inoke Tuiwainunu;
- Commissioner Northern, Mr. Jovesa Vocea;
- Special Administrator Labasa/Savusavu, Mr. Vijay Chand;
- Provincial Administrator, Cakaudrove, Mr. Josefa Rokonai; and
- Roko Tui Cakaudrove, Mr. F. Naiqumu

for all their assistance to the Committee.

I also wish to extend my sincere appreciation to the FRCA staff who travelled with the Committee during tours and Committee meetings namely; Ms. Koni Ravono, Mr. Epeli Naua, Ms. Selai Bulamainaivalu and Mr. Vilimone Nailotei.

Lastly, I thank the Secretary General and her staff, who were either present during the Committee's meetings or assisted the Committee in one way or another namely; Kalo Takape, Sheron Narayan, Savenaca Koro, Akanisi Rumasakea, Lemeki Senibale, Jale Vuanicau, Mitieli Uculoa, Josefa Tarogi, Penijamini Valebuli, Maurice Shute, Kitone Bete, Ateca Ganey, Lavenia Ledua, Abraham Sanehi, Rahul Prasad and not forgetting the beautiful ladies in Hansard.

With those words, I commend this Report to Parliament.

MADAM SPEAKER.- Thank you, you may hand the Report to the Secretary-General.

(Report handed to the Secretary-General)

The Bill is now set down for debate and will be voted upon at a later sitting day.

#### **DEBATE ON THE 2016 APPROPRIATION BILL 2015**

HON. A. SAYED-KHAIYUM.- Madam Speaker, I move that a Bill for an Act to appropriate a sum of Three Billion, Ninety Million, Eight Hundred and Forty Thousand and Three Hundred and Twenty Dollars for ordinary services of Government, for the year ending 31st December, 2016, Bill No. 23 of 2015, be read a second time.

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

HON. A. SAYED-KHAIYUM.- Madam Speaker, I know we are all awaiting with awaited breath to hear the Honourable Leader of the National Federation Party to give his Right of Reply, and therefore, I will reserve my right to speak at the end.

MADAM SPEAKER.- The floor is now open for debate, and we will follow the Batting Order which has been agreed to by the Party Whips. We will start with the Honourable Dr. Biman Prasad as agreed to in the Business Committee. He may speak for the same amount of time as taken by the Honourable and learned Attorney-General and Minister of Finance.

HON. DR. B.C. PRASAD.- Madam Speaker, before I reply to the 2016 Budget Address, I wish to convey our best wishes to our former President, Ratu Epeli Nailatikau and Adi Koila Mara and hope that life after Government House will be fruitful and rewarding in all their endeavours.

I also extend our well wishes to the new President, His Excellency Jioji K. Konrote and First Lady Sarote Konrote. We are hopeful that the reservoir of goodwill and wisdom our new President accumulated during this distinguished career will greatly assist him in his most important role of being a symbol of unity for our nation.

Madam Speaker, I would also like to join other Honourable Members to add our heartfelt commendations to the Fijiana Team for their sterling performance yesterday, for qualifying for the Rio Olympics.

In adding to the Leader of the Opposition's statement on Saturday, may I also add our thoughts and profound sympathy to the people of France and extend to them our solidarity and hopes for fortitude and resolve as a nation. The power of humanity always prevails over fear and tyranny, Madam Speaker.

Madam Speaker, I thank the Honourable and learned Attorney-General and Minister of Finance for his Budget Address. We know, Madam Speaker, that the formulation of a budget always requires hard work and the input of a lot of people, and I want to thank all the staff from the Ministry of Finance who have contributed towards its formulation.

Madam Speaker, I have called this budget a "Deceptive Budget of a Confused Government."

HON. GOVERNMENT MEMBERS.- Oh!

HON. OPPOSITION MEMBERS.- Hear, hear!

HON. DR. B.C. PRASAD.- It has no clear theme or direction. It is all over the place or a political merry-go-around.

HON. GOVERNMENT MEMBERS.- Oh!

HON. DR. B.C. PRASAD.- VAT is reduced but the poorest will pay more VAT. Last year, the Government increased incentives for the tourism industry, now it has taken them away. Last year the Government increased duties on luxury items, now it has reduced them again. One year after vehicle imports were relaxed, they are now to be tightened. What is happening, Madam Speaker? To put it simply, this Budget is consistently inconsistent with Government's proposals, promises, objectives and targeted outputs.

Madam Speaker, the Honourable Minister says that this Budget is for a strong Fiji, a fair Fiji and a healthy Fiji. Last year his Budget was supposed to be *Turning Promises into Deeds*. All politicians used slogans to promote their policies, but I am afraid this politician seems to be doing things other way round and the Orwellian "opposite is the truth" reigns in this case. He seems to be using his policies to promote his slogans, buzzwords, tag-lines and indeed a typical fashion of an over energetic salesperson, but a Budget is not about drama and theatrics.

Madam Speaker, my lawyer friends tell me that the Honourable and learned Attorney-General and Minister of Finance is a much better politician than he is a lawyer. I am not a lawyer, so I am not in a position to judge that. But I am certainly in a position to judge his economic skills and I can assure this House that he is certainly a better politician than he is an economist. In his Address the Honourable and learned Attorney-General and Minister of Finance said that the Budget is more than money in, money out – that is correct. A Budget is an important policy instrument. It should tell the people, the business community and other stakeholders in the economy about what the Government is planning and where the Government is heading. Economic policies should be clear and consistent. In that way, the nation can plan ahead, work together, and achieve long-term economic growth. But this Budget, aside from its slogans and rhetoric, signals nothing more than a Government that is making things up as it goes along.

Madam Speaker, a politician's budget speech can make big promises with billions of dollars but the real question is whether he or she can deliver those promises. The Minister's last Budget was called *Turning Promises into Deeds*. But just how many of his promises has the Honourable Minister of Finance turned into deeds? Dramatic statements about the economy made in this House is not manifesting to what our people out there watching this debate feel in their pockets. Madam Speaker, a budget must not just look forward and promise. It must look back to what has been achieved and I will come back to that.

## **A Good Budget Process**

Let me start by talking about the budget process and its formulation. A national budget is a central political process in any country. Countries have different ways of formulating them. However, before we look forward to the next budget, we must have the information of our past financial performance. Businessmen have an old saying, “If you can’t measure, you can’t manage.” If we cannot measure where we have been, how can we manage where we are going?

Madam Speaker, before the budget is formulated and presented to Parliament, these are some of the things we need to know.

First, what was the performance against the Budget of the past year, that is, 2014? And what has been the performance against the Budget for at least the first six months in the current year, that is, 2015. This would allow Parliament to understand how well the Government has performed on its earlier budget promises. How else can we believe whether it will really turn promises into deeds.

Under the 2004 Finance Management Act and Regulations, the Honourable Minister of Finance must table in Parliament the quarterly appropriation statement and the mid fiscal year statement within two months of the end of those periods. This data used to be a regular feature on the Ministry of Finance website but no longer there. Quite troubling, however, is that the Honourable Minister of Finance missed all those deadlines and what has been tabled for the first time at the last sitting is really a poor reproduction.

Madam Speaker, on 21<sup>st</sup> May, 2007 the Financial Management Act (Amendment) Promulgation changed the Act and required recording by the Minister to Cabinet. However, the Promulgation also have stated it expires on the date of the next sitting of the Parliament, and all amendments made were to be nullified. Therefore, the Honourable Minister of Finance must comply with the reporting provisions of the Act in entirety and in a timely manner.

Madam Speaker, each Budget sector, that is, the departments and ministries must prepare and make publically available for each financial year an annual report which must be tabled in the Parliament. This report must:

- a) demonstrate the agency’s performance during the year;
- b) include its financial statements; and
- c) include other information required by the Financial Instructions.

Madam Speaker, in many of the Annual Reports I have seen this past year that were tabled in the House, I have been overwhelmed by staged glossy pictures struggling to tell a story, but underwhelmed by the facts of the story themselves which is how have people’s taxes positively impacted the lives and livelihoods. Similar accountability requirements are prescribed for Off-budget State Entities, that is, Commercial Statutory Bodies and Government Commercial Companies under Regulations 51 to 53. Most Budget sector agencies have failed to do this and this cannot be allowed to continue.

The Honourable Minister of Minister and the Honourable Prime Minister talk about transparency and accountability all the time. Indeed, if you listen to them long enough you would believe that they invented the idea. But if the Honourable Minister is truly as transparent and accountable as his rhetoric, he would tell us about how well his Government has performed on financial management and reporting. He has a chance to reply in this debate and I challenge him to tell Parliament in that reply which of his budget sector agencies have reported, which have not and which statutory bodies and government companies have reported and which have not.

It is not just Government spending that is important. Information and statistics are also important. If you cannot measure important aspects of our economic performance, how can we build good economic policies? The Government has given a bigger budget allocation to the Bureau of Statistics and that is welcomed. It is quite frankly more critical however that the Bureau of Statistics be left alone and independent so the nation, especially taxpayers, who foot the bill can receive honest and accurate information and whether the information is good or bad.

We know that the Bureau of Statistics has not released the information from its Household and Income Expenditure Survey of two years ago, including the number of households now living in poverty. We know that the information is available, why are we not being given that information? Is it because it does not suit the Government's slogans? How can meaningful policies be made for the poorest people in Fiji if we do not know who they are, where they are and how many there are or even how poor they are, Madam Speaker.

Madam Speaker, in a modern budget process, Government policies should not be a surprise. In a well-run economy, they will have been signalled months or even years before. Economic policies will change very little, because the policymakers will have a long-term plan and they will stick to it. The word to describe such an approach is a favourite word of the Honourable Minister's. It is transparent. But this Government's budget – secretive, surprising and full of U turns is the opposite of transparent.

### **Trust, Openness, Transparency and Accountability**

The Honourable Minister of Finance talked about Government believing in our people. Mighty fine words. But it works both ways. People must also believe in their Government. We are constantly told that we now have true democracy. The Honourable Minister speaks about true democracy as if he invented it. True democracy is not about how people vote once every four years, it is about how the Government accounts to people during the whole four years. This, however is a Government feared by the people. No one is willing to criticise the Government without first lowering their voices and looking over their shoulders. I mentioned this in my Budget process last year and not a lot has changed. We are told that there is an equal citizenry. However, if the army stops the police from arresting our soldiers suspected of a crime, is that equal citizenry? Regrettably this Government has created a culture of fear, secretiveness, arrogance and mistrust that is now pervasive in Fiji.

Madam Speaker, we have become a low trust country. I could not help but feel sadness at the tone of the Budget Address. The Honourable Minister lectured business people and accountants as though they were crooks. Now he wants to look inside every supermarket cash register. He is threatening business people who do not pass on VAT reductions to consumers with fines and imprisonment. Is this a Government which believes in people? It appears that this Government only believes in people who do not answer back.

(Chorus of interjections)

MADAM SPEAKER.- Order, order!

I am having trouble in hearing the Honourable Member. Please just tone down on your interjections.

HON. DR. B.C. PRASAD.- Madam Speaker, the Honourable Minister of Finance will have his right of reply so he should listen to me.

(Chorus of interjections)

MADAM SPEAKER.- Order, order!

You have on many times being very personal in the way you deliver your speech. Please address the issue and not an Honourable Member.

HON. DR. B .C. PRASAD.- It is about the Budget, Madam Speaker.

MADAM SPEAKER.- Yes, Budget but not the Member.

HON. DR. B.C. PRASAD.- In his Budget Address the Honourable Minister constantly talked about what previous governments had not done and what needed to be reformed. However, he has conveniently forgotten that for the past 10 years his Government has been in power. He complains that previous government inaction means Fiji has no surgeons, but what has his military government done about that since 2007? The Minister says there is a need to reform how the Government buys and looks after medicines and medical suppliers. But that reform, Madam Speaker, was announced with great fanfare a few years ago by the then Minister for Health of the Military Government. What kind of message does the Government send when a senior Government Minister becomes ill, the preference is for the Suva Private Hospital over the public hospital?

Madam Speaker, what we need is not only economic credibility and consistent policies, but equally crucial is political credibility. Political credibility's is earned through building trust and confidence in every sector of the society. This trust will come through openness, transparency and respect for different views and criticisms of government policy.

This, Madam Speaker, has been absent in Fiji even after the Elections. The Government has accumulated its control over the media and its constitutional promises of free speech are still empty because it will not repeal the draconian Media Decree. Civil servants, Madam Speaker, are too afraid to use their intellect to make decisions for fear of being sacked. When the Police Commissioner tries to do his duty and prosecute soldiers accused of torture, he is challenged and forced from office.

MADAM SPEAKER.- Point of order.

HON. A. SUDHAKAR.- Madam Speaker, Standing Order 62(4) – the Honourable Leader of NFP is not speaking on the Budget, he is speaking outside the scope of the Budget. He is talking about the military, he is making improper motives against the Honourable and learned Attorney General.

Listen to me! It is a Point of Order.

He said in this Parliament a while ago that some lawyers have told him that the Attorney General is not a good lawyer. I challenge him to name the lawyers because this is an offence under the Legal Practitioners Decree and I challenge him to name the lawyers and we will take them to task.

Now he is speaking outside the Budget, Madam Speaker, he is wasting the time. We, the Whips have agreed on a timeline and if he continues on doing that, we will never finish the Budget.

HON. A. SAYED-KAIYUM.- Sorry, Madam Speaker, the Honourable Draunidalo, I heard her call the Whip of the Government a “fool”. Is that parliamentary language, Madam Speaker?

MADAM SPEAKER.- Can you withdraw that word if you have said it.

HON. ROKO T.T. S. DRAUNIDALO.- I withdraw, I do not want to offend any fools.

HON. A. SAYED-KAIYUM.- Madam Speaker, just listen to her apology with due respect. She said, “I withdraw that because I do not want to insult the fools.” That is not any apology, Madam Speaker, she is taking us for a joke.

MADAM SPEAKER.- Order! Honourable Draunidalo can you just repeat what you just said.

HON. ROKO T.T.S. DRAUNIDALO.- I withdraw unconditionally. Can I now speak to the Point of Order, Madam Speaker?

MADAM SPEAKER.- I only asked you to withdraw, you do not have to question that withdrawal again.

HON. ROKO T.T. S. DRAUNIDALO.- No, no, I withdraw unconditionally.

MADAM SPEAKER.- Thank you, you may take your seat.

HON. ROKO T.T.S. DRAUNIDALO.- And now I am rising on a Point of Order. Has he completed?

MADAM SPEAKER.- He has not finished.

HON. A. SUDHAKAR.- Thank you Madam. My Point of Order was that the Honourable Leader of NFP, the interjection was in calling me a “fool” speaks of the calibre of the speaker. But then the Leader of the NFP has gone outside the bounds. The Whips had agreed to finish this debate by ....

MADAM SPEAKER.- Thank you, your point is clear. The point is that you are going outside of the issue which is the Budget. Please do not bring in the Commissioner of Police into your budget statement.

HON. DR. B.C. PRASAD.- Thank you, Madam Speaker.

MADAM SPEAKER.- Order, there is a point of order from the Honourable Draunidalo. Can we hear that point of order?

HON. ROKO T.T.S. DRAUNIDALO.- Madam Speaker, I think the honourable Shadow Minister for Finance, he is the spokesman appointed by the Honourable Leader of the Opposition. He is not here speaking as the Leader of the National Federation Party *per se*. He can get that right, number one.

Number two, Madam Speaker, discussion of the fundamentals - the rule of law, which is fundamental foundation to the economy should be free in the discussion of taxpayers' money. It should not be restricted, that is my Point of Order, Madam Speaker.

MADAM SPEAKER.- Thank you for your Point of Order. The Point of Order is really on the rules and procedures of the House, not on content. However, I had made a ruling on the content that has been mentioned. That Point of Order is irrelevant.

Honourable Dr. Biman Prasad you may continue.

HON. DR. B.C. PRASAD.- Thank you Madam Speaker. They now want to stop people from expressing their opinion.

Madam Speaker, unless we create an environment conducive to open debate, disagreements, transparency and accountability of every government action, Government's lofty statements in believing our people will remain elusive. Trust and confidence is only created by being open and transparent. Let me begin by unpacking this confused Government's and politician's budget.

### **GDP Growth Forecast**

The Honourable Minister is proud of Fiji's economic growth of 5.3 per cent for 2014. We were promised growth of 4.3 per cent in 2015 - declining but positive.

Many including the Honourable Minister of Finance talked about this plus-5 per cent growth as though it had never happened before. In fact, the average growth in the 1970s before military *coups* was around 5 per cent. Even in 2006, it was heading for 5 per cent mark until we had the military *coup*. In truth, 5 per cent growth is still a very ordinary performance. The question is, where did it come from?

First, we had Elections and a return to democracy, at least some kind of democracy that has boosted economic confidence. We did not have democracy in the years 2007 to 2012, and in those years our average economic growth rate average just 1 per cent per annum. The Honourable Minister is very proud of the recent economic growth figures, but he is very quiet about Fiji's economic growth during its first years in power. If he understood economics, he would know the concept of pent-up demand. All we are now doing is catching up on where we should have been 9 years ago. The real question is not how well we are doing. The real question is how much better we would be doing now if there had been no military *coups* and 8 years of military government. Hundreds of millions of dollars in productivity economic opportunity have been lost which Fiji will never recover.

Second, we have been borrowing and spending to keep up economic growth and we all know this is not sustainable.

Third, we have remittances. Few people understand the importance to our economy of remittances from our people working and living overseas - rugby players, security guards, nurses and care givers. Remittances kept the Fiji economy going in the low years of 2007 and 2010. Today, much family expenditure for funerals, marriages, church, religious activities, school and university expenses are funded by our overseas relatives. Madam Speaker, this is a testament of how robust our kinship ties remain regardless of geographical distance.

Last week, the Reserve Bank estimated that Fiji would receive about FJD430 million in remittances for 2015. This does not include the money that our citizens bring in with them in cash when they return to Fiji. Remittances are our second largest source of foreign exchange income ahead of sugar and behind only tourism. We receive remittances from the economic growth of other countries. We receive these remittances because our people can find better jobs overseas that they cannot find at home. This is a real credit to our people and their marketability, and even when I often lament how much Fiji loses out in terms of brain drain, I am completely sympathetic to their choices.

Our people work overseas because they cannot find opportunities to put their skills, experience and productivity to good use in their own country. The Government cannot therefore take credit for this but what the Government should be recording, is the wide dynamics of remittances from our people. This is not a soft research need but if done well with proper trends, and projections, it can actively feed into future policies like a transparent national register of offshore Fijian experts that the nation can call on when the need arises. Fundamentally, Madam Speaker, it must be made clear that remittances fund only consumption expenditure. Remittances do not multiply growth and jobs in the same way as proper investment does.

Production in the real goods sectors such as gold, fish and garments actually fell in 2014. Agriculture production as a whole fell by about 2.4 per cent in 2014. So, there is really no economic miracle. Pent-up demand, Government spending and the sacrifice of Fiji citizens offshore are why our economic growth figures re-buoyant.

What about the future? Even after all the borrowing and spending, is the Government's growth sustainable? Apparently not. Madam Speaker, 2014 growth was 5.3 per cent., in 2015 it is projected to be 4.3 per cent, it falls further to 3.5 per cent in 2016 and 3.1 per cent in 2017 and 2018. This is at a time when economic growth in the rest of the world will be on the rise or expected to be on the rise. Why is Fiji's growth declining? There are a number of reasons:

- a) The Government cannot keep borrowing and spending its way to economic growth. Like every household, you can borrow to have a party and everyone feels good for a while but pretty soon the party ends and then it is time to pay the bills. We cannot have a Government spending party on roads and airports every year. Yes, infrastructure is critical but not at the expense of three square meals a day of the taxpayers because the very same taxpayers who pay the bill for the party, for whom much is demanded every budget session.
- b) The Government is running out of tax tricks to keep spending consumer high. For 2014, they reduced income tax. These pleased many people, particularly the richest people whose tax bills went down, but it also put money into taxpayers' pockets to spend, so it increased consumer spending, boosted economic growth but the Government cannot cut income taxes again. This is a one-time trick.

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

- c) Disaster is looming for our sugar industry. In 2017, prices for our sugar will fall to less than half of what we are earning now and we all know this. We have known this for many years and in 2017, the collapse in the cane belt economy will begin. The income of farmers, cane cutters, rural shopkeepers and their families will be slashed. There are no tax tricks to turn this around and Government has no plans ready for this.

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

### **Employment, Wages, Salaries and Poverty**

Any growth in an economy, Madam Speaker, is good. There are always some benefits from it, but I think the most fundamental question is who is getting the benefit of this growth? Has it created jobs? Have wages and salaries of workers gone up? What has growth done for the poorest people in our society? The widening disparity between the haves and have nots, added to a thinning middle class sector will continue to weigh the economy down. This is basic economics, Madam Speaker, and that is why I continue to raise the issue about poverty. It is either we all grow together or we do not.

We do not have the poverty figures for 2013/2014 Household Income Expenditure Survey because the Government is not releasing it, the Bureau is not releasing it. But we should not expect any difference in the poverty rate compared to the previous Household Income Expenditure Survey

2008/2009. It is almost likely, Madam Speaker, that at least 30 per cent of our people, that is, one in three of Fiji's citizens live in poverty and possibly more. I am just wondering, it will be difficult for Qorvis to put up a spin on that reality, Madam Speaker.

Rural poverty has increased because of the declining agricultural sector and the sugar industry. This poverty will increase sharply in 2017, when sugar's day of reckoning arrives.

Madam Speaker, the Government's Budget Address took nearly three hours and yet only once did the Honourable Minister mention jobs, only once. When he did mention jobs, it was no indication of real jobs. He told us that Investment Fiji had received investment proposals for 2,903 promised new jobs.

The Budget Address is an endless list of promises but what are the facts between 2010 and June, 2015, 46,000 people registered at the National Employment Centre (NEC) looking for jobs. How many permanent jobs could they find? Only 5,600, that is about 1,000 jobs every year.

More than 12,000 of our young people will leave school this year as they do every year, and what plans does the Government have for them? Where will they find them? The Government is so fixated on growth figures, they have forgotten that growth must mean something to our people. They have a slogan but the people they serve cannot eat slogans, Madam Speaker.

Suva's latest retailed centre is Damodar City in Raiwaqa. It is very impressive. It has upmarket grocery stores, bars, restaurants and movies theatres. You can buy the best clothes, electronic and sports goods there. This represents investment and those who shop there create economic growth but the only poor people you see at the Damodar City are the children selling roti parcels, pies or *bu* in the park. This investment, this economic growth, Madam Speaker, has done nothing for them. In fact, for them, the biggest impact of this budget on the poor is the additional VAT that they will now pay on basic food items.

### **Revenue measures in the 2016 Budget**

Madam Speaker, the key revenue measures in the 2016 Budget is a strange and contradictory smorgasbord. From the viewpoint of fiscal management, they do not make much sense, Madam Speaker, indeed I can only think that the Government is looking for another slogan and that could be like this, "I lowered VAT more than the NFP promised." This too would be a fine slogan but in return, one is expected to trade in one's sense of rational logic.

We welcome the reduction in VAT and it is no secret, Madam Speaker, that the NFP and the Opposition campaigned vigorously in the 2014 Elections to reduce VAT from 15 per cent to 10 per cent but here is the funny thing. Every argument that we put forward, Madam Speaker, in favour of VAT reduction was rubbished by every FijiFirst candidate in the Elections. For example, in August 2014, the Honourable Minister for Education said and I quote,

"The reduction of VAT is not helping the poor because it is helping the rich and business people. These are the people who are paying the most VAT."

The Honourable Minister of Finance was also at the forefront to condemn any reduction. In September last year, he told his favourite newspaper the *Fiji Sun* the following, and I quote:

"By reducing VAT from 15 to 10%, the tourists and big businesses will be benefitting."

Clearly, Madam Speaker, the Government has had a change of heart. Of course, we are happy, Madam Speaker, very happy that the Government is actually trying to learn something from the Opposition.

(Laughter)

This is not a bad thing in democracy, Madam Speaker, and VAT which applies to everyone is not something we choose merely for political upmanship.

However, it seems that the Government and the honourable Minister of Finance have not been very good students of the argument we put forward in the last Election. Some of them obviously slept through some of those lectures because they have forgotten a very critical element in the policy mix, which is that when you remove zero-rating from essential VAT items, especially food items which the poor were buying, you must make sure that you give extra financial support to that group.

There is good, simple economic logic for removing zero-rating from essential food items and prescription drugs, and I understand that. It does simply the VAT collection process for FRCA, and it means that those of us who can afford to pay VAT on essential items, like the honourable Minister of Finance and myself, will pay and Government will get more revenue. But, it leaves out the poor people for whom the zero-rating was originally intended. What will happen to them?

Madam Speaker, let me quote a letter-writer in the *Fiji Times* last week. This is what he said, and I quote:

“Everyone is happy that VAT has been reduced from 15 per cent to 9 per cent, but forgot one very minor thing. That 9 per cent VAT will now be charged on basic food items and medicine, which was not previously charged. I believe that many of Fiji’s population live under the poverty line. As it is they find it hard to survive, now with VAT charged on basic food items, it is back to one meal per day. Even a cent can make a lot of difference. Thanks Government, like you say, Fiji First.”

This is not a Minister talking, this is not Members of Parliament talking, it is a member of the Fiji public talking, Madam Speaker, and he seems to have more common-sense.

(Laughter)

More on this, Madam Speaker, let me give an example. A person with a wage rate of \$4 per hour working for 50 hours per week will earn about \$200 per week, \$800 per month, \$9,600 per year, minus \$768 FPNF contribution, the net per week is \$170.00, and if that person is a single earner in the household of three or four, then it is estimated that the household will spend about 60 per cent to 70 per cent of that income on basic food items, whereas those earning over \$20,000 and more, the average spending on basic food items or indeed all food items might be between eight per cent to 10 per cent.

Madam Speaker, the dollar is squeezed, stretched and pulled further when there is less of it in the first place. For Fiji’s population, the majority are in that income bracket. Once again, this reality, Madam Speaker, might be a difficult spin for Qorvis, even if the grand handing out ceremonies look nice and colourful.

Madam Speaker, an estimated 72 per cent of the population earn below the income tax threshold and, therefore, the majority of them would be hit hard by the imposition of the nine per cent VAT on basic food items. It is simple. If you are going to hit the poorest in this way, it is the obligation of any responsible government to cushion the blow. However, Social Welfare payments are not increasing and what will happen to those people who do not receive Social Welfare payments, like pensioners and

those on fixed incomes? Madam Speaker, we are talking about 60,000 households that are on or below the poverty line.

The Government says that the prices of rice, cooking oil, fish, flour, tea, milk, and prescription drugs will go up by nine per cent, but the prices of meat, furniture and hardware will come down. I might have breaking news for the Government, that majority of the poor cannot afford meat all the time, they cannot afford furniture and they probably cannot afford hardware. This is why this VAT reduction and the increase in nine per cent on basic food items is really a slap in the face of the poor people.

The rich can afford meat, they can afford furniture and hardware, and they can also afford luxury cars and flat screen televisions. All these things will now be cheaper for wealthy people and the Government will collect less VAT from them. That is the Government's gift to the richest people in Fiji, while it takes away more money from the poorest people by imposing that nine per cent VAT on basic food items.

Why is the Government doing this? Is it because the poor people do not matter? They have the votes already? You might face them again in 2018 again. It is rich spending that matters because this will make the Government's economic figures go up. The more you spend, they tell us, the more you save. In fact, that might be a silly statement which really makes the Government's propaganda sound like a sales pitch from Rups Big Bear. However, it is the Government's slogans and their economic growth figures that matter most to him, not jobs and not the poor. That is why the Budget Address mentioned jobs only once.

Let me also say, Madam Speaker, that the Government is also playing with fire. VAT is already an increasing proportion of Government revenue, and if the Government has its maths wrong, and they usually does, then we will end up in deeper debt. The Government says that the VAT reduction will result in a loss of \$316 million in revenue, but that they will be able to recover more than this. First they say they will gain \$108.6 million because they are now charging VAT on basic food items, then they say that they will take \$127 million from Sales and Turnover Tax (STT) and the Environmental Levy, then they will get \$120 million from the so-called VAT compliance initiatives.

Like every politician, Madam Speaker, the honourable Minister of Finance is saying, "I am sure I can collect \$120 million by making VAT collection more efficient." However, that remains hope, it is not a policy. It is not based on any concrete evidence or reality. You cannot just pretend that \$120 million will turn up if you look under the bed, and if the Government has had this wrong and other amounts from other new revenue measures, then this Budget deficit will possibly be much higher than what had been projected in the 2016 Budget, as it had happened in the 2014 Budget - the actual deficit was more than 4 per cent, Madam Speaker.

### **Tourism, the Sales Turnover Tax and the Environmental Levy**

Madam Speaker, the Government thinks that whatever tax money they give back to Fiji citizens, we can arm-twist our tourists. Again, Government is playing with fire, because they may be threatening the stability of the tourism industry, one of Fiji's biggest employers and biggest earners of foreign exchange. In fact, there are many silly things in the Budget Address, but one of the silliest was the statement about tourists, that they will willingly pay a small additional charge to support Environmental Protection Programme.

That may be correct for some of them, Madam Speaker, but first, tourists are not paying to support Environmental Protection Programme, they are paying to make up for the gap in VAT. This so-called Environmental Levy is not going to the environment or the most direct custodians of our environment, it is going straight into the gaping hole in the Government's Budget.

Secondly, it is not a “small as the additional charge”. Together with the increase STT, tourists who come to Fiji must now pay 11 per cent more for their holidays. How can Fiji stay competitive when our own Government is adding these costs to our biggest industry? How can tourists enjoy their chill-out time in Fiji when they know they are being strong-armed into coughing up for the Government’s fiscal inadequacies that has nothing to do with their holiday expenses? Let me quote from a speech made one year ago:

“There are many tourists destinations in the world competing from the interest, attention and dollars of the affluent travelling public. Fiji needs to stay on top.”

The Honourable Minister may recognise those words, Madam Speaker, they came from his Budget Address last year.

The Government’s economic policy on tourism investment is perhaps, the most confusing of all. In last year’s Budget, tax incentives for tourism were increased. The definition of “project” was widened under the Eleventh Schedule of the Income Tax Act. The Short Life Investment Package (SLIP) was extended to include the building of short-stay apartments. Now, this year, the honourable Minister says he will phase out these allowances altogether, beginning this year. Why is he doing this?

The Honourable Minister says this is because Fiji has a “mature, world class hospitality sector” and it longer needs those tax incentives. Government must be living on another planet.

(Laughter)

Madam Speaker, let me give them a short lecture in economics?

(Laughter)

Our tourism industry has a long way to go before it is considered mature. In the last five years, our tourist numbers have increased from 630,000 to 690,000, an increase of about two per cent a year. Smaller and more isolated island countries like Mauritius and even the Maldives, are rapidly increasing their tourist numbers. They have hit the million tourist mark. Why? Because those nations have investor-friendly policies, including strong tax incentives, and they apply them consistently and predictably. Why do they do this? Is it because they want to give foreign investors tax free income? No! It is because they recognise that tourism creates real and permanent jobs; jobs you will recall, is what the Budget Address and the Honourable Minister said nothing about.

The hospitality industry is labour intensive. It requires skilled and experienced people. The industry is competitive. It trains its people and pays them better than other sectors. In fact, Madam Speaker, they could be paid even better, and there was no mention of that. Competition for good employees is also high. That, Madam Speaker, is why the tourism industry, at this point in time before we hit the million mark, needs to be supported.

Finally, tourism investors are hit harder than any other businesses. This is because the so-called 6 per cent Environmental Levy is not the same as VAT. When a business returns for Vat on its gross income, it can claim VAT input credits on its expenses, Madam Speaker. The Environmental Levy does not allow for input credits, so the additional costs for the tourism investors are even higher than they look.

I can only imagine that being a tourism investor in Fiji is like a riding a very bad roller coaster. Tax breaks come and go. Tax definitions change from year to year. Duty is imposed on the goods they need, then it is taken off. Taxed for their guests rise every year, whether it is departure tax at the airport or Service Turnover Tax on meals.

Tourism, Madam Speaker, is one of the few industries where Fiji has a comparative advantage. Not only do we have an ideal national environment for tourism, our people are truly first-class hosts, so it is a pity that the industry can only be supported by a third-class government.

### **Debt and Borrowing**

Madam Speaker, now, we come to another worrying problem. Government debt between 2006 and 2014 rose by about \$1.136 billion, nearly 40 per cent. This does not include Government guarantees for statutory bodies and Government companies, these are contingent liabilities. They are not budgeted and accounted for. If any of these guarantees are called on, Government debt would again go up. These liabilities were \$2.4 billion in June, 2014, that is another 30 per cent of GDP. These contingent liabilities are real exposures.

The Government debt is now hovering around 50 per cent of GDP. This is about 10 per cent higher than what it should be in a well ordered economy - 40 to 45 per cent. In many countries, it is, of course, worse than this but we should not be measuring our economic performance against those countries.

The total debt increased from \$3.7 billion to an estimated \$4.4 billion. This means that every year, we could be paying more than 30 per cent of our total revenue for debt repayment. For every three dollars we raise in revenue, we pay one dollar to our creditors in interest and debt payments. That is money denied to the people for health, education and other services. So, when we borrow money, we must know we are borrowing for good purpose and not just to pay for another of the Government's slogans.

When are going to pay this debt back Madam Speaker? That is a very crucial question. When are we going to stop the spending party?

Madam Speaker, this Government is spending hundreds of millions of dollars on roads. Roads seem to be its particular obsession. Roads are, no doubt, a good thing but so too is education, health and social welfare. My main concern about the obsessive spending of road is that, no one knows how well the money is being used. That is the most critical question.

In the 2015 Budget, a total of \$653 million was allocated. The actual expenditure to date, Madam Speaker, after the first three quarters was about \$237 million out of \$653 million. Does it mean that the balance of \$416 million will be used in the fourth quarter, from October to December? In fact, the Honourable Minister for Infrastructure and Transport should provide a detailed breakdown of how the balance will be spent and what sort of oversight they have to ensure so that we are getting value for money? It is almost certain that a lot of funds are being wasted towards the end because of the haste to spend.

We have all been down pitted, pothole roads, the same roads that just a few years over the Government pointed to with pride, after a Malaysian or Chinese contractor merely applied of coat to tar to it. How much did this cost and what value did we get for what we paid?

The Auditor-Generals Report for 2014 has just been published. As reported in the media, it only gives a qualified opinion of the accounts of the Fiji Roads Authority (FRA). Why? Because FRA's own information about its road system is so poor that its accounts cannot be made accurate. If you cannot measure, you cannot manage. But has the FRA audited the quality of the roads that had been done over the last 10 years, to see how well all the Government's road expenditure have been spent? If not, it should, so that we can learn from the lessons from the past, or is it perhaps like the poverty statistics the audit has been but the information does not match what the Government wants?

In 2014, the Government said it will raise \$415 million in revenue by selling Government assets. But few, if any of these assets, have been sold, as I cautioned in my Budget response last year because no one wanted to buy our assets, Madam Speaker.

In 2015, the Honourable Minister of Finance promised to raise \$507 million in asset sales. Again, that promise was not turned into a deed. So far, they have only raised \$100 million and even that is raised by mostly raiding the Government's favourite piggy bank, the Fiji National Provident Fund, an organisation that the Government controls but that workers in this country owned, Madam Speaker.

The Government continues to ignore with impunity, the input of the workers who own the FNPF. Since the Military *coup* of 2006, FNPF pensioners and workers have continued to suffer. Pension rates are unilaterally reduced and many pensioners are still suffering today. A legal contract between them and FNPF was illegally terminated. Worst still, the pensioners were denied justice through a Decree where they could not challenge the decision and all these happened under the current Honourable and Learned Attorney-General and Minister of Finance.

HON. A. SAYED-KHAIYUM.- Stop personalising.

HON. DR. B.C. PRASAD.- Let me give a real example as to show how some of the pensioners were affected.

Mr. X went on pension with a legal contract. This was terminated and his pension reduced. He decided to go for a five year term pension. This term will end in 2017. He is a healthy man, living with his wife and children. In 2017, his term pension will end and he will have nothing thereafter to survive on. He will not be eligible, Madam Speaker, for the \$50 pension under the current rule.

The lives of some of those pensioners have been shattered and no one has been worried about that. I can almost predict that before 2018, I will be bringing those grim tales to this House again. We should take more than a passing interest because many of us in this House will be, or are ourselves pensioners.

Government, together with FNPF, should urgently review some of those decisions and find ways in which pensioners who lost out ought, to be compensated. A legal contract, Madam Speaker, was violated. Why is Government not appointing workers and employers' representatives to the FNPF Board? Why; what is the problem? They are the owners of the Fund.

About 80 per cent of the FNPF members retiring over the next four years, Madam Speaker, will have balances less than \$50,000. In fact, the 2015 Annual Report shows that only five per cent opted for pension and the recent announcement for increased rate for term annuities is a joke and actually, I find it simply criminal. Why would any retiree want to opt for and of those of options? In fact with the current pension rate, most retirees would opt for lump sum payment. They will just take out the money because there is no point in going on pension.

Madam Speaker, a large majority would not be able to make any significant investment if their balance is less than \$50,000. In fact, over the years, many of them will fall into a situation of low income house source and in the end, the Government will be burdened and the responsibility for looking after those people who would fall on the Government – on the Social Welfare Department. We might have to change the rules again.

Madam Speaker, I suggest that Government appoint a Joint Parliamentary Committee to look at the operations of FNPF, and have a thorough discussion with all stakeholders, especially members,

to see how best we can restructure FNPF and relook at the retirement options – the use of FNPF fund by members for housing and social development. FNPF should not be used to support this Government's overzealous operating expenditure. If anything, FNPF should be investing in housing development projects, help increase home ownership of its members.

I also call upon the Government, Madam Speaker, to immediately change the Board of FNPF so that representatives of workers are appointed on the Board. I mean, as a Parliament and as a Government, we cannot ignore the wishes of the workers and the owners of FNPF. Singapore used its central provident fund only for social and retirement benefits and that is why, home ownership is more than 80 per cent in Singapore. They use that to build homes for their members, FNPF should do the same. It should not become a piggy bank for the Government.

Madam Speaker, just two days ago, the Chief Financial Officer of the FNPF is quoted in the local daily as saying that the FNPF will review the death benefit of \$8,500 because it has become unsustainable. This is really adding salt to injury of the FNPF members. FNPF now intends to reduce this to a partial payment of \$2,000, with the balance of \$6,500 put into the deceased member's account for the benefit of the nominee.

Madam Speaker, the administrator or nominee of a deceased need money for funeral expenses. I am sure all of us are in agreement that these days, funeral and other expenses for performance of final rites cost much more than the \$2,000. The FNPF cannot claim that it does not have funds to make the payout. For example, if 400,000 members are registered and pay an annual sum of \$35, the Fund would accumulate roughly about \$14 million, Madam Speaker. If, for example, 1,000 members die each year, the Fund would pay out only \$8.5 million. Therefore, I cannot see the reason why the current payout is not sustainable. Death benefit is not a handout by FNPF or by Government, it is really not Government's money, it is the FNPF members' money. The Fund requires members to comply with the nomination criteria, as well as the annual payment of \$35.

The Government's promise for 2015 for a budget deficit of \$161 million is what is provided in the Estimates. In fact, it will be at least \$350 million, it seems to me, Madam Speaker, from my calculation. One more promise in the last Budget not turned into deeds, and the interest that we might pay to borrow or to cover up for that deficit will eventually be borne by the people of this country.

Similarly, the Government has once again budgeted for asset sales. Revenues for \$320 million in 2016 but if this is not achieved, we will again end with a higher deficit and we will have to borrow more in 2016. Let me make some remarks on overseas borrowing, Madam Speaker, which is another notable but concerning trend in Fiji.

### **Overseas Borrowing**

We borrow in US dollars most of the time, meaning we have to pay the debt back in US dollars. In the next five years, it is almost certain that our currency will fall against the US dollar, so we will have to find even more Fiji dollars to repay the same debt. Let me make the reference to the global bond.

In 2006, under the SDL Government, the global bond of US\$150 million (FJD \$326 million) was raised at 6.8 per cent interest rate. The Military Government used it all, so when it was time to pay back in 2011, they went and borrowed another US\$250 million - FJD\$543 million. They never told us the reason why they borrowed that extra US\$100 million.

However, on the new borrowing, Madam Speaker, they paid nine per cent instead of 6.8 per cent. Everyone in the financial sector in this country knew that we could have borrowed that money at a lower interest. But of course, there were conditions and the Government did not want to accept those

conditions. So, to refinance that, they had to borrow another US\$250 million and that US\$250 million was due in March 2016.

Madam Speaker, the Government decided that we have to borrow again because we do not have the money to pay. So, we went slightly before March, borrowed another US\$200 million and we paid US\$50 million out of our Sinking Fund of \$81 million to clear the US\$50 million and still have US\$200 million to pay. So, the Sinking Fund is now left with only \$31 million. We should have been building that, Madam Speaker, but it is down to only \$31 million and I do not see any way how Government will raise the level of Sinking Fund.

What we are not being told, Madam Speaker, is that, US\$250 million that we borrowed in 2011, how much interest have we paid? The \$9 million interest that the honourable Minister portrays as if it is a savings, no, you did not earn it. It cannot be a savings, it is just that you negotiated upon and you tried to pay that \$50 million a bit earlier and borrowed another US\$200 million.

MADAM SPEAKER.- Order!

HON. DR. B.C. PRASAD.- What nonsense in terms of saving!

MADAM SPEAKER.- Order! You have continued to personalise your presentation. You might force me to take drastic action.

MADAM SPEAKER.- Do not make reference to any Honourable Member...

HON. DR. B.C. PRASAD.- Madam Speaker, he is not personalising ....

MADAM SPEAKER.- Order, order!

Do not make reference to any Member of Parliament being a Minister. Make reference to the speech that was made. Please do not ignore my ruling.

HON. DR. B.C. PRASAD.- Thank you, Madam Speaker. This is yet another example of how constrained we are in this Parliament.

MADAM SPEAKER.- Order!

Do not make comments on my ruling. Please continue with your presentation.

HON. DR. B.C. PRASAD.- Thank you, Madam Speaker. Borrowing always entails interest and when we pay interest we actually have to raise that interest and raise that income from somewhere and eventually when Government borrows, every Fiji citizen pays by sacrificing the services we cannot afford and our interest bill is growing. If you look at the debt level, both external and domestic debt, the total debt we have to pay more interest. Interest must be paid from higher taxes or reduced spending. So in the end, it will be Fiji's people who will be shackled by the burden of this debt, the largest that Fiji has ever had.

The most shocking thing, Madam Speaker, about the sale of the Government assets – the Fiji Electricity Authority (FEA), Airports Fiji Limited (AFL), Fiji Ports Corporation Limited (FPCL), is that the money we will collect will not be used to reduce debt. It will be used to fund ordinary Government annual spending. It is like selling your house to pay for your groceries.

(Laughter)

When you are left with no assets, what will you do then? This is akin to selling one's soul for 30 pieces of silver.

(Laughter)

### **How can we keep growth going?**

Madam Speaker, it is clear that economic growth is necessary for extra jobs. Continued consumption-driven demand can help for a while, but not in the long run. We need to ensure that productive sectors such as agriculture, mining, fisheries, forestry and manufacturing pick up. There are some good work done by some good Ministers on the other side, Madam Speaker, to raise these sectors but why have these sectors not picked up? They need to ask this question.

Another of Government's silly moments come when they talk about implementing reforms improve the business climate. This is what the IMF had said to them and they said that it is music to their ears. If that is true, Madam Speaker, I doubt what they are hearing and reading from the IMF.

For nine years we have been told that Fiji is improving the climate for investment. New laws are passed, new changes are promised and every so-called reform has failed. I will tell you why and what is the evidence. Madam Speaker, the World Bank uses the measuring tool, it is called the Ease of Doing Business Index which ranks every country in the world for ease of doing business and investment. For nine years, Fiji's ranking has gone down this index. It started in 2007 at Number 56, now it is at Number 82. For ease of starting a business, another sub-ranking, Madam Speaker, Fiji's ranks a shocking 160 out of 189 countries in the world. What we are talking about? What are these reforms done? Let us have a serious and honest look at those reforms. Small and medium enterprises suffer from unbelievable bureaucratic obstacles.

HON. OPPOSITION MEMBER.- Right.

HON. DR. B.C. PRASAD.- Let me give you just one example. How hard should it be to get a business licence from the Suva City Council? The Business Licence Act is simple – it says fill out a form, pay the licence fee and get your licence.

However, this is not what the Councils says. This is what you need to produce to get your business licence, Madam Speaker. If you think I am joking, I am actually not. I am reading from the Suva City Business Licence Application Form:

MADAM SPEAKER.- I am not thinking.

HON. DR. B.C. PRASAD.-

- 1) A thoroughly filled application form;
- 2) A copy of Business Registration Certificate;
- 3) 1 copy of FTIB certificate (if a foreign investor);
- 4) 1 copy of Tin Registration Letter (from FRCA);
- 5) 1 copy of health licence if operating a restaurant, takeaway bar, butcher, night club, hair salon or food business;
- 6) Director's names and contacts including one copy of their photo identification;
- 7) 1 copy of consent letter from landlord (if renting premises);

HON. LT. COL. I.B. SERUIRATU.- What is wrong with that?

HON. DR. B.C. PRASAD.-

- 8) 1 copy of Liquor Licence (if applicable);
- 9) 1 copy of OHS letter from Ministry of Labour;
- 10) 1 copy of National Fire Authority certificate;
- 11) 1 copy of building completion certificate;
- 12) 1 copy of store controlled substances (if applicable);
- 13) 1 copy of copyright licence from Fiji Intellectual Property Office (for sale or hire of DVDs)

(Chorus of interjections)

HON. DR. B.C. PRASAD.- This is just to get a business licence. This is why the World Bank is saying, ease of starting of business index we are 160. They should get that. They do not understand that, Madam Speaker.

(Inaudible interjection)

HON. DR. B.C. PRASAD.- Remember, you need this reference in order to operate every year. This is almost comical. Any small to medium business person will be spending more time filling out these forms than actually starting their business.

(Laughter)

What was the Government's clever idea to rectify this? They said that instead of one year, create a three-year business licence. So now you have to run around, chasing paper once every three years, but why are we running around at all? The information that is required by the Council, in my view, is useless. They do not need it, they never use it so why are you doing this?

These are things that they need to look at, Madam Speaker. This is the same bureaucracy that every business complains about it in every regulatory agency, whether it is Investment Fiji, FRCA, city councils, Town Councils and Department of Immigration. We need to have a serious look at it, Madam Speaker. It is a symptom of control and command bureaucracy. There seems to be a paranoia about controlling everything and this is filtered down to every government department and statutory organisation. Controls are good but let us not be in a situation where we actually kill all the initiatives. Government wants to do several other things as I said, Madam Speaker, to control how businesses operate and how businesses conduct their activities.

Madam Speaker, you keep hearing Government giving lectures to business people, that is coming from some people who have never run a business.

HON. A. SAYED-KHAIYUM.- Like you have.

HON. DR. B.C. PRASAD.- I do not give lectures to businesses, I listen to them.

(Laughter)

### **Civil Service Reforms**

The Government promised these reforms last year. These promises, again, were those not turn into deeds. The Government now blames the World Bank. Apparently it is the World Bank's fault in a fashion which is symptomatic of this Government's blame game. Blaming it on everyone else under the sun except themselves.

(Laughter)

HON. A. SAYED-KHAIYUM.- (Inaudible interjection)

HON. DR. B.C. PRASAD.- Madam Speaker, it is a little bit surprising because I thought that when the Military Government took over in 2007, they had solved all the problems of corruption and inefficiency and it appears that they are still busy doing that. In fact, we have not and I remember Honourable Radrodro asking this question in Parliament about a plan for the Reform in the Civil Service. We were told that there is an oral plan.

Madam Speaker, the entire Public Service is run today in a culture of fear, paranoia and suspicion. Any civil servant who disagrees with the Honourable Prime Minister or anyone as I have seen, is dealt with in one of the following two ways; either they are deemed to be serving corrupt interest so FICAC is called in, otherwise the civil servant is deemed to be a supporter of an Opposition Political Party, in which case he or she is terminated.

Some of the finest Public Servants, Madam Speaker, I know have been reduced to mute paper-shufflers. Those who try to be helpful to the public will lower their voices and check that no one is listening. Civil servants are not even allowed to talk to the Honourable Leader of the Opposition when she visits them at their posts. One only has to look at the recent experience again, Madam Speaker, of the Police and the Military.

The 2013 Constitution gives powers to the Public Service Minister to have the final say on all appointments and promotions. What is happening, and will happen is that the Ministers will turn the Civil Service into a political party *apparatchiks*. This destruction of one of the key institutions of Government is the worst and most dangerous legacy that this Government under the imposed 2013 Constitution will leave for the people of Fiji. Only those with the arrogance, ignorance and may I say, a god-like complex will not see it.

I, therefore propose, Madam Speaker, that Government does not set up this Ministry but continue to strengthen the Public Service Commission and make it responsible for the Civil Service. Very important, Madam Speaker, to not just destroy institutions just because it has become the fashion, let us look at what is working and what is not working. The politicisation of the Civil Service under what is in the Constitution, Madam Speaker, today some of the Ministers might be feeling very good that they have the power, they have the final say, they can promote anyone they like, but Madam Speaker, they should think long-term. Tomorrow there is another government, there is another party in power, they will do the same and will destroy the Civil Service.

Madam Speaker, the Civil Service was built in this country, even in the dark days of 1987 where it remained neutral and independent organisation, despite the pressure by those in power at that time to destroy, the Public Service Commission remained. The process remained, Madam Speaker, of Appeal and Promotion. Let us not destroy that. The power in the Constitution is with the Minister concerned, what would they do? So, Madam Speaker I make the call that it is useless to set up another Ministry, keep the Public Service Commission, strengthen the Public Service Commission to ensure that the public service remains an independent institution in this country.

### **Sugar Industry**

Madam Speaker, for more than 100 years, as I have said before, the sugar industry has been the backbone of our economy. This stopped after the turn of the century when tourism and later Fiji Water overtook sugar as the largest foreign exchange earner. For more than 100 years, including the Indenture period, the sugar industry has weathered many storms and defined the national landscape. It has survived cyclones, floods, droughts, two World Wars, industrial and political strikes and political upheavals. But finally, an industry which has directly or indirectly supported a quarter of Fiji's population across races

throughout history is now bleeding to death, Madam Speaker. Industry stakeholders have run out of answers on how to revive it.

The industry's best hope for recovery 10 years ago was derailed by the December 2006 *coup*. That is a fact, we need to put that on record on every occasion. The Military Government deliberately sacrificed the injection of \$350 million grant to the industry by the European Union. Had this materialized, Madam Speaker, from 2011 onwards would have been producing a minimum of 4 million tonnes of cane and 400,000 tonnes of sugar, using more efficient methods than we are using now. Madam Speaker, sugar is a lifeblood industry. It is far too important for it to be allowed to die.

But this government, and now as the FijiFirst administration, instead of providing both theoretical and practical solutions, it is adopting a fire-fighting approach, which in reality is like most fires in the country this year, is destroying the properties. As I have said right from the beginning of my contribution, this seems to be the *modus operandi* of this Government. They make it up as they go along. It is shocking to me that the sugar industry is facing the greatest threat to its survival in less than two years and the Government really has no vision or no plan. If it does have one, Madam Speaker, then certainly I have not seen it, 200,000 people who depend directly on it have not seen it.

These people – the cane farmers, their families, the cane cutters, lorry operators, lorry drivers, labourers and farm hands are demoralized. They are in need of encouragement. High cost of production are their biggest disincentive and danger. For the last 9 years or so they have continued to faithfully perform their duties to the industry and the nation despite the tumultuous times that the country has undergone and despite having the full knowledge that the price of sugar would go down massively after 30th September, 2017.

Madam Speaker, when they are in desperate need of financial and technical assistance, the Government is seemingly clueless on how to provide constructive solutions instead of the current band-aid solutions.

Madam Speaker, last season we produced 1.83 million tonnes of cane. We are still a long way from achieving a production of more than 3 million tonnes of cane and 300,000 tonnes of sugar, the minimum required for the long-term viability of the industry. If the TCTS ratio of 8 tonnes to 1 tonne to sugar is maintained from last season, then 3 million tonnes of sugar cane will produce about 375,000 tonnes of cane. This will be the ideal minimum benchmark, but not only are we 1 million tonnes away from this minimum target, we have no margin for error. This year, drought will severely impact cane production so, again, we will fall very short.

We put a lot of effort into bringing foreign investors into Fiji, but what have we done to encourage our own people to re-enter the sugar industry? Madam Speaker, farming is hard and physically demanding. Farmers are subject to the whims of weather and the prices on the world market. Life is insecure. This is why they encourage their children to do something else. No one is joining the cane farming community. Why would they do so?

Until we have a strategy for mechanisation, for improving farm productivity and providing technical and administrative support for farmers, this situation will not change. This is too serious a problem to ignore. I had asked the Government before to set up a task force involving all political parties in Parliament to work on this problem. So far I have been ignored, but if Government does not have a solution, why will it not accept help? Why would it not accept a collective effort to resolve this?

The Honourable Prime Minister while addressing the 46th session of the ISO Council in London on 29th November, 2014 said and I quote:

"The abolition of EU sugar production quotas post 30 September, 2017 and the consequent adverse implications on sugar prices pose a very big challenge indeed. Moreover, EU sugar prices have already come under pressure, with significant falls compared to prevailing prices over a year. So suppliers like Fiji are having to prepare for a reduction in our export revenues even before 2017 - a sobering prospect for any developing nation".

A sobering prospect indeed, Madam Speaker. What is the Government doing about it? In the 2015 Budget about \$36 million was listed under Head 35 as "Aid-in-kind from the European Union" for social mitigation. There has been no explanation in the Budget Estimates or in the Supplement as to what this means. Until now no one from Government, including the Prime Minister has clarified this, despite it being raised in Parliament.

Now this year, Madam Speaker, we are told that \$5 million has been allocated for the cane planting assistance programme. We are also told that it would cost \$400 to plough an acre of land ready for planting cane, this also includes fallow land.

Madam Speaker, anyone well-versed with cane farming will tell you that currently it costs \$120 to get an acre of land ploughed by a tractor. For fallow land, it is vital that the block is ploughed three times and harrowed thrice as well. This alone will cost a grower \$720. So the fact that it is so costly to prepare fallow land for cane planting is proof enough of failure of Government's cane planting programme.

Government also says that the sugar budget for 2016 has increased by more than \$12 million. The real increase is not \$12 million but it just \$600,000 and this amount has been allocated as grant to the Sugar Cane Growers Council in place of the levy paid by growers. This after Government decided to end all semblance of democracy in the Growers Council by legislating appointment of a nine-member Council instead of restoring elections and democratising the Council.

Madam Speaker, the Government seems to think that it can solve the problems of the sugar industry by itself, it cannot. Less than two years from 2017, it has no plan. It must work with the stakeholders to find a way. It may already be too late to save the industry from disaster but at least we can try.

Madam Speaker, a sum of \$9.7 million is listed as "subsidy" to South Pacific Fertilizers Limited. However, this will be administered by the FSC. Last year this amount was listed under Head 50 and not the sugar industry. Again, Madam Speaker, is this a subsidy or a loan? In last year's budget this was listed as a loan. Therefore, growers end up repaying the amount as 100 per cent of South Pacific Fertiliser Limited (SPFL) is owned by growers. So who is Government trying to fool, Madam Speaker? Furthermore, why should the FSC control this subsidy or loan and not the growers themselves? Fiji Sugar Corporation (FSC) has no stake whatsoever in SPFL, yet its Executive Chairman also heads the fertilizer company. This is the height of injustice.

Madam Speaker, a sum of over \$33 million is listed as aid-in-kind. Last year an amount of \$36 million dollars, let me repeat that again, was similarly listed as "aid" but what is this money, we want to know. I repeat that there has been no clarification as to what the \$36 million was going to be used for. We need answers on that, Madam Speaker. Now this year we have the budget on documents stating a sum of over \$33 million again. And again, we need very clear explanation of what this \$33 million is all about.

### **Health and Education Reforms**

Madam Speaker, I want to make a few comments about health and education and I am sure my Honourable colleagues from this side of the House will have more to say. We all understand the

importance of human capital. For our people there is no point having a Government if it cannot provide these basic services. From an economic point of view, there is no point spending hundreds of millions of dollars on roads if there are no healthy and productive people to use them.

Madam Speaker, we have spent hundreds of millions of dollars on reforming our roads, but when will we do this for our education system in a proper way?

Recently the Honourable Minister for Education made some shocking admissions about the quality of our education system. I pause here to actually thank him for that. Unlike many of his colleagues on the other side who wish to pretend that there is no bad news, he at least is prepared to identify a problem.

Madam Speaker, the problem he identified was this, only 15 per cent of our secondary school students achieve a raw pass rate in Maths and 20 per cent in the Sciences. This now moves from shocking to deplorable. Here, we have the Government fantasizing about Fiji becoming a Singapore or a new Mauritius or the latest dream a Geneva, when people are leaving school without basic literacy skills. The deplorable state of our education system and the cost to Fiji will rear its ugly head in the next 5 to 10 years down the line if it is not arrested and addressed urgently and decisively. Not only will our productivity be seriously affected, so will social equality.

In Education, Madam Speaker, I agree with the Government that education is the surest way out of poverty for our poorest people. But now a mediocre education system threatens to trap them there. The rich will always find alternatives, private schools, other ways but the education gap between the rich and poor will become wider. That will heighten economic inequality and social instability. Unless we can quickly get education back on track, we will never achieve our dreams of real, sustainable economic growth and Government's neglect of this issue, like the sugar industry, is a ticking time bomb.

Madam Speaker, I commended the Honourable Minister for Education for his honesty. I am once again underwhelmed by his solutions. He appears to be suffering from the same disease that many on the other side are too afraid to listen to critical comments and unwilling to engage with anyone whose views differ from his. I am asking Government for the sake of school students in this country to show that they can engage in dialogue. I am pleading and asking them to ask for views especially those that they do not like and urgently set up a process from which he can take the best ideas for reform.

Madam Speaker, the Honourable Minister for Education in his maiden speech announced the formation of the Education Commission. In fact, they should have copied the NFP's Manifesto and set up an Education Commission because the last one we had was in 2001. In the last 14 years, lot of things have happened, lots of reforms that the Military Government put in place, the former Minister for Education put in place, we are turning it around, but do we have a detailed critically analysed report which says how we have fared in the last 14 years? What should we do? Let us not bring in policies as we go along. Madam Speaker, that is all I am saying that we need to do, we need to pause now, set up that Commission, and spend six months because it is important for us to get it right. If you do not get it right, the price we are going to pay in the future is going to be a very, very bad one for us.

Madam Speaker, let me now turn to Health. The Health budget we are told has been increased by \$280 million; an increase of \$11.2 million. But whether in the macro scheme of things, Madam Speaker, that is enough. In 2009, the World Health Organisation recommended that governments increase the health budget progressively by 0.5 per cent of GDP annually. This was with the aim of increasing it to 5 per cent of GDP. Unfortunately, the 2016 allocation represents a decrease in health spending as a percentage of GDP from 3 per cent of GDP to 2.9 per cent of GDP. So, we are going backwards.

However, Madam Speaker, in the 2015 Budget, the Government promised to recruit 150 additional doctors and again promises to recruit the same number in 2016. However, only 126 new doctor graduates have been recruited so far and we are told no expatriate doctors have been recruited, the Honourable Minister in his reply can correct me on that. We still have a shortfall of 24 for this year, yet we have allocated budget for another 150 for 2016 and perhaps the Honourable Minister ought to come out clearly and explain the situation with the number of doctors that we have now. How many have left the service, for example, how many will graduate from medical schools this year, whether we will be able to hire the additional 150 plus the 24 that we still have not hired in 2016?

Despite the increased allocation of the budget for the Ministry, Madam Speaker, health services have remained a major concern for the people of Fiji. From poor services, long waiting lists and time, lack of drugs, non-functioning medical equipment, unavailability of doctors and nurses and timely diagnosis for patients with serious illness. The introduction of a health levy is positive, but has the revenue collected from this earmarked for specific health initiatives? We need to know this or we will assume that it is just another revenue measure by government.

At this, Madam Speaker, I would also like to raise the issue of Annual Tobacco Registration where Government was collecting about \$700,000 annually of which \$400,000 was directed to NCD initiatives. This, I am told was withdrawn in 2015 and has not been reinstated in the 2016 Budget. Let us also not pay lip service to the reduction of NCD related diseases and do something serious, and I would have thought that all that money from Tobacco Registration should go to NCD related activities and campaigns to educate our people.

Madam Speaker, we should also, I think, review the support through TELS and scholarship for medical courses. Typically, a doctor needs five years to complete the study, may be spends another two years in rural service, then possibly undertakes another four years on speciality training, and may be another two years for further speciality training abroad. Some good doctors that we have, have done before being eligible as a fully trained specialist status. This is a long and expensive investment for an individual. Therefore, Madam Speaker, we need to review not only the conditions for training support, but also urgently review the salaries of not only doctors, but also the nurses and other allied health workers.

On free medicine, I see that list has been increased to 142 items. However, we are told that this year, only 20 items on the list were intermittently available. Is this announcement another gimmick to fool the people? Only 20 items out of 70 items were available. I think the Ministry of Health should really front up and tell this House whether the scheme is working or not.

Capital works, Madam Speaker, is another issue. We were told that many of the capital projects, such as the CWM Maternity Ward, the new Naulu Health Centre, the Nausori Hospital and the Makoi Maternity Unit in 2015, are still languishing. One last question; Madam Speaker, what has happened to the allocation for the new tertiary hospital in Lautoka, have we moved anywhere on that?

### **Sustainable Development Goal (SDG) and Climate Change**

The last issue, Madam Speaker, before I conclude the SDB and Climate Change. The Budget document showed that Government is, at least, considering sound advice from the Opposition. Honourable Nawaikula had made a public statement about the turf wars between the various Government entities on climate change and thankfully, it now appears that the Ministry of Finance's Strategic Planning Office will holistically coordinate as the new national focal point on all technical policy development and administrative functions related to climate change.

On the new role of the Strategic Planning Office, the Honourable Minister of Finance states in his Budget Address that this Office will hire 13 new staff to assist with the Climate Change Section.

Madam Speaker, climate change is a very specialised field that is greatly dependant on institutional knowledge of the very fluid global development, especially in the technical and policy areas. A good portion of this expertise also resides with both the Department of Environment and very recently, the Ministry of Foreign Affairs. Yet, sadly, we have not been able to retain some of that expertise, as many of our home-grown experts have moved on. However, since Fiji has just recently appointed a Climate Change and Oceans Ambassador coming under the Ministry of Foreign Affairs, this move to bring climate change under the Ministry of Finance to the Strategic Planning Office does not feel like it has been well coordinated.

Not surprisingly, there is a separate legal climate change function in the Attorney General's Office to look into the issues of Pacific Climate Change refugees that will cost taxpayers \$50,000. We will be questioned; why the Office of the Attorney General needs to have this separate function? Any legal implications on climate change will be very much tied to the Strategic Planning Office's policy development that inevitably cascade from developments at the international climate change talks that we already participate in.

International media reports state that the Paris Climate Change Talks may consider an International Climate Justice Tribunal. Therefore, if the Office of the Attorney General intends that this isolated legal issue on climate change is to assess international legal redress mechanisms, such as the International Court of Justice, then quite simply, this is a foreign policy matter first and foremost. These administrative tricks should not be used to mission-creep for control into another government portfolio because the list of items under the Requisition this year, already point to concerning trends on that front.

It is also worrying, Madam Speaker, that despite the honourable Prime Minister's statement in the UN General Assembly (UNGA) in September, particularly in support of SDG14 on oceans, there is no mention of this coordination function of SDGs by the Strategic Planning Office into national plans, neither for that matter does green growth, the overnight buzz word that we hear in this country now.

Madam Speaker, this is out of kilter coordination driven by a communication purposes but lagging behind on the policy front, merely serves to highlight that the issues are important to the Government, not because of the substantive relevance to our people but simply because it serves another purpose, such as the Government's recent desire to sit on the Human Rights Council.

Earning a seat on the Human Rights Council, Madam Speaker, presiding over the UNGA must not simply be for tokenistic profile raising purposes. If Fiji wants to take this international role seriously and be respected for what we can offer the world, then we must lead by example. The ILO proceedings, the continued human violations and ever restrictive environments of the media, all do nothing in our favour on this front.

Madam Speaker, time is running against my speech but in the long term, time is running against Fiji as well. We cannot continue to leave economic policy making to a confused government and some confused people, a government which changes their mind every time they think of a new slogan. We need policies that are clearly thought out, and do not change with every new fashion that the Government discovers every now and then. This is what we are asking the Government to do, Madam Speaker, first to improve its own economic management and reporting, if the Budget is to be a meaningful exercise and not just a three hour monologue of political rhetoric, we must have facts and figures as the law requires them to be delivered to us.

Second, to develop a vision of economic management, we do not mean the tired old slogans about democracy, transparency and accountability. We mean a clear vision which the Government is prepared to commit to implement consistently. Government should become fully transparent on its spending and economic policies. Budget should not be a surprise Madam Speaker. It should be an opportunity for Parliament to critically review Government policy.

Third, if the Government will now remove the VAT exemption on basic food items, kerosene and prescription drugs, ensure that the poorer 60,000 households in Fiji receiving compensating cash benefits, are appropriately looked at. Otherwise, Madam Speaker, many of them will be condemned to even greater poverty. As I had said earlier, the poor do not buy hardware, they are not buying luxury items all the time, Madam Speaker. So, if you put a nine per cent VAT on basic food items, that is what will happen to them - they will fall further into poverty.

Fourth, reverse the increase in STT on position of the Environmental Levy to make up the shortfall in revenue, and protect the competitiveness of our tourism industry and the job it creates. Carefully review the tax incentives to the tourism industry.

Fifth, terminate the services of Qorvis Communications immediately, and save a few million dollars and save the country from false propaganda, even if it means that the Government will not look so good and may not have people to write their own speeches.

Sixth, decide upon a strategy to shape the sugar industry, Madam Speaker. We, in the Opposition are ready to help, once that strategy is developed. We will need to act urgently to implement it. Why is Government refusing to engage, Madam Speaker? Set up a bipartisan community.

HON. GOVERNMENT MEMBERS.- Awh!

HON. DR. B.C. PRASAD.- Madam Speaker, they have no plans. Like the Civil Service, they said they have an oral plan, they might have an oral plan for the sugar industry. They have no plans.

(Chorus of interjections)

Seventh, Madam Speaker, review the budget for the FRA and audit the work done for the last five years to see where we are going and what should be our priorities.

HON. A. SAYED-KHAIYUM.- Already been done.

HON. DR. B.C. PRASAD.- We have not seen that.

Madam Speaker, I will finish on this note. In a parliamentary system, the side which is not the government is known as the loyal opposition. We are loyal to Fiji and want the best for it. That is why we choose to sit here to make good on our promises to represent our voters.

Madam Speaker, the fact that we are here gives them credibility...

(Chorus of interjections)

...and allows the international community to engage with this country. If we are not here, Madam Speaker, if you do not sit in the Constitutional Offices Commission and other independent institutions...

(Chorus of interjections)

MADAM SPEAKER.- Order!

HON. DR. B.C. PRASAD.- ... they will have no credibility. In fact, they are losing the credibility every day.

(Chorus of interjections)

MADAM SPEAKER.- Order! You have a strong voice, thank you for that.

HON. DR. B.C. PRASAD.- Madam Speaker, this Government is losing credibility, and we are not going to sit here and be rubber stamp, we want to contribute.

(Chorus of interjections)

Privately, Madam Speaker, they want us to come here and contribute because they know in their hearts and minds that we are giving them credibility.

(Laughter)

Once we are not here, Madam Speaker, their sham democracy will be exposed to the whole world.

HON. GOVERNMENT MEMBERS.- Awh!

HON. DR. B.C. PRASAD.- Madam Speaker, we may differ with the Government of the day on how to achieve those results but it is airing those differences and sharing ideas that yields the best decisions. But here we have a Government that does not want us to share those ideas. They put obstacles at every stage, Madam Speaker, to stifle the debate, to stifle the views of our people which are alternative to theirs. If the Government, Madam Speaker, is firm in its belief of its standing, they really have nothing to fear.

Madam Speaker, when people in power begin to fear about their power, and fear about losing the power, they become control freaks ...

(Chorus of interjections)

... and that is what we want to change in this country.

(Laughter)

Let us not be control freaks, let us open up. Madam Speaker, dissent after all, is the highest form of patriotism. When we dissent, when we criticize, we mean good for this country.

(Inaudible interjection)

(Laughter)

HON. DR. B.C. PRASAD.- They ought to understand that, Madam Speaker.

Madam, Speaker, they have difficulty with the idea of consultation because that is why they have rejected everything, even when we supported the Bills from this side, even when we had a Bill on NCD as a very apolitical motion, they voted against it. They do not believe in the idea of consultation, Madam Speaker. They want to be seen as the most brilliant Government this country has.

(Chorus of interjections)

After all, Madam Speaker, they cannot be seen as such, but that desire too, is really a fantasy for them. No one Government, no one person has monopolistic ideas.

Madam Speaker, it may enlighten the Government to learn that even I as an economic expert, I learn from people everyday. I learn from the unconventional means, speak to the people, the ordinary people on the streets, in the *teitei*, in the market, in the bus, in the rice fields, sugarcane fields. As confronting as this may seem to this Government, Madam Speaker, they are well advised to spend less time lecturing people, and more time listening.

HON. J. USAMATE.- Like what we are getting now.

HON. DR. B.C. PRASAD.- They need more time to listen. They do not have all the answers. Indeed as this Budget shows, they seem to have very few, Madam Speaker.

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

Madam Speaker, the FijiFirst Government should move away from its petulant politics where it wants to win every argument and decide every point. It appears to me that once again, they seek to replace me as Chairman of the Public Accounts Committee as evident from the newspapers and the impending change in the Standing Order.

HON. MEMBERS.- Oh!

HON. DR. B.C. PRASAD.- What are they afraid of? In fact, Madam Speaker, I will be very happy if I am pushed out through a change in the Standing Order because I will be free and out of this sham process that this Government wants to put forward to the people of this country and to the international community.

If you want to establish genuine democracy, Madam Speaker, inclusive economic growth and improve the livelihoods of families, we can help. We will not always agree, but if the Government is honest about its weaknesses, we can help. Let us, as lawmakers, leave a future that our children will be proud. We need to strengthen our intangible assets, our laws on property rights, efficient law and justice systems, skills, knowledge, trust, transparency, accountability and freedom. Thank you, Madam Speaker. May God bless Fiji.

MADAM SPEAKER.- Thank you very much. Honourable Members, I hope that lessons to be learnt from that speech is that, firstly, we refrain from personalising your speeches and secondly, I request that you do not continue to make reference to an organisation, Qorvis for instance, who is not here to defend themselves. I hope we will not have to hear about that any more, but thank you very much.

Before I call on the next Honourable Member, I wish to remind you all that for the 20 minutes speeches, there will be a first warning bell at the 15 minute mark, a second warning bell at the 19 minute mark and the final bell at 20 minutes.

For the five minute speeches, there will be first warning bell at the three minute mark and a final bell at five minutes. I trust this is clear, and I would like to thank the Whips for coming up with a strategy that will really smooth line the sessions that we are having on this Budget debate.

I will now call on the next speaker and I will give the floor to the Honourable Rosy Akbar.

HON. R.S. AKBAR.- Madam Speaker, before I give my address in support of the 2016 Budget, I would also like to congratulate our Fijiana Team for making it to Rio this year. A big congratulations to the Fijiana Team!

Madam Speaker, I would also like to state that we have completed over a year in this august House but it is still sad to note that Honourable Members are resorting to personalising issues and making personal attacks, especially the address by the Honourable Shadow Minister which was indeed very entertaining. I am sure Honourable Members did not miss the morning tea as the address was being given.

All in all, Madam Speaker, we are honourable Members and at all times, we talk about working with constructive ideas and criticisms to take the country forward and I am sure comes this year, we will all be doing that.

Madam Speaker, I rise in support of the 2016 Budget and at the outset, acknowledge and thank the Honourable and learned Attorney-General and Minister of Finance for producing such an imaginative blueprint to take Fiji forward next year. I am especially pleased at the way this Government has strengthened its commitment to those Fijians for whom I have a responsibility in my own portfolio namely, women, children and the disadvantaged.

Madam Speaker, in every area of the budget, we have rightly made it our priority to provide assistance to those most vulnerable individuals in our society, and I am proud to be part of a Government that genuinely cares, whether it is through our targeted programmes or the overall reduction in the cost of living, we have all achieved by cutting the VAT component.

The 2016 Budget re-enforces the FijiFirst Government's underlying mission, which is to promote a sustainable and a prosperous future for every Fijian. A tolerant, progressive and an inclusive society that values its people, unites them, encourages every citizen to join hands to build a strong, a healthy and a fair Fiji.

Madam Speaker, my Ministry aims to empower women, children and the disadvantaged through a comprehensive and holistic programme of Social Welfare initiatives and broader programmes to promote gender equality. While the priority of the social protection agenda is to graduate people from dependency into productive livelihoods, the gender programme emphasises the creation of an enabling environment for gender equality. This is achieved through policy interventions, programmes and activities to achieve gender equality across the whole of Government, and more broadly into our communities and families.

Madam Speaker, the 2016 Budget provides \$52.2 million to the Ministry of Women, Children and Poverty Alleviation, which is an increase of \$6.4 million from this year. So, we are now able to expand our existing programmes and generate new initiatives. This increase will greatly facilitate assistance targeted towards those Fijians who are most in need, including women, children, and people living with disabilities, the elderly and the poor.

My Ministry, Madam Speaker, applauds the significant reduction in VAT in the 2016 Budget, which is a major benefit for the Fijian people and one that is being greeted with overwhelming public approval. This reduction will increase the purchasing power of the dollar by reducing the overall cost of living, and I am especially pleased about the benefits that will flow to low income families.

Madam Speaker, we have reduced VAT from 15 per cent to 9 per cent, so everything that Fijians are paying VAT on at the moment, will fall by 6 per cent from 1<sup>st</sup> January, 2016. These include; the staples of any household budget, everything from salt, onions, potatoes, butter, liquid milk, garlic, toilet paper, mosquito coils, pots and pans, clothes, cabin crackers to everyday purchases such as, bus fares

and fuel, and also larger items such as household appliances, school uniforms and furniture. These and everything else will cost six per cent less.

As the Honourable Minister of Finance has explained, the current VAT exemptions on rice, cooking oil, tinned fish, flour, tea, powdered milk, and kerosene and prescription drugs will be lifted. While these items will have VAT off 9 per cent imposed on them, I want to make something very clear as the Honourable Minister for Poverty Alleviation, there is no increase in the overall cost of living. In fact, it falls, because everything else one is going to buy will be 6 per cent cheaper. In fact, overall prices will fall, at least, 4.5 per cent in other words - Fijian families will be at least 4.5 per cent better off, and indeed, this is a great achievement.

However, there are even more savings, Madam Speaker, because we have reduced the duty on items such as deodorants, baby clothes, baby diapers, baby products, children's clothing, undergarments for men and women, women sanitary pads, adult diapers, bicycles and mini-bus tyres, to name a few. The reduction of duty on these items has already come into effect. So, overall the cost of living has reduced even further, and of course, Fijians will continue not to pay VAT on those items that we buy fresh from the market or by the roadside.

Overall, Madam Speaker, Fijian families are much better off, especially low income earners because with these changes, we continue to safeguard the interests of the poor and low income earners with such things as our Food Voucher Programmes, free prescribed medicine for people with income less than \$20,000 a year. In fact, we now offer 142 medicines for free rather than the current 72 for households earning less than \$30,000 a year. We will now also pay a pension of \$50 a month to those Fijians who will be 66 years from July next year.

Madam Speaker, this is a Budget that significantly benefits those Fijians who, it is my job to represent. Our tax systems have reformed to make it fairer and more simple. Those reforms are in the interest of ordinary Fijians, and to make sure that Fijian people see the benefits, I am pleased to note that the Government intends to enforce a strict policing regime. It will be keeping a careful eye on shopkeepers, who ensure that these savings are passed on. We will not tolerate merchants who attempt to keep these savings for themselves because that is stealing, and I am sure every Honourable Member of the House will agree that any merchant who does this deserves to be punished.

We have established a hotline for consumers through the Consumer Council of Fiji for people to call and file complaints against shopkeepers and merchants who do not lower their prices to reflect these changes. These complaints will be investigated and reported directly to FRCA.

Madam Speaker, as I have indicated, reduction of VAT complements the Ministry's Food Voucher Programme. In addition, the expansion of the Free Medicine initiative, subsidised electricity, water and bus fare subsidies will further assist low income families. So, all in all, Madam Speaker, this is a Budget that is warmly welcomed by those Fijians, who I have responsibility for in my portfolio.

Speaking personally, Madam Speaker, I am extremely proud to be part of a caring Government, one that is standing up for women, children, the disadvantaged, and giving them both tangible benefits and hope.

Madam Speaker, in relation to our programmes for women, I especially welcome the reduction of VAT and exemption of duty on items such as sewing machines, fabric, thread, buttons and zippers. These, of course, will greatly benefit women who run their own tailoring businesses.

The Ministry's Sewing Project has many success stories. The VAT reduction will support the expansion of this project as sewing machines will be cheaper to buy. Women who earn an income from

sewing will now earn more, and more from their businesses and this is bound to boost their business confidence, moral and financial independence.

In a similar manner, Madam Speaker, the removal of duty on personal items, such as sanitary pads, tampons and diapers, and the reduction of duty on baby garments, undergarments and deodorants are all very welcome advances for the women and families, and the family budget is going to become a lot more easier to manage, especially for those families with limited resources.

In 2015, Madam Speaker, the Fijian Government allocated \$228.6 million for programmes to Alleviate Poverty. The total allocation for poverty related programmes in 2016 is \$254.1 million, an increase of \$25.5 million. Therefore, Madam Speaker, no one can doubt the Government's continuing commitment to improve the lives of those who are most in need of. With our Poverty Alleviation Programme, we are building a more inclusive and equitable society, and we are assisting more Fijians than ever before.

Madam Speaker, we know there is still a lot more to do, and as our economy continues to grow, we intend to allocate as much as we can to step up our fight against poverty. The 2008 & 2009 Household Income and Expenditure Survey, probably the most recent indicator, shows that the national incidence of poverty was at 31 per cent. We are determined to continue our efforts as Government to gradually, but resolutely lower this figure. It is a national priority, and in 2016, my Ministry will continue with our key social protection initiatives providing direct income support and promoting capacity building, as well as enhancing participation in our various income generating initiatives, all with the view to improving the situation as soon as possible, for as many Fijians as possible.

In 2016, Madam Speaker, the Poverty Monitoring Unit has had an allocation of \$731,400 to effectively monitor Poverty Alleviation Programmes across the whole of Government. As much as we need action, we also need more precise information about where to direct our priorities, so that as many disadvantaged families and communities can be assisted in the shortest possible time.

Madam Speaker, the Department of Social Welfare through its Social Protection Programme, continues to have the largest allocation. The Social Protection Programme for the Ministry includes; the Poverty Benefit Scheme, the Social Pension Scheme, Care and Protection Allowance, Expanded Food Voucher Programme, Fire Victims Allowance, Bus Fare Subsidy Implementation Funds, the Fiji National Council for Disabled Persons, the National Council for Older Persons, Grants to the Girl's Home, Welfare Graduation Programme, Capital Grants to Voluntary Organisations, Child Protection Programme, Marriage Counselling Programme and the Community Work Programme.

Of the total increase in the Department's allocation in 2016, the largest increase of \$5 million is for the Social Pension Scheme (SPS). Madam Speaker, this will accommodate the expected increase of applicants due to our lowering of the eligibility age from 68 to 66, from July next year. This assistance is for elderly persons who are not beneficiaries of any superannuation or pension programme. Currently, there are more than 14,000 recipients under this SPS Programme. It is estimated that with the lowering of the eligibility age, an additional 5,000 new recipients will benefit from this very important Programme.

Madam Speaker, the increase in the Care and Protection Allowance of \$1.2 million will improve the administration of the Care and Protection Programme for poor, single-parent households. It will cater for the increase in allowance for those children residing in our residential homes from \$100 to \$120 per month. Obviously, these disadvantaged children will be accorded a high level of care and better living support as we continue to improve their current circumstances and provide them with a better future

Madam Speaker, in the Budget, we have allocated \$22 million for the Poverty Benefit Scheme Programme, which is a major social protection programme. The Ministry is committed to an ongoing review of this programme to ensure that it is targeted more effectively at those households who are in need of this assistance.

The Welfare Graduation Programme is also an important part of our overall poverty alleviation effort. We are encouraging welfare beneficiaries to become more self-reliant and less dependent on State assistance.

The Fire Victim Assistance programme, Madam Speaker, has been allocated an additional \$50,000 from the current \$100,000 to meet the immediate needs of fire victims. We have seen an increase of \$100,000 in the NGO grant which will enhance our ability to effectively meet the overall demand of services for the disadvantaged. It acknowledges the ever increasing need for Government to form partnerships with Civil Society Organisations to make our responses more effective.

Madam Speaker, the Child Services Budget of \$500,000, will enable the Department in partnership with stakeholders and international organisations such as UNICEF to make many inroads to expand the scope of its child protection awareness programmes. This will also ensure continuing funding for the National Child Helpline and enable this valuable service to expand to its operation around the clock come next year.

Apart from its Social Protection Programme, the Child Welfare Programme Department is again given a budget of \$200,000 to implement the National Ageing Policy. This will include assistance for the improvement of level of care at the eight institutions that look after our elderly persons. In addition to the Department's current programme, we are adding three State Senior Citizens Homes to the Ministry's responsibility in 2016. This management transfer will ensure an improvement in the standard of care offered to those living in the State Senior Homes.

Madam Speaker, an extra \$100,000 is also being provided to the National Council for Disabled Persons. This will enable the expansion of our support towards the existing NGOs that operates under Council.

Madam Speaker, moving on, the National Women's machinery is responsible for providing Gender Mainstreaming technical and advisory support to the Public Service through the implementation of the National Gender Policy and the National Women's Plan of Action. The Department of Women Programmes have been allocated \$1.8 million for 2016 – an increase of \$210,000. This will allow for the first time in the nation's history, a national 24-hour toll free Domestic Violence Helpline. This is a very vital important initiative that will provide a helping hand to any Fijian suffering from domestic violence. Madam Speaker, this underlines the Government's continuing commitment to support the victims of family violence and send a message of zero tolerance to every Fijian.

Madam Speaker, the increased budget to the Fiji Women's Federation will enable an expansion of its role to monitor the outcomes of the National Women's Expo and actively engage potential markets. We have already started the preliminary work around this, through a partnership with the Ciputra Institute of Entrepreneurship in Jakarta, Indonesia.

Madam Speaker, the National Women's Expo has once again received its special allocation of \$500,000 in 2016, as Government continues to recognise the positive impact the Expo is having for women artisans and their families. I am proud that the lessons learnt from the first National Women's Expo in 2014 allowed us to more effectively utilise this year's allocation of \$500,000.

From the eight divisional craft shows organised to prepare for the National Expo Women Artisan, we were able to take home just over a \$100,000 from the eight divisional craft shows.

Divisional Craft Show winners were chosen to come to the 3-day National Expo in October this year. Out of these, 570 artisans earned \$352,000 during the 3-day event. The Government's overall investment in the Women's Expo has empowered women's capacities through exposure to skill, knowledge and networking experiences. Therefore Madam Speaker, I wish to reiterate, that the return on the Government's investment cannot be measured in monetary terms alone.

As a result of the Expo this year, 43 women artisans have now qualified to use the Fiji crafted label of the *Fijian Made* brand certified by the Ministry of Industry, Trade and Tourism. The Expo has also allowed us to identify seven women artisans who travelled to Indonesia immediately after the Expo to attend the Ciputra Entrepreneurship Centre – indeed a big achievement.

Madam Speaker, we also welcome the provision for additional staffing for both departments and to more effectively and efficiently implement the Ministry's programme. In addition, we are greatly appreciative of the \$100,000 allocation made for the Executive Support Unit.

In terms of the delivery of services, Madam Speaker, my Ministry covers all sections of the community and in closing, I want to express my thanks to the partnership that we have forged with the Ministry for Industry, Trade and Tourism, the Ministry for Health and Medical Services and the Fiji Arts Council. We are also grateful to the Governments of Australia, China, India, Indonesia and Japan. We are also grateful to the inter-governmental agencies such as UNICEF, UNDP, UNFPA, UN Women, Secretariat of the Pacific Community (SPC), RRRT and all women NGOs, and Faith Based Organisations and our major private sector partners and corporate sponsors such as Westpac, Courts and Morris Hedstrom.

With these remarks Madam Speaker, I commend the 2016 Budget before the House, it is a people's budget, a budget with a welfare of every Fijian in mind, especially our women, children and those on low income and the disadvantaged. Thank you, Madam Speaker.

MADAM SPEAKER.- Thank you, Honourable Minister. We will now call on the Honourable Veena Bhatnagar to have the floor.

HON. V.K. BHATNAGAR.- Madam Speaker, Honourable Acting Prime Minister and Honourable Members of the House. I am deeply honoured today to deliver my response to the 2016 National Budget and I sincerely thank the Honourable Minister of Finance for the budget.

Madam Speaker, as far as I can remember, there has not been anyway near the type of response to any annual budget announced by any Government previously, as we have experienced in the past week, in respect of the 2016 Budget.

Comments reported in the media by individuals, corporate entities, heads of Government Ministries and Departments and Non-Governmental Social and Religious Organisations have been most encouraging and favourable.

Not only has the 2016 Budget addressed the daily needs and welfare of all Fijians, it has also provided for the very important aspects relating to education, welfare and health which I will dwell upon later.

The most perennial and recurring question over several years concerning the imposition of VAT has finally been very boldly addressed, and from January next year all Fijians will derive a benefit of the 6 per cent in its reduction.

Madam Speaker, the Ministry of Health and Medical Services is appreciative of the reasonable and well considered budget it has been allocated to deliver its services and mainly to facilitate the best

way forward and initiatives where our people are empowered to make the best decisions on their health, thus, allowing them to contribute meaningfully towards our economy and our society.

The increase of \$11.3 million in the health budget, Madam Speaker, is testament to the Government's fervent commitment to improving Fiji's health services.

It is also a clear indication, Madam Speaker, of the Government's genuine undivided and uncompromised intention to invest in the health of our people, so that we may cultivate longevity and as alluded to by the Honourable Minister of Finance, a people that is healthier, stronger and free from preventable diseases. I believe this will ultimately result in high productivity and performance in all spheres of one's life.

Generally, Madam Speaker, I am certain that this budgetary allocation will assist our Ministry to focus better in improving health outcomes of families, specifically reducing illness and mortality among mothers, children and adolescents.

Madam Speaker, the need to focus on the family cannot be over-emphasised. As we all know, the family is the nucleus of our very existence and productivity should be given diligent priority in our roadmap for development. Madam Speaker, the family is critical to the achievement of the Sustainable Development Goals (SDGs) specifically Goal Three that focuses on ensuring healthy lives and promoting wellbeing for all, at all ages.

Madam Speaker, I am pleasantly encouraged with the allocation towards the Family Health in the overall health budget that undoubtedly favours the improvement in Family Health Projects including the broad spectrum from child health development, children of school age, adolescent reproductive health, food supplement for malnourished children and other initiatives which encompass the family.

Madam Speaker, the specific budget allocation for family health helps the Government and its partners to improve on the health awareness campaign for mothers such as encouraging early bookings at clinics. The importance of this campaign is also further promoted by the Government through the Food Voucher Programme by the Ministry of Women, Children and Poverty Alleviation. Madam Speaker, the motion is provided supplements for iron ...

Madam Speaker, the mothers provided supplements for iron, tested and treated for underlying diseases and monitored for any complications during the pregnancy. Our intention, Madam Speaker, is to ensure that every mother has a healthy pregnancy and every child has the best start to life physically, mentally and socially.

Let me also add, Madam Speaker, the Budget also enhances the delivery and access to maternal health services for our expectant mothers and the newborns through Government's substantial investment in major upgrading and construction of new hospitals that include maternity units. Specifically the \$1.3 million extension of the CWM Hospital Maternity Unit, a Low Risk Makoi Maternity Unit, Ba Hospital, new Nausori Hospital, Keiyasi Health Centre and Rotuma Hospital.

Furthermore, Madam Speaker, provision for health services to our mothers and children is further strengthened with a mother's safe hospital initiative to ensure that all our health facilities are better equipped and health workers trained ....

MADAM SPEAKER.- I thank the Honourable Bhatnagar for her presentation. I will now invite the Honourable Mosese Bulitavu to have the floor.

HON. M.D. BULITAVU.- Madam Speaker, Honourable Members of this august House, from the outset let me say that this Budget looks promising. Madam Speaker, I thank the Ministry of Finance

for putting together this Budget and I also thank the individual ministries for making their submissions. Madam Speaker, I also would like to wish FRCA all the best in trying to meet its revenue collection targeted for 2016. I also thank all taxpayers for honouring their obligations to the State, despite difficulties at times, they have managed to pay their taxes. The 2016 Budget looks like one that will bring relief to the people in terms of ability to meet their day to day expenses. However, we will now wait to see the impact of these promises by Government. Budgets are planned on how financial matters of a county are planned and implemented.

The Opposition of any Parliament also has a crucial responsibility to ensure that we monitor these plans of government and assist to see them come to reality.

Madam Speaker, some of the items listed in this year's budget that was announced last year has not been implemented because cash outflows depend on cash inflows. The Honourable Minister of Finance has assured the nation that there is money but the delay has been caused by a slow approval process and that Government is determined to do things right by finding proper project plans and competent project management.

At the divisional level, it is frustrating when Government officials are saying that everything is ready and they are only waiting for the Ministry of Finance to release the funds.

Madam Speaker, similarly most of the items in the 2016 Budget are under requisition and warrant a signature by the Honourable Minister of Finance before these funds may be expended. These items have been placed under requisition in anticipation that these items will be funded through aid. When the aid involves cash grant, these funds will be released only upon receipt of aid funds into the consolidated revenue.

Madam Speaker, an example will be the Micro and Small Business Grant which has been allocated \$2.2 million under Head 34. The grant has been placed under requisition in anticipation that it will be funded by aid.

Madam Speaker, similarly Head 50, SEG 10 on *itaukei* land development which was allocated \$10 million last year, about 30 applications have been received and they are still being processed. This means that at the end of the 2015 financial year, the \$10 million grant that was allocated last year has never been expensed and will be implemented in 2016. This is the same amount set aside for this year's budget. It would be crucial therefore that Government tells this House, as a way of assuring the re-adoption of this programme because of its success. How many individuals or *mataqali*, for example, have benefitted from this programme in 2015? What is the value of these investments by Government to these respective people? If none has benefitted so far, then what strategies does Government have to implement that promise?

Madam Speaker, but the fact that despite the announcement by the FijiFirst Government that it was the first government to give a \$10 million grant for *itaukei* land development, it was never implemented because they were under requisition and not the likelihood of false starts. It would be important that we know the progress of implementation so the others who have yet to benefit are encouraged to do so.

Madam Speaker, another example is the Committee for the Better Utilisation of Land (CBUL) which has been allocated \$7.7 million under Head 18. The CBUL payment is paid to TLTB who then distributes these funds to the landowning units with the understanding that landowners are putting their land to productive use. These type of funds will be released only upon receipt of aid funds in the consolidated revenue. However, the Government must explain to the landowning units the formula which TLTB uses to distribute this grant.

Madam Speaker, similarly Head 4 on the allocation for the Northern Development Programme of \$1.5 million is also under requisition.

Madam Speaker, the examples I have cited proves that the delays are not only caused by ensuring there are no false starts but also by the slow inflows of aid into the consolidated revenue. If there is no aid available then none of these items will be implemented and often people are told that their applications are being assessed or processed when in actual fact, Government is anticipating an aid to arrive.

Madam Speaker, I will now speak on the issue of investment. The Budget Address has highlighted that in the past eight months, 228 foreign investment registration certificates were issued totalling a value of \$722 million and with the proposed 2,903 new jobs, it was also claimed that applications for registrations are up to 39 per cent for last year.

It would have been prudent for Government to have given us, instead of a one-year comparison, the actual number of businesses registered, for example, in the last five years comparatively, and allow us to also see how many of those so-called registrations eventuated into actual businesses.

One fact that cannot escape us is the noticeable encroachment of a lot of foreigners into the areas of business that was supposed to be under restricted activities or reserved listing under the Investment Act where only locals were to invest. These activities, for example, include supermarkets, restaurants and tailoring businesses where Fijians were encouraged to participate, thrive and protected. Instead, Madam Speaker, we now note supermarkets sprouting up in the main Central Business Districts, both here in Suva and likewise in the North and in the West. A lot of supermarkets are now owned by Asians. How did this happen?

This brings me to the point I have drawn earlier, Madam Speaker, that some so-called foreign investors use the guise of coming into invest in the country and over time, by virtue of their being here over a period of time that they can allow them to apply for naturalisation of citizenship. In fact, it has been noted that some of them collude with our own officials in the relevant organisations like Investment Fiji to draw out the period of their supposed investment implementation until such a time they can become citizens.

What then becomes the business plan they had supposedly applied to fulfil and carry out? Who loses out when this instances occur? Fijians, of course, employment opportunities are not realised and business areas that could have been taken up by our people, are instead taken up by foreigners who then end up repatriating most of their earnings back to their homeland.

I ask the Government to be responsible. Give us the actual figures of how many businesses have actually gotten off the ground out of those that applied for these so-called registration certificates. Do not quote to us figures that have not been yet realised. That is called procrastination and can be deceptive because along with these investment figures, the Reserve Bank, for example, then provides the national GDP growth figures, which in turn is parroted into institutions like IMF and the World Bank. The reality on the ground, Madam Speaker, speaks volume.

Madam Speaker, whilst still on the area of investment, let me also seek Government's assurance that we are encroaching into new areas of investment, particularly for export markets. This is the job of Investment Fiji, that is why they hold foreign missions and are given their share of budget by Government. I say to this, because I find out our export growth figures lack conclusive evidence that we have indeed made inroads into new export markets and that we have identified commodities that we could market and export from Fiji. Has Investment Fiji been able to find us anything new to export in the last five years? If so, what are these new products? What new industries has Government opened in the last five years?

Madam Speaker, I will now turn my attention to the area of reforms being facilitated by the Ministry of Public Enterprise. A significant number of Government entities have recently been reformed to become supposedly more viable. In 2016, the Budget for Ministry of Public Enterprises is being allocated \$16.1 million. There are 25 State-owned enterprises that the Ministry provides oversight for.

One of the fundamental questions that we need to first ask is the time period allowable for the completion of a reform. When we get the affirmative period, we can then know for sure, if their so-called reforms have become effective as intended. Also, Madam Speaker, the revenue from dividends from investment has reduced from \$56.7 million in 2014 to \$32.8 million in 2016. Madam Speaker, when we first reform an entity from being a Government Department into a commercial entity, the platform is usually to make business or service providers become commercially driven, become more efficient and effective in their delivery of services and subsequently when they become commercial companies, they are supposed to thrive. Therefore, if past the time of their supposed reform period and they have not been able to sustain their own operations, who calls the shots then to make them accountable? Does Government continue to pour assistance through Government subsidies, guarantees and grants?

Madam Speaker, I note the budget allocation for:

- Water Authority of Fiji is \$250.4 million;
- Fiji Roads Authority is \$635.7 million;
- Land Transport Authority is \$24.5 million;
- Maritime Safety Authority of Fiji is \$4.5 million;
- Fiji Airways under Head 50 identifies Marketing Support of Fiji Airways is at \$18 million; and
- Fiji Electricity Authority subsidies \$5.7 million apart from Government guarantees.

This is interesting especially for some entities like FRA where we know that they will not be able to earn any direct financial returns from their services. How long does Government have to provide these massive grants to these organisations? When do we expect them to run by themselves? I really do not know the basis of these reforms, especially now when we are losing jobs previously held by qualified Fijians to overseas companies and expatriates are now scattered in all these reformed companies.

In addition, Madam Speaker, I note a grant of \$5.7 million to the Bio-Security Authority of Fiji is coming under the Ministry of Public Enterprise's budget whereas other reformed entities are getting their grants under their respective line ministries. Is there something special intended for BAF that we should know?

Meanwhile, the Government Printing and Stationery Department (GPSD) in the Budget Address is getting \$2.7 million in 2016. GPSD is supposedly to be reformed as well, it was supposed to be sold off as per this year's budget announcement. So what is the delay and where in the Budget book does that allocation for 2016 feature under? This is again similar to FEA and AFL where projected investment share returns were supposed to add to the National Budget Revenue and yet they have not been sold. How does Government then address the budget shortfall because of this miscalculated revenue lines?

Madam Speaker, why divest shares when the only possible buyer is another Government owned entity which is FNPF. This is like bringing money from the Government entity to give to another. Why

divest? Why do you not just borrow money? And especially money belonging to all workers of this country.

Meanwhile, Madam Speaker, the bulk of borrowings by Government these days are being secured locally. In this case, this is a divestment of shares and is being facilitated domestically, and escapes the scrutiny of foreign debts, for example. In any case, we should really tag this as a borrowing or divestment. How do we ensure the members of FNPF, Madam Speaker, that the security of their money will be protected and affirmed? There is a continued fluid movement of global financial insecurities and shocks, Madam Speaker, being experienced throughout the financial business world and in the event such a major incident should reoccur. Will the investment by FNPF through its members' contributions escape a negative effect?

Madam Speaker, the crucial role of leadership is no doubt an important part of any organisation. These positions of leadership often provide the necessary direction for growth of companies and contribute significantly to the growth of economies.

Therefore, institutions need to have a succession planning. In a number of these reformed entities we have these so-called actors leading them. Actors who are acting as Executive Chairs, for example, instead of institutionally training and having one of their own who has grown within or with the institution rewarded and assuring others that there is a promising future to work for, for those who commit their best. I take for example, Airports Fiji Limited, Fiji Sugar Corporation, Post Fiji Limited, the Fiji National Provident Fund and soon, the Fiji Revenue and Customs Authority. What is going on, Madam Speaker, to warrant certain people who hold Executive Chairs of these organisations whilst having their permanent jobs elsewhere. What message are we sending to our people, especially our workers about their career path? Is this the value of equality, fairness, personal responsibility and good governance that was sold to us during the Budget Address, Madam Speaker?

Madam Speaker, I will now sum up by speaking on Head 5 for Ministry of *iTaukei* Affairs which is being allocated \$11.5 million. Government has provided \$2.5 million for Cultural Mapping Programme. I agree with the Government's intention to preserve and safeguard *iTaukei* cultural heritage to be stored in a National Inventory for Traditional Knowledge and Expressions of Culture. I hope Government will provide a bigger allocation for this exercise because the *iTaukei* people need to preserve their culture as soon as possible because of the fast pace of development implemented by the State. I quote:

*“Me ratou viriba vakaukauwa na Tabacakacaka iTaukei me tarovi kina na cagi ca ni veisau ka rawa ni sereka na vanua ka tubu kina veitovo vuqa vovou ka rerevaki.”*

The Ministry of *iTaukei* Affairs need to provide good strategies in order to prevent the negative effects of development. With that regard, Government allocated \$100,00 for Village Bylaws Consultation to control problems that have been caused by effects of development such as eliminate land disputes, social problems and conflicts in villagers. The late Ratu Sir Lala Sukuna said and I quote: *“Noda bula na tamata e vu kecega mai na qele ia me da vakusakusa vakamalua.”* The Government needs *iTaukei* land available for economic development but the Ministry of *iTaukei* Affairs must be allocated more for many other sophisticated programmes affecting the *iTaukei* culture caused by development.

Leadership Awareness Programme has been allocated \$100,000 to implement the Traditional Leadership Curriculum to all 14 Provinces. This is welcomed but the *iTaukei* Land Commission should be allocated this fund to finance their *Veivakararamataki* Programme and not to be done by another unit at the *iTaukei* Affairs Board because Native Land Commission (NLC) has knowledge as to which *vanua* has leadership problems due to vacant traditional title, disagreement as to the installation of a traditional title and those *vanua* having problems due to development issues.

A sum of \$200,000 has been allocated to continue the Digitization Programme which is to set to be completed by 2016. There is a big problem here, Madam Speaker, as to the complaints by landowners where the names that are inserted by iTLTB, some are not receiving their lease money due to verification process, the name that appears in the system is not the name that in their Birth Certificates, they need Statutory Declarations. These issues, Madam Speaker, could have been solved, corrected or errors minimised if this system was to be held or done correctly at the provincial level, rather than leaving indigenous people who later find out at TLTB that they are not receiving any lease money and have to come right to Suva and correct all these errors.

A grant for Provincial Councils in 2016 is \$1 million and *Vola ni Kawa Bula* (VKB) members are to pay their provincial levies to help assist administration cost for their Provincial Officers. Most *iTaukei* people are taxpayers, ratepayers and also pay provincial levies. The Provincial Office is not only used by *itaukei* people, but other communities to get approvals on licences and leases who do not pay provincial levies. If VKB members are paying provincial levies, then the Roko Tui need to perform and ensure that VKB members do not end up doing things right at NLC Office, it should have been done right at provincial level.

Madam Speaker, for my people in the North, the Northern Development Programme has been set up by Government to provide oversight and guidance for the implementation of development programmes for the North which include assisting the province to become commercially driven through the support of micro and small business mediums, to raise level of investment and economic production and increase the volumes and value of trade.

A sum of \$1.5 million allocation has been earmarked and I ask Government to first get this NDP to provide for the benefit of this august House and for our people in the North particularly, an update of what exactly have they been able to achieve in the North's economy? What are they doing, for example, and whether the return of investment has been higher or lower than what was given?

This year, \$1.5million was allocated and again, for next year, \$1.5million has been earmarked but whether the return of investment is higher or we are making loss, so we can re-look at this programme and see how we can make it profitable and participate more in the economy.

These many programmes by Government have been genuine programmes to reach the people. All the people of this nation, contribute to the national coffers.

MADAM SPEAKER.- I thank the Honourable Bilitavu, I now give the floor to the Honourable Joeli Cawaki.

HON. CDR. J.R. CAWAKI.- Madam Speaker, please allow me to join my colleagues who have spoken before me in congratulating the Honourable Minister of Finance for the very comprehensive Budget designed for 2016. The budget goes far into building a society that is on one hand fair and inclusive, and on the other is forward looking and keeps our economy vibrant with the theme of *The Future: a strong Fiji, a fair Fiji and a healthy Fiji*.

Madam Speaker, I am in full support of the 2016 Budget. The Budget addresses the current realities while at the same time prepares every Fijian for the future. In particular, the emphasis placed on developing our people in the rural and maritime areas, thus enabling them to enjoy the same opportunities available in the urban areas, which is primarily the basis of my support for the 2016 Budget.

Madam Speaker, the Budget demonstrates Government's recognition of the remoteness and the isolation of those of most our rural and maritime areas and further re-states its commitment to

developing strategies such as empowering programmes to enhance the productivity or capacities of citizens and improve the ability to take full advantage of the opportunities available to them. This is reflected in the budgetary provisions allocated to other sectors that have direct impact on rural and maritime developments. The sectors include health, education, women and children, youth and sports, transport, fisheries and forestry and agriculture.

The 2016 Budget provides a sum of \$36.9million, an increase of 14 per cent from last year's budget. The capital to operating budget ratio for 2016 is 17 per cent to 30 per cent. The bulk of this budgetary increase is attributed to the allocation of funds to the four Divisional Commissioners, to ensure that they are fully prepared to implement Government's Capital Work Programmes aimed to increase their capacity for the timely implementation of programmes.

Madam Speaker, you will recall my speech on the same occasion last year, where I stated that our Ministry would host the Executive Committee and the Governing Council Meeting of the Centre for Integrated Rural Development for Asia and the Pacific this year (2015). For the information of Parliament, our Ministry has successfully hosted this meeting in August this year. At this meeting, the Honourable Minister for Agriculture, Rural and Maritime Development was elected as the new Chairperson for the Governing Council whilst the Permanent Secretary for Rural and Maritime Development was elected as the Chairperson of the Executive Council. The Permanent Secretary for Lands and Minerals Resources, Mr Tevita Boseiwaqa, was also appointed as the new Director General for CIRDP for a period of four years effective from July, 2016.

Madam Speaker, for 2016, a total of \$6.5million has been allocated for Divisional Development Projects. The projects that will be funded in 2016 include; a new Wainua Government Station for the upper Naitasiri, a DO Korolevu's Office in Nadroga, Votualevu Health Centre in Nadi, the Tawake Nursing Station in Cakaudrove, Seaqaqa Health Centre, Quarters in Cakaudrove, Naduri Health Centre in Macuata, Nabouwalu, Hospital Quarters in Bua, the Nalotu Suspension Bridge on Yale in Kadavu and the Nagasele Uciwai Foot Crossing also in Yale, Kadavu.

Madam Speaker, there are Government programmes aimed at improving and empowering rural and maritime citizens and communities to become self-sufficient and also to participate effectively in the capitalist economy, thus reversing the rural to urban drift. The emergency water allocation for the other end is aimed at supporting communities with the provision of water during periods of drought and emergencies, as we are currently facing in the West and other parts of Fiji.

Madam Speaker, the allocation for Rural Housing for 2016 remains at \$1.4 million but a further allocation of \$146,460 has been made to assist the provision of housing for former employees of the Emperor Gold Mining Company.

Madam Speaker, I join other Honourable Members in declaring that this Budget is the people's budget.

MADAM SPEAKER.- I thank Honourable Cawaki for his presentation. I will now give the floor to the Honourable Iliesa Delana.

HON. I. DELANA.- Madam Speaker, I rise to add my support to the motion before the House and also congratulate the Honourable and learned Attorney-General and Minister of Finance for the 2016 Budget. To quote the Honourable Prime Minister; "This Budget is bold and it is imaginative." It is targeted specifically at improving the living standards of ordinary Fijians and especially, the disadvantaged, and I am especially pleased and grateful for the provisions in the Budget that recognise the importance of sport in our national life.

We are a sporting nation and sport is a powerful force for national unity. It brings us together as one people and, of course, it is teaching our young people the importance of teamwork, perseverance and maintaining proper standards of fitness. The Government attaches the greatest possible importance to the development of sport in Fiji, and I am pleased and proud that this is again reflected in the 2016 Budget.

Madam Speaker, through our spending programmes next year, we intend to boost sporting activities and awareness, and create more opportunities than ever before for Fijians to participate in those activities. Provision is being made for existing facilities to be maintained and expanded, and we are developing new facilities especially in those areas of the country that need them most, where the existing facilities are either poor or non-existent and where Fijians can be empowered to either perform better in their sporting activities of choice or to develop an interest in sport in the first place.

This priority goes beyond mere enjoyment, although we must never forget that sport is something that should be enjoyed above all else. As we all know the nation is facing a major crisis from Non-Communicable Diseases (NCDs) - hypertension, heart disease, and diabetes. Lifestyle diseases that can be prevented if more people exercise, improve their eating habits and generally keep themselves fit.

Madam Speaker, with the current epidemic of NCDs, sport has never been more important in our national life, and the Government is especially keen to spread the message among our young people that a healthier life means a longer life. A more enjoyable life. We are continually saying to our young people, sport is a great way to keep fit. So, get involved and perform to the best of your ability and at the same time, change your lifestyle - do not smoke, do not drink excessively whether it is alcohol or *yaqona* and change your eating habits, eat more fresh fish, more fresh vegetables and more fruits.

Madam Speaker, we cannot repeat this message enough, but it is not only for the benefit of our people to increase their lifespans and spare their loved ones the pain of an early death. It is also good for our economy because a healthy nation means less of a burden on our health care facilities, which we all know are stretched to the limit. So, sport is also a major benefit to the wider economy. Keeping people healthy also means keeping the nation's finances healthy, and I am pleased and proud that this central belief that the Government holds is reflected in the spending priorities for next year.

Madam Speaker, the Ministry of Youth and Sports plays a lead role in the overall development of sports in Fiji. It is our role to develop our sporting infrastructure, whether it is building new facilities or improving existing ones but as well as facilities, we are also making a big effort to assist the various sporting bodies to identify, develop and nurture sporting talent – the men and women who have the potential to represent our nation and make us proud.

As we all know, an increasing number of young Fijians are carving out lucrative professional sporting careers overseas. Improving the opportunities for them to lead prosperous and fulfilling lives but also using the money they are earning to benefit their families and communities back home. These remittances are already having a significant impact and the Government is committed to expanding the opportunities further.

So, whether it is building new facilities in rural or maritime areas where none existed before or improving existing facilities on our main islands and cities and towns, this Government has a clear vision when it comes to investing in sport that the return on this investment is already occurring, and the possibilities are limited only by our imaginations.

Fijians love sport. We are good at sport. So, the more resources we can allocate as a nation to sport, the more returns we are likely to receive. We are already seeing the dividends on this investment

as Fijian teams perform better in International competition. For the first time, our Rugby Sevens and our Under 19 Football teams are competing in the Olympics in Rio de Janeiro next year.

MADAM SPEAKER.- I thank the Honourable Iliesa Delana. I now invite the Honourable Roko Tupou Draunidalo to have the floor.

HON. ROKO T.T.S. DRAUNIDALO- Madam Speaker, I thank the House and the people for this opportunity to respond to the Government's proposed 2016 Budget. I will speak on two subheadings, one on the area of Government departmental portfolio that the Honourable Leader of the Opposition has assigned to me as spokesperson, and that area is Defence to a short brief or history on why Government's levies taxes, duties and charges because sometimes we need to remind ourselves of the basics.

Madam Speaker, on the first issue we note from the Honourable Minister's Budget Address that there was an increase in funds to the peacekeeping missions by \$6 million. In 2015, the budget was about \$72 million and in 2016, it is about \$78 million. This is on top of another \$103 million that is allocated to the Military Forces proper for 2016.

Madam Speaker, there is a total of about \$181 million for 2016 directly to the Military. We have not included indirect moneys to them from the Budget. It is a legitimate question for taxpayers to ask, why so much money to one Government Department and one that cannot really produce anything towards the Gross Domestic Product (GDP)? It is not a good investment, Madam Speaker.

It is simple logic to ask these questions. If the people of Fiji are contributing about \$100 to \$200 million a year into a Government Department or product, it is only simple logic that we ask, what are the Military producing? What returns are they giving to Fiji to justify the big investments in that Government Department?. This is nothing personal, Madam Speaker, to anyone, they are legitimate questions that taxpayers who are burdened by direct and indirect taxes through very high food prices, the high cost of living and higher unemployment rates can and should legitimately ask these questions about this big expenditure ticket.

Madam Speaker, from the Opposition Budget workshop last week, I obtained some useful figures on this subheading. The total amount to be spent on the Military is about 5 per cent of GDP. Why, Madam Speaker? Let us look into what the Military has given Fiji in return for the hundreds and hundreds of millions of dollars that this poor country and its poor taxpayers have been made to cough up to this Government Department.

Madam Speaker, they have given us 30 years of *coups*, the *coup* culture which has just destroyed and continues to destroy institutions in this country that are required to build and enrich this country - the rule of law, Parliament, Media, Civil Service, University of the South Pacific (USP), Fiji National Provident Fund (FNPF), Sugar and Tourism. To be inclusive, Madam Speaker, let me turn it around to ask the Military these questions. Is it determined to continue their last 30 years by doing bad things and risk killing the golden goose that lays the golden eggs for them? The national economy and the direct and indirect taxpayers of Fiji that includes the foreign investors who look for strong institutions first and foremost before they invest money in an economy.

What bad things do I refer to, Madam Speaker? Very recently, employing and harbouring fugitives. Those charged with serious assault and torture offences, interfering with the work of the Police Force as stated by the now former Commissioner of Police last week. That expatriate Commissioner, Madam Speaker, has now returned overseas to tell the world and foreign investors about the foundation fundamentals we have in Fiji for foreign investment. Unfortunately, local investors also listen in to those views.

Madam Speaker, why are investors important? Very important for economic growth. We need them to employ our people, their capital...

HON. A. SUDHAKAR.- Madam Speaker, I rise on a Point of Order.

MADAM SPEAKER.- Point of Order.

HON. A. SUDHAKAR.- The matter regarding those police officers is before the courts. The matter is outside the Budget Address. The Honourable Member is now reiterating what her colleague had reiterated and where I raised a Point of Order that the matter should be restricted to the Budget Address. She has used the guise of the Military and the Police, taken it further, stretched it and now going into the arena which the courts are dealing with.

HON. DR. B.C. PRASAD.- (Inaudible interjection)

HON. A. SUDHAKAR.- It is a Point of Order, Honourable Member. If there is a point of order, Professor, it should take precedence over all other matters.

What I request, Madam Speaker, there should be a strict ruling because they cannot use the guise of the Budget Address to explain the matters that are before the courts. It is undermining a separate judicial department.

MADAM SPEAKER.- Thank you. I think the Honourable Member was referring to the budget that is being allocated to the Police and the Military, and not really on the issue that is before the courts.

You may continue, Honourable Draunidalo.

HON. ROKO T.T.S. DRAUNIDALO.- Thank you Madam Speaker.

Why are investors important? They are important for economic growth, we need to employ our people. Their capital and human resources investments will mean more money for our schools and hospitals. We need them to grow FNPF rather than deplete it for Government short-term parties.

Madam Speaker, I am very sad every time I drive past the CWM Hospital, on a rare occasion to visit a relative in there, it is really sad the state of the Hospital and the stories we hear from the professionals about their plight. It is sad for the people of Fiji.

The Health professionals who complained about unreasonably long hours and long overdue overtime pay, the lack of posts for professionals to aspire to and get paid for, all these contributes to the brain drain, Madam Speaker. Professionals remain in the same post and get paid for very many years in substandard working conditions, it is no wonder they reach their level of tolerance, Madam Speaker, resign and migrate and we lose them.

We even do things that wealthy countries will not dream of doing like subsidising the shares of wealthy private shareholders in Qantas, who are big shareholders in Fiji Airways by providing \$18 million investment for a new route to Singapore without any details of whether Qantas shareholders will benefit greatly for many profits, will contribute a commensurate amount of investment. If not, Madam Speaker, why not? Is it because we destroyed our relations with Qantas shareholders? I am sure that \$18 million would have done wonders in an upgrade of CWM Hospital for the benefit of those who will pay the \$18 million.

It is a vicious cycle, Madam Speaker, what bad governance lands us with, and we have to ask ourselves the legitimate questions about why various investments are made and why we invest hundreds

of millions of dollars into a Government Department that acts with impunity to bite and in fact, torture the hands that feed?

On the issue of the Peacekeeping Missions, Madam Speaker, some figures are:

- In 2013, about \$40 million was remitted to the Fijian Government from the United Nations (UN) for the peacekeeping service and mission. In return, the Fijian Government spent about \$69 million for the same ticket item.
- In 2014, \$22 million was given for the Peacekeeping Mission and in return, the Fijian Government spent \$72 million.
- In 2015, it is about \$9 million where the Fijian Government giving \$78 million for that Head.

As an expert mentioned at the Opposition Budget Workshop last week, why are we pouring hundreds of millions of dollars in Military missions overseas in conflicts that have nothing to do with us, while our hospitals and health professionals crave for the bare minimum? What do we get in return from the Military for that generosity? We get the *coup* culture, the trashing of the foundation of the economy, tortured, thuggery and I ask the Military, Madam Speaker, please give us something different. Please think critically of what you have done and continue to do. Think of what you are giving back to the people, the taxpayers of Fiji, and have some humility and shame about what you are giving Fiji, in return for the generosity that the people and the Fijians have given you. A suggestion for a solution, Madam Speaker, and provided that the Constitution and other laws allow, I ask the Government to consider including the Military and the Police in the upcoming Civil Service Reform.

I move on to the second subheading, Madam Speaker, I wanted to speak very briefly on why governments levy taxes, duties and charges in the first place. From history, and now it includes elected governments, it is levied in order to provide services for those who pay for them, for things that benefit those who pay, for things that will help the government grow the economy and acquire more funds through employment and investments so that citizens can get better public services, better schools and hospitals. In contrast, taxes, levies and charges are not levied to destroy the economic foundations, weaken and destroy institutions that attract investors or punish, weaken and destroy sectors of the economy.

Madam Speaker, just yesterday, an independent member of the Constitutional Offices Commission, Mr. Richard Naidu, resigned citing bad governance and bad practice issues as reasons for his resignation. He acts for many investors, what messages does that send out to investors?

They are certainly not levied, taxes, charges and duties to pour hundreds and hundreds of millions of dollars to fund a Government Department that destroys the foundations of the economy and another foundation of that, Madam Speaker, is this House. I am saddened that because we have cut time down to one week, that Honourable Members who are sitting on the opposite side have limited themselves to five minutes. They should have been given 20 minutes, we want to hear from them. That is why the people of Fiji elected them. Even though we disagree with their views, we will. . . .

MADAM SPEAKER.- Honourable Member, please continue with your speech. That decision was made by the Business Committee and agreed to by both Whips.

HON. ROKO T.T.S. DRAUNIDALO.- I am speaking on governance issues, Madam Speaker, which is legitimate and the foundation of the economy.

MADAM SPEAKER.- Please focus on the Budget.

HON. ROKO T.T.S. DRAUNIDALO.- Foundation of the economy and the torture and abuse of human rights and the people who pay their salaries.

Madam Speaker, basically that is what it is. We are pouring hundreds of millions of dollars to fund a Government Department that destroys the foundation of the economy, and tortures and abuses the human rights of the people who pay their salaries and I end on that note, Madam Speaker. Thank you

MADAM SPEAKER.- Thank you.

Honourable Members, we will not have time to have the next speaker because the 20 minutes will go beyond the lunch hour. So, we will now break for lunch and as resolved by Parliament earlier today, we will limit lunch to one hour as specified in the resolution of Parliament.

Honourable Members, lunch is provided in the Big Committee Room and Parliament is adjourned until one o'clock.

The Parliament adjourned at 12.48 p.m.

The Parliament resumed at 2.05 p.m.

*(Mr. Deputy Speaker took the Chair)*

MR. DEPUTY SPEAKER.- Honourable Members, we will continue from where we left off this morning. I will now call upon the Honourable Jiosefa Dulakiverata. The floor is yours, Sir.

HON. J. DULAKIVERATA.- Mr. Deputy Speaker, the Honourable Leader of the Opposition and Honourable Members, I rise to respond to the 2016 National Budget which was presented to this august House on 6<sup>th</sup> November, 2015 by the Honourable Minister of Finance.

The 2015 Budget that was tabled last year was described by Government as the Mother of all Budgets. One of the Government Members even called it the mother and father of all budgets.

*(Laughter)*

Now, when reality has settled in and things had not turned out as planned, the 2016 Budget was delivered by Government without a name. One described it as a blow to the poor and deceptive, another described it as one of deception and confusion. Others called it other names. If I call it ambitious, confusing and disjointed, it would be an appropriate description.

The Government in formulating the Budget should portray transparency, accountability, trust, consistency and credibility to win the confidence and trust of the people. Unfortunately, it did not fully display the above characteristics and it has created confusion and posed a lot of questions than answers.

First of all, I wish to state that nothing new is contained in this lengthy Budget Address. The Budget will not attract foreign investors into the country, it does not encourage investment and will not develop the full potential of the primary industry sectors. These are the main sectors that will stimulate and drive the economy. It is a duplication of the FijiFirst political Manifesto which has gone wrong in many areas.

Tourism: The Budget is not conducive to the progress and development of the tourism sector which is the backbone of our economy that also provides employment to more than 50,000 people. It has abolished the SLIP policy which was introduced in the 1960s, 1970s and 1980s when we were trying to build the tourism industry.

This Budget has increased the STT from 5 per cent to 10 per cent, and also introduced an Environmental Levy of 6 per cent. This would mean that hotels will have to pay an additional 11 per cent tax. The notion that the tourism industry will continue to employ more workers and that more tourists will visit our shores would be a farfetched reality.

Mr. Deputy Speaker, whilst still on the tourism industry, the projected tourism arrivals was expected to reach one million way back in 2006, with a marketing budget of \$13 million. Regrettably, we have yet to achieve this target after eight years down the line. Tourism budget has increased to about \$30,000 in 2016. The main reason we have not reached that target is because we do not have the hotel room capacity, not enough planes flying into Fiji, coupled with the poor services rendered by Fiji Airways. Further, the industry is controlled by external forces which are beyond our means.

The abolishment of the SLIP policy would mean that it is likely no new hotels will be constructed in the near future. The existing hotels are the outcome of the SLIP policy. The Government should come up with a better taxation structure rather than condemning them for paying less tax over the years. It is not their fault but the system allows them to do that. The rule is that, you do not kill the goose that lays the golden egg.

Mr. Deputy Speaker, the hotel rate in Fiji is currently one of the highest in the Pacific and Asian Region. With increased tourism taxes, the operators will definitely pass it on to their clients. This will make Fiji an expensive holiday destination and tourists will go to other cheaper places like Bali and other Asian countries. Tourists are not only attracted by sand and sea but cost is a major factor in determining their destination. Tourists will always want to stretch their tourist dollar to enjoy more activities, see more places and stay longer.

On taxation, Mr. Deputy Speaker, the principles of a good taxation system must be simple, efficient, fair and equitable. The current taxation system is cumbersome, complicated and unfair.

The 2016 Budget has failed to provide any tangible outcomes that could drive the economy and improve the financial position of our country. It is focused on introducing new taxes and providing more funds to non-essential sectors.

The reduction of VAT from 15 per cent to 9 per cent will hit the poor people harder. The imposition of 9 per cent VAT on basic food items will now force a large percentage of our people who live in or on the verge of poverty to pay more for food and medicine from their meagre incomes. Most of the poor people spend a large portion of their income on putting food on the table for their families. The notion therefore of the more you buy, the more you save is not true. In fact, the more you buy, the more VAT you pay.

Mining: Mr. Deputy Speaker, I fail to understand why the Government is not taking advantage of the boom in the price of minerals, especially gold. Very little assistance and incentives have been given to the mining industry to take advantage of the increased price of gold, which has been hovering at over \$1,200 per ounce for the last three years, many employment opportunities and taxes could have been derived from the boom on gold price.

Civil Service and Administrative Reform: Mr. Deputy Speaker, the Honourable Minister of Finance's Budget Address again revealed that it will reform the Civil Service with the creation of a Ministry of Civil Service that will set standards for organising, hiring, evaluation, discipline and emoluments for staff. An allocation of \$5.8 million is budgeted for this exercise.

Mr. Deputy Speaker, the exercise is being politicised. Section 127(7) and (8) of the 2013 Constitution stipulates that the Permanent Secretary with the agreement of the Minister responsible has the authority to determine all matters pertaining to the employment of all staff in the Ministry.

Mr. Deputy Speaker, I regret to say that this Budget shows lack of confidence and class upon the many skilled and professional Fijian people. It implies that professionals will have to be recruited from abroad for Senior Executive positions at PSC. This is a slap in the face for Fijians. The reform will create a lack of security of employment in the Civil Service that will limit the worker's ability to take out loans such as mortgage from financial institutions due to short term employment contracts.

We have seen recently that many of our professional people holding senior positions at some institutions have been forced aside and replaced by expatriates. I am aware that many more will follow suit. Many experienced Fijians have left the country to work in other countries. Our loss is their gain.

Mr. Deputy Speaker, recently Papua New Guinea introduced a policy stating that all non-Papua New Guineans will not be allowed to work and hold senior positions in their country. Mr. Deputy Speaker, the question I wish to ask the Government is, why is it that people who cannot find work in their own country are allowed to come and work here and hold senior positions? Is this a hidden agenda of the current Government?

Mr. Deputy Speaker, the civil servants are not motivated at all by the current reforms that have been mooted by the present Government. No discussions have been conducted with the relevant stakeholders such as the unions, and we are very much concerned with such a move.

Mr. Deputy Speaker, the Government should look after its employees by providing a fair and honest policy instead of a draconian policy that is bent on hire and fire when dealing with appointments and promotions in the Civil Service. The Government, before carrying out reforms should first of all remove people from the Civil Service that have been recruited through nepotism and militarisation.

Mr. Deputy Speaker, we on this side of the House are of the view that the Government is trying to hoodwink the people of Fiji by appointing their own people to senior positions under the pretext of Civil Service Reforms. We have heard that about 120 positions will be made redundant at PSC, and yet the vast number of school leavers registered with the Ministry of Employment are yet to secure employment.

Mr. Deputy Speaker, let us be realistic. I ask the Government to stop fooling Fijians as we cannot compare Fiji to Singapore and Mauritius. Singapore is well advanced in the development of their human resources. Although it lacks natural resources, but it relies mostly on the development of its human resources.

Mr. Deputy Speaker, Singapore, under the leadership of the former Prime Minister, Lee Kwan Yew had implemented his Human Resource Development Plan since 1975 by sending its best professionals to various best institutions worldwide to learn, gain skills and experience and encouraged them to come back to work and impart their knowledge and skills. It did not work overnight, but for more than 20 years.

Mr. Deputy Speaker, the idea of recruiting professionals to work for a few years in Fiji will not achieve positive results. This side of the House supports the employment of professional Fijians to senior positions in the Government and private sectors.

Fiji Roads Authority (FRA): Mr. Deputy Speaker, the FRA has been allocated \$635.7 million for the 2016 Budget. This is a reduction of \$80 million from the \$653,788,560 allocated in the 2015 Budget. As we speak today, an amount of approximately \$460 million is yet to be spent in this quarter. There is no logical reason therefore to allocate a high budget if it cannot be spent on time. It is obvious that efficient administration and procurement systems are not in place for the efficient utilisation of the funds. In 2013, two bridges, namely the Stinson and Vatuwaqa Bridges in Suva were provided funds to be replaced. However, up until now, no work has commenced and the people are fed up with the daily traffic congestion that the two bridges have created. This is not acceptable, and those who are leading FRA are supposed to be professionals with vast experiences from abroad. It is obvious that there is a lack of project prioritisation. With increased funding, there has been no major improvements to the road conditions in the country. I request the FRA to consider having our major highways sealed with concrete cement.

Mr. Deputy Speaker, we do manufacture cement locally and foreign exchange earnings could be saved by not buying bitumen for tarsealing from overseas. We need to introduce innovation to the way we construct roads which in the long term will benefit the country. The 10,000 kilometre freeway that runs from Queensland to Victoria in Australia is entirely constructed of concrete and hardly any potholes are seen. If they can do it in Australia, why can it not be done in Fiji?

Sale of Foreign Mission Properties: Mr. Deputy Speaker, I have noted that the Government is now working with the FNPF to sell 10 Foreign Mission properties; four properties in New Zealand, two in Australia, three in the United Kingdom and one in Brussels. This is a short sighted policy and we strongly object to this sale. We do not see any merit at all in the reason for the sale of the properties. It

is obvious from this proposal that the Government is actually controlling the FNPF and trying to milk money from it. Currently, those 10 properties, since they are owned by the Government are exempted from paying any municipal rates or any other related taxes under the 1969 Vienna Convention. If the ownership changed to FNPF, they will not enjoy those privileges and would have to pay the full taxes. The Fiji Government will have to pay market rentals if they are to continue occupying the premises.

Diplomats occupying these government properties currently pay meagre rentals. If the properties are bought by FNPF, they will have to pay full market rentals which will be very substantial. If the Government wishes to dispose its properties, then they should engage professional valuers and real estate agents to market the properties to get the top price. We are aware that some other countries that had made the same mistakes are regretting their decisions and we do not want Fiji to do the same.

Foreign Embassies: Mr. Deputy Speaker, the budget for the Fiji Mission in 2016 is \$33 million. Fiji currently has 19 Missions abroad. While it is necessary that we enjoy the respect and friendship of many other nations, it comes at a cost. For a small island country like ours, is having these many missions necessary? This side of the House is concerned of the move by the Government to relocate its foreign missions from Pretoria in South Africa to Addis Ababa in less than five years. It shows that there was no study or analysis made prior to establishing the Mission in Pretoria. We have noted that the reason for relocating the Mission to Addis Ababa is that other international and regional organisations are based there. This is a very lame excuse and is unbelievable. What Fiji should be looking at is what economic benefits could be gained from relocating there. What are the trade routes, and are they feasible?

Mr. Deputy Speaker, this is a drain of Government finance. Instead of relocating the mission from Pretoria to Addis Ababa, it should close it down.

Youth and Sports: Mr. Deputy Speaker, the allocated budget for 2016 is \$22.5 million. If our young people are Fiji's most precious asset then the allocated budget is definitely inadequate. I fully support the funding that has been allocated to various sports like rugby for participating at the Rio Olympics next year.

Mr. Deputy Speaker, I note that the Under 19 Fiji Cricket Team has also qualified for the World Cup Tournament to be held in Bangladesh in January and February in 2016. No funding has been provided for them in the 2016 Budget and I request the Government to provide funding. Enormous benefit to Fiji in terms of publicity will come from our participation at this World Cup tournament as a worldwide TV audience of more than a billion viewers will watch the tournament on a daily basis.

Fiji International Golf Tournament: Mr. Deputy Speaker, the Government will again dedicate \$9 million to continue hosting the Fiji International Golf Tournament in 2016. What is the real return to the country of this tournament? If it was only to expose Fiji to worldwide TV viewers then the money should be given to Sevens Rugby Team or allocated for more meaningful projects.

Fiji Electricity Authority: Mr. Deputy Speaker, the Government is expected to divert shares in FEA and expressions of interest will be assessed through interviews in the next few months. Mr. Deputy Speaker, at the commissioning of the Wainisavulevu Dam in Monasavu last month, the Landowners Association in Monasavu requested the Government if they could be considered to buy shares in FEA. Unfortunately, they were bluntly told that the proposition is not acceptable. These are the very people that own the land where the Monasavu and Wainisavulevu Dams are located. The acquisition of land in Monasavu and the dilemma of the landowners cannot be over emphasized. They deserve to be considered and it is important for the long term operation of the dams. Landowners' participation is important for long term economic development. If the FEA is operating profitably, why divert shares? And if so, why to foreign interests?

I also note with concern the Government's failure to provide budget to explore the use of solar energy to supply power, especially in rural areas. Major developed countries are resorting to using solar and had been advocating that we will take note to include it in its funding to develop policy on clean energy sources in the country. I find it very confusing indeed. Mr. Deputy Speaker, the use of kerosene lights should be discouraged in the rural areas and replaced with solar energy lights which are cheap and clean. Mr. Deputy Speaker, I feel that this is an area that will contribute to reduction in carbon emission by eliminating the use of kerosene lights in the rural area.

Assistance to Municipal Councils: Mr. Deputy Speaker, it is noted with concern the allocation made to municipal councils by this Government for capital developments. Any development within any municipality is the responsibility of the respective council. The problem is that city and town councils are being run by administrators appointed by the last non-elected Government. The Government still feels that the running of the councils is still its responsibility.

Ministry of Lands and Mineral Resources: Mr. Deputy Speaker, the Ministry's budget allocation in 2016 is \$31 million, out of this \$4.6 million is allocated to the Geological and Mineral Investigation. The State land comprise 4 per cent of the land in Fiji. The core function of the Department of Land is to administer State owned land which generates \$11 million in ground rentals. Unfortunately, Mr. Deputy Speaker, the Department now has the highest rental arrears ever. To add to that, the Department had informed the public that it had missed the re-assessment of rentals more than 4,000 leases. That would mean, Mr. Deputy Speaker, that the Government has missed out on increased rental revenue for the next five years.

MR. DEPUTY SPEAKER.- Thank you, Honourable Dulakiverata for your contribution. I will now call upon the Assistant Minister for Local Government, Housing and Environment.

HON. L. EDEN.- Mr. Deputy Speaker, I rise today to express my support for the Bill and I thank the Honourable and learned Attorney-General and Minister of Finance and his team for a very well thought out, inclusive people's budget.

Our Government has consistently focused on addressing affordability and home ownership issues across the Social Housing Spectrum and the focus on housing support for all Fijians has been and will increase towards the low and middle income segment of our people.

Mr. Deputy Speaker, the Housing Authority, the Public Rental Board, the Housing Assistance Relief Trust (HART) and the People's Community Network (PCN) play a critical role in meeting Government's objectives. During the year, Government has assisted this segment through partnering on several major support programmes:

- Nearly 400 Fijians will have had their dream of owning a land or a house (or both) being realised before this years end.
- Close to 200 Fijians were supported through a special interest rate discount programme.
- Over 300 low-income earning Fijians will benefit through affordable housing lots in Tacirua this year and will be able to start building their homes in 2016.

Mr. Deputy Speaker, \$0.5 million is allocated to assist approximately 100 financially disadvantaged Housing Authority customers who have paid 1.5 times their home loans. These people are retirees or those who are physically challenged on medical grounds.

Mr. Deputy Speaker, in the last two years, PRB was allocated \$8 million for the provision of affordable rental housing units for low income earners below the \$10,400 threshold. Out of that, a \$2 million rental subsidy grant has assisted total of 1,898 PRB tenants. The remaining \$6 million housing constructing grant, assisted 84 families. For 2016, Mr. Deputy Speaker, to help meet the increased

demands for PRB rental units, Government is providing a new allocation of \$2.6 million to build rental flats to house 36 families in Simla. Preliminary works including the approval of building plans and tendering of construction work has already commenced.

Further to the above, a \$1 million rental subsidy grant will assist financially disadvantaged customers throughout the 24 housing estates in the country.

Mr. Deputy Speaker, in terms of provisions of housing for informal settlers, Government allocated \$9 million to PCN in the last two years for the completion of the first 77 housing units in the Lagilagi Project Phase One and the commencement of construction of another 77 housing units in Phase Two. The 2016 budget allocation of \$3.3 million will allow the Ministry in partnership with PCN to complete Phase Two.

Mr. Deputy Speaker, our Government allocated \$5 million to the Squatter Settlement Upgrading Programme in the last two years. Under this programme, my Ministry is currently undertaking seven squatter settlement upgrading projects in the areas of Omkar, Caubati, Cuvu, Ledrusasa, Sasawira, Namara and Nakama. These upgrading projects are at different stages of the programme. For example, Omkar with 98 lots and Cuvu with 105 lots are targeted for completion by the end of March 2016, Caubati with 75 lots and Ledrusasa with 78 lots are targeted for completion by December 2016. These projects are expected to provide fully serviced residential lots with leases issued to over 350 eligible sitting tenants.

Mr. Deputy Speaker, Government allocated \$4 million in the last two years for the Town Wide Informal Settlement Upgrading Programme on *iTaukei* land. In 2016, the scheme plans and engineering plans will be undertaken at a cost of \$1 million.

Mr. Deputy Speaker, Government allocated \$10 million for assistance to first time home owners in 2015 and this is planned to continue in 2016. To-date this programme has assisted 448 families. Likewise the much needed emergency assistance of \$1 million for house fire victims is also planned to continue in 2016. In addition to all these, Mr. Deputy Speaker, the 2016 Budget offers attractive incentives to the private sector to encourage them to partner with Government to provide affordable housing.

Environment: Mr. Deputy Speaker, our Department of Environment is pleased with the new environmental levy of 6 per cent which will encourage a more sustainable and thoughtful use of our natural resources.

Mr. Deputy Speaker, this year we finalized designs for the construction of Stage Two for the Naboro Landfill. With the capital allocation of \$1.7 million, we are ready to begin construction of Stage Two in 2016. Once fully developed, Stage Two would be able to cater for an additional 7 years of waste to be stored at Naboro.

Lastly, Mr. Deputy Speaker, we are in the final stages of design of a waste transfer station to service municipal councils in the Central Division and construction works will begin in 2016 with the capital grant of \$2 million.

Mr. Deputy Speaker, Honourable Members, I thank you for your time.

MR. DEPUTY SPEAKER.- Thank you, Honourable Eden for your contribution. I will now call upon the next speaker the Honourable Viliame Gavoka.

HON. V.R. GAVOKA.- Thank you, Mr. Deputy Speaker. I rise to outline my views on the budget that was presented by the Honourable Minister of Finance last week.

Let me say at the outset, Mr. Deputy Speaker, that I am pleasantly surprised about the budget, pleasantly surprised in the sense that this Parliament appears to be working and that people are listening. I love that because all this while it was the Opposition who were proposing a reduction in VAT. So the dialogue has its advantage, Mr. Deputy Speaker and I wish that this House would continue to have dialogue and there is no restrictions placed on all freedom that express our opinion on how we provide leadership to our country.

On that, Mr. Deputy Speaker, I was touched by a message from a woman on social media who said,

“Sir, do something about the cost of living, ask the leaders to go to the supermarkets, when they go to the supermarkets, do not look at the items on the shelves or their prices but observe the faces of the people.”

This plea from this woman always haunted me to try to reduce the cost of living. I was pleased sitting on the day when VAT came down but lo and behold, you increased 9 per cent on the most basic needs of the people who were crying out for assistance.

Mr. Deputy Speaker, 30 per cent of our people live below the poverty line, 20 per cent a little over the poverty line, 72 per cent of our people are paid that salary of \$16,000 the threshold. So really, if you had listened to the Opposition, we would have found ways to relook at this, and kept the zero VAT on the most needful items for our most vulnerable people. All in all, Mr. Deputy Speaker, the budget has been quite deceptive and a cruel blow to our people. Let me read out two paragraphs from the manifesto of FijiFirst, and I quote:

“FijiFirst will continue to control the price of basic food items such as rice, flour, potatoes, dhal, cooking oil, pharmaceutical and medical products. FijiFirst will continue to place zero VAT on powdered milk, rice, edible oil, tin fish, flour, sharps and medicine.”

(Chorus of interjections)

HON. V.R. GAVOKA.- Mr. Deputy Speaker, what struck me about the budget is inconsistency. There is no consistency in the budget and the strategies going forward. There is a U-turn on VAT - 10 per cent, 12.5 per cent, 15 per cent now 9 per cent. U-turn on corporate taxes - 30 per cent to 20 per cent and now there is a host of other taxes like STT from 5 per cent to 10 per cent, the new environment tax of 6 per cent and all sorts of levies come and go.

Mr. Deputy Speaker, for the economy, you need stability in the platform you set. It is like a shifting sounds, you cannot have that, it is too inconsistent and creates instability in our people. There is a plethora of incentives, there are too many incentives and it is distorting the economy. We must agree to have our people sit together and review the incentives. There are too many around and we do not know whether they are working or not, but SLIP should stay. SLIP, Mr. Deputy Speaker, you look at Denarau, the foremost integrated resort set up in the Pacific that is SLIP. You look at the resorts in the outer islands, the boutique resorts, that is SLIP. You look at the big names on the Coral Coast, that is SLIP. You look at GPH, that is SLIP. You look everywhere you go, our hotels are amongst the finest in this part of the world, that is SLIP. Why would we want to change it? I hope, Mr. Deputy Speaker, that down the line, when they change it, they come up with something that is worthy and equal to what SLIP has done to this country.

Mr. Deputy Speaker, the budget also highlights quite a lot of wastage. Fiji Roads Authority continues to be under scrutiny. This is what we propose; set the FRA budget at \$300 million for the next ten years and you would have spent \$3 billion over 10 years, which would have built new roads in

this country and paved all the roads in this country to a standard that is equal to what we have overseas. Mr. Deputy Speaker, \$300 million for ten years is something that we can cope with. One of the questions we asked about FRA is the capacity to manage this, as we know, as shown by our spokesman on finance on September 30<sup>th</sup>, they still have a lot of money to spend. Are they going to do it in October, November, December? It is frightening. They will have the rush to spend and it will bring in inconsistencies and even corruption. So we continue to question this. There are a lot of people questioning this; the \$300 million, \$3 billion for over ten years and we have a road work system in this country that we can all be proud off.

Mr. Deputy Speaker, the planning is also very poor. We heard from the 2014 Auditor-General's Report that an asset register is all over the place. For an organisation, that is spending \$600 million a year, they do not have a credible asset register, you cannot have that, that is criminal. That is where we are coming from; do at a pace that we can handle - \$300 million a year is the way we should go about it. Talking to a lot of people, practitioners in the field, before an item goes into the budget, the due diligence would have been completed. Surveying, costing, economic return and all that goes into the budget. If we look at the \$635million now, can we look at that in detail and do they add up or not? I would challenge you that it is not and that is where wastage comes in.

Wastage is something we parliamentarians should watch for, we should be careful. For two days, Members of the Opposition were at the Old Parliament. I am from the West, I did not know that the facility existed, I drove past it a few times. It is falling apart, and it needs repair. Why are we wasting money in that manner? We should ask ourselves all those questions on whether we are spending the money of our people, the taxpayers' money in a manner that we can all be proud off. Right now, wastage is quite a major issue. We heard stories about the *MV Iloilovatu* with 140 Government officials delivering milk in Cikobia to one student and when they wanted to go to another island, *MV Iloilovatu* could not go there, they had to hire another boat, costing \$600 to deliver milk for four students. We have to be on the lookout, we have to do it efficiently, and we cannot be sending a whole boat load of 140 people to deliver milk for one or three people.

(Chorus of interjections)

HON. V.R. GAVOKA.- The UN peace keeping, we look at it this way – we are paying huge amounts, we are getting back less. We are talking about \$72 million for which we get back \$27 million, we are talking about \$78 million for next year, and we are getting back \$9.5 million. It is incumbent upon us as leaders to look at this and say, “Are we spending taxpayers' money responsibly?” I hate to say this, but these are in the far flung corners of the planet; we are here, a small country in the South Pacific, why are we spending \$79 million keeping the peace in there when our people are crying out for money to be spent here?

I admire the Honourable Minister for Education, he is up there in the highlands and I am impressed, looking at the buildings that need to be repaired, and he is right. We should repair that building, spend that money there. Do not go and spend it in the hills of Afghanistan or somewhere else. That is where I am coming from.

Mr. Deputy Speaker, the WAF are given \$250 million, reduce it to \$150 million. \$150 million per year over 10 years, is \$1.5 billion. That is enough to provide safe drinking water for everyone in this country, building on what we already have. It is again an agency that needs to control its operation. They build a desalination plant in the southern part of Taveuni, it flopped.

I was a hotelier, I know about desalination plant, we had a specific team managing that everyday. You cannot do it in a village situation to try and provide water, it flopped. So, planning. That is another agency that needs to be careful. \$1.5 billion, Mr. Deputy Speaker over 10 years will provide water to everyone in this country.

I was talking to a former executive in this field of infrastructure, all these years, they used to spend \$100 million on roads and water. That is what brought Fiji to where we are today. Of course, my colleague from the other side is saying, “you people were asleep. You did not do what we are doing today.” Let me tell you a story.

In 2000, there was to be a big conference of sugar people in Nadi but because of the problems in Fiji at that time, they relocated the meeting to Benin in Africa. I was a hotelier and I was devastated that I lost out on the business. But one of my dear friends who is a journalist said, “Bill, the whole press corps – Commonwealth and everyone, just wished we were in Nadi or Suva with the facilities here”. That was in 2000. The facilities in Fiji in 2000 were amongst the best in the Pacific and it was not until FijiFirst came along that we see what we see today. It was already there, so please just add on to what we already have. It is your job as any government, add on to what we already have and cut back on this word “unprecedented”.

(Laughter)

“First time in the history”. We must curb this appetite for spending that we see today and Mr. Deputy Speaker, the golf tournament at Natadola, please can someone do a really good ROI on that. When do we end this? Be careful of overseas promoters, they will tell you stories. They will tell you all sorts of stories to governments like us, who can ill-afford our taxpayers dollars to spend their way.

I have an article by a Mr. Cooper, a professional event organiser and a golfer and he is talking about some lavish spending at Natadola. People are flying in helicopters, about 50 television people were staying in Natadola for 10 days and you know how expensive Natadola is, F & B all paid for, air tickets being paid for, that is money that belongs to our people. We should be careful on how we talk to these promoters. To cut the long story short, I am amazed that we are going another three years with these people but the rest of Fiji can be assured, that the SODELPA/NFP Government will cancel this agreement when we come into government in 2018.

Mr. Deputy Speaker, Fiji Airways - \$18 million to go to Singapore. What is it for? Are we subsidising the airfare? Normally, you give it to Tourism Fiji and they coordinate the marketing activities for the new route or any marketing in a new area. Airlines put in some money, Tourism Fiji put in some money, hoteliers put in some money, and it is a partnership approach to market the country. It is the first time, I believe, unprecedented that \$18 million is being paid directly to an airline to start a new route; And we only own 51 per cent of Fiji Airways. What about Qantas, they own 49 per cent, are they putting in some money into the system? Qantas will just sit back and say, “Wow, thank you, Fiji Airways. Thank you Fiji Government.” You need to repair the relationship with Qantas, they are great people, and they can help us in managing our airline better.

Is that 10 more minutes?

MR. DEPUTY SPEAKER.- Honourable Member, that was the first bell.

HON. V.R. GAVOKA.- Mr. Deputy Speaker, with all the savings from roads, water, from military, we want to provide free tuition to all our university students.

HON. OPPOSITION MEMBERS.- Hear, hear!

HON. V.R. GAVOKA.- That is now our position. It will come to about \$230 million to \$240 million but we can cut from FRA, we can cut from Fiji Water, we can cut from the Military and our people can go to university for free tuition. Sri Lanka provides this and we know how the Sri Lankans are all over the world with their qualification. We need to have the same thing in Fiji, please, do it.

That education that you have, was the SDL Manifesto. The present Government just implemented it, so just continue from that and bring it up to university level.

Mr. Deputy Speaker, that is the way to go for Fiji - educate our people, free university education and we will see a huge change in this country. By the time we come to that, they will be out of government because we will make sure that it happens.

Mr. Deputy Speaker, I only need to end here with my plea for the *itaukei*, we always say that they asset rich, cash poor, let us do something about it. We talk about the tax for tourism, remember I proposed here that we pay our workers a service fee and I was told that it will kill the industry. It went to the Committee and the FijiFirst Members in the Committee killed the petition as we were going to go around the country. That would have put \$120 million into the pockets of our workers. If 70 per cent of the workers are *itaukei*, that is \$82 million, more than \$61 million TLTB pays to our people. By one initiative like that, if you apply yourself and you know what to do, we can stop saying *itaukeis* are asset rich and get more. We can do it.

Momi and Nabila, Tavarua, they used to get paid for the use of their reefs, FijiFirst put a stop to it. Namaqumaqua used to get \$75,000 a year for the use of the marine, FijiFirst put a stop to it. This is what we need to do. We just do not say, 'asset rich, cash poor' and leave it at that. There are ways you can go about it, Mr. Deputy Speaker, as my fellow colleague, the Honourable Dulakiverata said, 'let us relook at the laws for mineral rights, let us look at the incentives. We know there is a lot of minerals out there. We do not want to do the Nawailevu where only three per cent stays in the country. One operation takes all the minerals out, only three per cent is left. Three per cent is what we get in the hotels but the hotel stands there until eternity. Madam Chair, 3 per cent is less than what we get for the sugar. So, Mr. Deputy Speaker, let us look at seriously on how we help our indigenous people. Our business members FIBC; there used to be 185 of them during the SDL years, today, there are only 62 of them. I think in Fiji, there are 6,000 companies. If they had grown by 10 per cent every year from 2006, there would be 485 *itaukei* businesses in Fiji today.

Do I still have a minute, Mr. Deputy Speaker?

MR. DEPUTY SPEAKER.- Honourable Member, that was the second warning bell.

HON. V.R. GAVOKA.- I just want to finish with this. Our sports people who play overseas, a lot of them are getting a good deal, some are not. Please, can we as a government take ownership of this and make sure that our boys who play rugby in these tops clubs are well looked after. Involve Ben Ryan, he knows how to do this, but agents should not be talking directly to our boys. We are hearing a lot of horror stories on what happens to them, these are boys who are contributing a lot to our economy and we want them to grow. We want them to make those millions but please can I ask Government and the Honourable Minister for Youth and Sports to look into this. Perhaps, before anyone goes, the Government looks at the whole arrangement to make sure that he is not left on his own without proper pay in overseas.

MR. DEPUTY SPEAKER.- Thank you, Honourable Member for your contribution. I will now call upon the Honourable Semesa Karavaki.

HON. S.D. KARAVAKI.- Mr. Deputy Speaker, the Honourable Acting Prime Minister, the Honourable Leader of the Opposition, Honourable Ministers and Members of Cabinet, and Members of Parliament; I rise to contribute to the Budget on the Appropriation Bill that is before the House. I would like to state at this stage that I have very serious reservation to the Budget.

Mr. Deputy Speaker, the foundation of any budget are the laws that had been made. The services that are provided by Government are provided in accordance with the laws that are in place, and paramount to that, Mr. Deputy Speaker, is the 2013 Constitution.

This Constitution had been circulated very widely, I think all over the world and one that I know, one copy was given to the Secretary-General of the United Nations. I have also seen that copies had been given to a lot of dignitaries. I could see in that respect, Mr. Deputy Speaker, the pride that this Government has in this document. When we talked about the budget, we talked about the very important provisions that are here that the budget should also accommodate and take care of.

In particular, there are a number of commissions created by the Constitution that are still yet to be set up. While those that have seen this Constitution, Mr. Deputy Speaker, have seen the good provisions that are in here but are not being known to them, most of the very important provisions are not being implemented. An important Commission has not been set up yet, the Commissions should be adopted and implemented quickly because it supports the good governance of this nation.

One of these Commissions is the Accountability and Transparency Commission created under section 121 of the 2013 Constitution. This Commission has a very supreme function to perform in a good governance of this nation. Section 121 of the 2013 Constitution is responsible for the investigation of complaints against Permanent Secretaries and all persons holding public office. When we say public office, Mr. Deputy Speaker, it also covers those that are sitting in this august House because we are also holders of a public office.

The positions are being granted by this Constitution and by virtue of that, we become holder of public office and why should we make laws for other workers of this nation to be covered with and then construed according to those laws and yet, we neglect to make laws that also take care or sanction our behaviour and conduct? This is why, Mr. Deputy Speaker, I said that I had very serious reservations for this Budget because there should have been provisions set up in this Budget to see the quick implementation and the setting up of this Commission because whilst we tend to rely on the Police and FICAC, this Commission has a very important role to play.

I ask the question as to why the Government is not taking serious steps towards the setting up of this Commission. The Government needs to make laws, to prescribe the Commission's power because before it is set up, the Constitution requires the Government to make law to set up the power and the functions and the perimeter of its responsibilities.

However, we have been waiting for a year now, no law has come into this House to ensure that this Commission is set up. It is because of this role which enclose the power to investigate public office, I am really critical of this, Mr. Deputy Speaker, because we are sitting in this House, we should be subjected to the laws being made here and our conduct because members of the public and those who look up to all the Members in this House need to see the kind of role model that they portrait to the people. We are people elected by citizens of this country and we need to be subjected to the same kind of treatment. We talked about the reform that is to take place. This is the reform that we must see implemented first.

The importance of setting up this Commission cannot be over emphasised, Mr. Deputy Speaker. I am raising this because of the hope that there may still be people of integrity and honesty available to serve on this Commission, although it is common knowledge how institutions of Government are being manipulated by Government. People who sit on these Commissions cannot have their independent views and decisions being implemented because there will always be continuous interference. This is not something that we can deny, it is not something that we can ignore.

(Inaudible interjection)

HON. S.D. KARAVAKI.- We are yet to see people who can serve according to their conscience and not allow themselves to be inappropriately dictated by Government. I know, Mr. Deputy Speaker, that the Honourable and learned Attorney-General is responsible for the setting up of this Commission because it falls under his portfolio. We are not seeing serious steps taken towards setting up of this Commission, I very much doubt the legitimacy of bringing reform to the public service.

An equitable principle that is observed by lawyers in the court house is always to be a guiding principle to them. It states, "When you come to court you come with clean hands. When you do something you do it with a right intention, not only applying on to others and not to us."

I therefore call on the Government to be truthful to its Constitution. It must cease its selective approach and rule with a purpose it claims to have. I can ask as to why the Higher Salaries Commission was made dysfunctional? Was it because it was not able to allow itself to agree with the pressure from Government to change its decision on the salary of certain persons? Let God be the judge.

This Budget, Mr. Deputy Speaker, in my view, does not support good governance but instead, it promotes abuse, not only that, it also violates human rights. In the past and again for dressing purposes, under Section 119 of the 2013 Constitution, the Mercy Commission was there in the past Constitution, continues to exist under Section 119 of the Constitution, the Mercy Commission that was there in the past Constitution continues to exist. Again I ask the question as to why it has not been activated. Why has it remained dormant? People will speculate and might say, "Is it because of serving prisoners like George Speight, Timoci Silatolu and Joseva Nata who will be able to use it?" It is their right under the Constitution, Mr Deputy Speaker. People are given this right to access this kind of Commission. It is sad to say that people are being denied their rights, to have their interests tabled before this Commission. Members of this Commission, as I know, are yet to be appointed. Why is it taking too long?

Judiciary – Mr. Deputy Speaker, the increase in the budget for the Judiciary is welcomed, with the expectation that the efficiency and time delivery on judgements would be achieved. Taking into account the fact that at present some decisions were given more than two years after the conclusion of the hearing. Lawyers and clients have been waiting, even past two years for decisions to be given. The budget for Judiciary has been increased by \$3.6million and that as I have said is a welcome move. It is because of the problem that I have highlighted - lawyers and clients had been going through extremely difficult times, due to the delay in delivery of judgements. Sadly, some clients, Mr. Deputy Speaker, while waiting died because the delivery of judgement was taking too long.

Plaintiffs in certain cases could only wish they were still alive at the time the decisions were given in their favour so that they would be able to experience what justice is about. I understand, Mr. Deputy Speaker that Judges may be overwhelmed with the workload, I requested the Honourable and learned Attorney-General to provide the total number of Judges and the number of decisions still pending, and these questions are yet to be answered up to this moment in time.

The increased budget must be used to ensure the efficient and timely delivery of decisions. Citizens who are on remand have unnecessarily remained longer in prison due to the unavailability of Judges. An example of this, Sir, is the case of those from Nadroga who have been charged with sedition, they were remanded at the Natabua Prison. They did not have their bail applications heard because there was no Judge in Lautoka to hear their applications. They had to wait for a Judge to come from Suva. I ask the Government to please ensure that Judges are available and if there are not enough Judges then take steps to provide the funds needed to hire more Judges.

If there are not enough Criminal Judges in Lautoka then train Judges to be there, to be available to hear the applications because one of us sitting in this House might find himself in that situation. We must not see us above other people because they have their rights granted under this Constitution.

May I comment on the Ministry of Education. We welcome the increase in its budget by \$30.6 million. A particular point that I want to comment on, Mr. Deputy Speaker, is the allocation of the Free Milk Programme for Year 1 students which is about \$3.6 million. It sounds so caring, Mr. Deputy Speaker and good but it is a clear indication of lack of knowledge in caring for the wellness of small children.

According to recent research in the medical fraternity, Mr. Deputy Speaker, dairy milk is the main contributor to cancer and NCDs. The money allocated should be used to teach children of the right diet for human beings. We were not made to drink animal's milk because we are not animals. If we were made to drink animal's milk, then our children would be running after a mother cow to compete with a calf for its milk.

The Government, Mr. Deputy Speaker, through its Free Milk Programme is driving our children to become victims of NCDs and cancer in future. Sir, 14th April, 1912 the *Titanic* sailed from South Hampton in England to New York. People thought that the ship was unsinkable and some crews thought that God does not have power to sink that ship, but the ship sank. That was its maiden voyage.

Modern medical education need to be reviewed so that we can understand our body and its function. We not only need to live but to live healthy lives and in known medical journals such as the Journal of the American Medical Association (JAMA) *Lancet*, I would like the Honourable Minister for Health to take note of this too. The *New England Journal of Medicine* indicated that animal products such as milk contribute to ill health such as NCDs and cancer.

The Prophet Isaiah, chapter 4 verse 6 made this important statement and I quote, "My people are destroyed from lack of knowledge. Because thou hast rejected knowledge, I will also reject thee. That thou shall be no priest to me, seeing thou hast forgotten the law of thy God."

Now, I think they are taking this very seriously, Mr. Deputy Speaker.

I therefore plea with the Government to terminate this Free Milk Programme because it is comparable to genocide for the citizens of this country.

Instead, Mr. Deputy Speaker, they should provide fruits and vegetables free to the children, because otherwise they will continue with what was there before. They must understand that when they want to fight against NCDs, and I am very grateful to the Honourable Minister for Health for working very hard. I noticed that he has changed his diet, not only him but the Honourable and learned Attorney-General too. If they have changed their diets, the Honourable Minister for Agriculture also knows this very well, but they take animal's milk.

For generations we believed that we could not grow potatoes in Fiji and we continued to import believing in that information. But recently we were told and we are doing it now - planting potatoes in Fiji and the quality is very high. We had been misled in many ways, we must stand on our two feet, and the Government must learn to embrace this information.

You see, we have been misled in many ways. We must stand on our two feet, the Government must learn to embrace this information and if there is a paradigm shift in everything that we do, it must be done so that people in this nation can live a healthy life. We can have a healthy workforce as health is wealth. This is the Honourable Minister for Health's very common statement. While the Honourable

Minister for Health is working towards minimising the effect of NCDs, the Ministry of Education is in fact causing this.

(Laughter)

Again there is an increase in the budget of the Ministry of Health this year, but the Ministry of Education is the one causing it because of its Free Milk Programme.

(Chorus of interjections)

HON. S.D. KARAVAKI.- Researchers in the 1800s, Mr. Deputy Speaker, discovered that why they were eating animal-based food was because they believed that they could only get protein from animal-based food but recently our researchers....

MR. DEPUTY SPEAKER.- Thank you for your contribution Honourable Member. I will now call upon the Honourable Leader of the Opposition.

HON. RO T.V. KEPA.- Thank you, Mr. Deputy Speaker. I rise to contribute to the 2016 Budget Debate beginning with the general observations of the 2016 Appropriation Bill and then focussing on provisions for the Ministry of Education, Heritage and Arts.

Mr. Deputy Speaker, we have been presented with the Budget Estimates for 2016 that shows projected total revenue of \$3.13 billion and a total expenditure of \$3.41 billion with a net deficit of \$285.8 million. Together with debt repayments, Mr. Deputy Speaker, the gross deficit is projected to be \$445.4 million or 2.9 per cent of GDP. My Honourable colleague the Shadow Minister of Finance has described this Budget as one that is Deceptive by a Confused Government.

Deception, Mr. Deputy Speaker, is an adjective which means that something gives an impression which is different from the true or the real one.

Mr. Deputy Speaker, I suggest we can make sense of this description of the 2016 Budget if we know that Fiji is among countries that have been ranked as the worst in budget transparency. This was revealed in the International Budget Partnership Open Budget Survey (OBS) 2015 ranking which was released last September. The OBS is a global independent comparative and regular measure of the three essential pillars for Accountable Budget Systems. The first one is Budget Transparency, second is Citizen Participation and third is Independent Oversight Institutions.

Mr. Deputy Speaker, the 2015 score assessed Fiji, based on data collected up to June 2014, the first pillar which is Budget Transparency had slightly improved from 6 out of 100 in 2012 to 15 out of 100 in the 2015 ranking. Fiji scored 10 out of 100 in the second essential pillar which is Citizen Participation.

Finally, we scored 25 out of 100 for Oversight by the Auditor-General. Moving on, Mr. Deputy Speaker, I note that total expenditure of \$3.41 billion is at almost the same level as in 2015. Yet, we know for a fact that only 57.5 per cent of the total expenditure budget of \$3.3 billion for 2015 has been spent as at the end of the third quarter this year. This suggests that the budgeted expenditure for 2015 will not be achieved and in a similar fashion for 2016 was certain due to reasons like improper planning and lack of capacity on the ground. Furthermore, a fair percentage of expenditures are on requisition which are dependent on cash flow permitting.

Mr. Deputy Speaker, it is the people of Fiji, the taxpayers including the poor who will have to carry the burden of this deceptive conduct of over budgeting. The over budgeting is also reflected in operating savings that have been the case from 2011 to 2015 and now 2016. As if, Mr. Deputy Speaker,

this is not enough, the Government reduced VAT from 15 per cent to 9 per cent but then removed zero rating of VAT on basic food items. It is giving away on one hand and then taking back on the other. A truly deceptive way to find funds to meet its insatiable hunger to spend.

I welcome, Mr. Deputy Speaker, the reduction of VAT to 9 per cent but question whether it is indeed necessary to remove zero rating of VAT on basic food items to partly compensate for the projected \$316 million loss of revenue due to the VAT reduction. I believe that zero rating of basic food items should remain for the sake of the low income workers who have not had a salary increase for some time and the poor, as this will bring some much needed relief to them and indeed to the rest of the community.

With over budgeting and operating savings projected for 2016, I believe that there is room within the Budget for reduction in some expenditure items as we have heard from previous figures to compensate for the reduction in VAT without removing zero rating of basic food items.

I urge Government therefore to consider taking the following alternative steps to limit the budget given to the FRA which was alluded to earlier by the Honourable Dr. Biman Prasad to what it realistically can spend on completing projects in one fiscal year. As at the end of the third quarter of 2015, FRA has only spent 36 per cent of its budget - well short of its budget of \$653 million for the full year. From this performance, Mr. Deputy Speaker, the FRA should be allocated a budget of no more than \$400 million, a savings of \$200 million. Also, there is no need for re-engaging the services of Qorvis as Fiji should be progressing to our more democratic form of governance and that would save \$1 million.

As alluded to previously, Mr. Deputy Speaker, the marketing grant for Fiji Airways new route to Singapore is not necessary as that company is a private limited liability company even though Government is the 51 per cent shareholder. This would save \$18 million. In any case, as alluded to by previous speakers on our side, why should only one shareholder be responsible for paying the grant and why is Qantas not contributing its share as the 46 per cent shareholder?

Mr. Deputy Speaker, the sponsorship of the Golf Tournament at Natadola by Government is not necessary as this should be taken up by a commercial entity and this would save \$9 million.

The Small Grant Scheme at the Prime Minister's Office should be abolished as it is open to abuse and this would save \$7 million.

Mr. Deputy Speaker, the above list alone would produce total savings of \$234 million which would more than offset the cost of zero rating on basic food items. There are obviously other areas that can also be looked at.

Mr. Deputy Speaker, it is a matter of concern that the following Government entities have not utilised at least 50 per cent of their allocations in the 2015 Budget by the end of the third quarter:

- The Office of the President - 45 per cent.
- The Attorney General's Office and Department of Civil Aviation - 48 per cent
- Ministry of Communication - 41 per cent
- Department of Housing - 43 per cent
- Ministry of Sugar - 29 per cent; and
- Pensions- 44 per cent.

Mr. Deputy Speaker, the Ministry of Employment, Productivity and Industrial Relations is perhaps the only ministry that had utilised at least 80 per cent of their 2015 Budgetary Allocation by the third quarter or 30<sup>th</sup> September this year.

Mr. Deputy Speaker, we need to examine the reasons for the underutilisation of Government Funds and to develop corrective strategies. As I had mentioned earlier, various reasons could contribute to this under-spending:

- Lack of capacity to implement planned programmes and activities;
- Cash flow problems in the Ministry of Finance;
- Delay in the transfer of funds from the Ministry of Finance because of poor acquittal of used funds;
- High turnover of staff responsible for capital projects.

I urge the Honourable Ministers and Permanent Secretaries, Mr. Deputy Speaker, to quickly resolve the problems so that the capital projects can be effectively and efficiently implemented. I hope that all unutilised funds from all Government entities as at 31<sup>st</sup> December, 2015 will be transferred to Consolidated Funds as per Finance Policy and that there is full compliance and there is no retention of funds or opening of separate accounts by the Accounting Heads as we are observing from the Auditor-General's Report of 2014.

Mr. Deputy Speaker, in both the 2015 and 2016 Budget Estimates, staffing numbers are not listed in the details of expenditure nor is there an updated Civil List and this makes it difficult to comprehend information under SEGs 1 and 2. We have noted the increases and decreases in Personal Emoluments and FNPF contributions without the benefit of knowing how many new staff have been hired, retired or transferred to another Ministry. But the consolation, Mr. Deputy Speaker, is that the Finance Regulation prohibits the vying from SEG 1 to any other SEG and I know that the Office of the Auditor-General will ensure full compliance of all Government entities.

Mr. Deputy Speaker, on Civil Servants - It is noted that most of the budgetary allocation will be implemented by civil servants. They however have been experiencing great upheavals and trauma since the 2006 *coup* and moreso now with the constitutional changes through the Civil Service Reforms scheduled for January 2016. In particular with the devolution of powers to the Permanent Secretaries and Ministers for the appointment, removal, disciplinary action, employment of all staff below Permanent Secretaries and their conditions of employment. Sadly, Mr. Deputy Speaker, these civil servants have no one in their corner. They have to fight their case on their own whilst constantly looking over their shoulders as alluded to by the Honourable Dr. Biman Prasad to see who else is coming after them.

So, what I am saying, Mr. Deputy Speaker, is we need to keep all civil servants in our prayers as they are finding life very, very difficult. There is absolutely no security of tenure, they can report to work in the morning and given the golden handshake in the afternoon and that could be the sum total of appreciation they receive for their lifetime of work in the Civil Service. Besides all these life changing issues, Mr. Deputy Speaker, civil servants know that the image of the career civil servant is fast disappearing as they have to contend with expatriate personnel and the militarisation of the Public Service as alluded to earlier. This is evident in the Correctional Services, Immigration, Prime Minister's Office, Public Utilities, *iTaukei* Affairs, et cetera, with the Fiji Police Force being the latest addition to the list.

On nepotism, Mr. Deputy Speaker, this is seen again in Public Utilities, Fiji Sports Council, FBC et cetera.

On politicisation, Mr. Deputy Speaker, political interference in appointments and conditions of employment. For example, nomination to the position of the Acting Commissioner, where there are qualified career senior police officers in whom the public have faith and too often Government interferes with the Fiji Police Force. What have they done to deserve such shoddy and unprofessional treatment?

Loss of skills and its retention is impacting on the Civil Service. The distortion of pay relativity in the Public Service is causing low morale in the Civil Service, for example, the military versus other qualified public officers. Overall these issues, Mr. Deputy Speaker, will affect the quality of service of Civil Servants in delivering the budgetary allocations in 2016.

Mr. Deputy Speaker, I will now focus on the Ministry of Education which has been allocated a budget of \$432.2 million, an increase of \$30.6 million from the 2015 Appropriation. As of 30<sup>th</sup> September, 2015 the Ministry has just utilised 78 per cent of its 2015 Budget or \$302.9 million and has yet to spend \$88.7 million by 31<sup>st</sup> December, 2015 and this is a big ask.

I now comment on some of the specific issues in the Ministry's budgetary provisions. In the increase in teacher/student ratio which should or would address the shortage of teachers which is mainly caused by the early retirement at age 55. We have said it before, Mr. Deputy Speaker, these teachers are mature, experienced and have expertise and this is recognised by other Pacific island countries, so what Government has done is to try prematurely the human capital who are now raising the standard of education in other countries.

The Honourable Dr. Biman Prasad had covered that well this morning on why our education system is suffering because there is no proper planning, there is no Education Commission, no nothing so the standard of education, Mr. Deputy Speaker, will continue to spiral downwards with no proper planning. Therefore, careful planning and implementation of interventions is needed given the wide distribution of schools and the unequal spread of the population.

In the upgrading of teachers' salaries, Mr. Deputy Speaker, the better term for this is restoring of teachers' salaries. School teachers used to receive more than the tax threshold, to their dismay newly recruited teachers in 2015 were paid well below the tax threshold of \$16,500. Therefore, it is not upgrading of teachers' salary, but merely the restoration of what new graduates used to receive previously.

The payment of location allowance which is \$7.9 million, Mr. Deputy Speaker. The reduction or removal of rural allowance this year resulted in teachers being victimised and many refusing to take up rural posting.

HON. DR. M. REDDY.- (Inaudible interjection)

HON. RO T.V. KEP.A.- You will have your time.

I commend the restoration of the incentive for teachers to take up remote school positions and thereby help promote rural education.

On tuition fee free education, Mr. Deputy Speaker, I commend the Government for its effort to extend the tuition fee free education to TVET and final year students and including pre-school. However, officials are still obsessed with the term free education, when in fact it is tuition fee free education.

On the Toppers Scheme Scholarship, Mr. Deputy Speaker. This scheme favours urban students and discriminates against the rural ones simply because of inequality in learning resources both human and physical. Selection should not be done only on academic merit as it is not the only yardstick to measure the performance of future effective leaders of a country. Means testing should also be taken into consideration.

Mr. Deputy Speaker, on TELS, this is detrimental but logistical approval processes need proper review to maintain racial parity and fairness. However, we would prefer the reinstatement of the FAB and the Multi-Ethnic Affairs Scholarships.

Mr. Deputy Speaker, as alluded to earlier on the free bus fare, this scheme should be scrapped as it is too cumbersome for all stakeholders and encourages cheating among parents and bus owners. It wastes a lot of teacher's teaching administering this scheme. It is recommended therefore that the scheme be substituted with free school bus services to be pursued nationwide by outsourcing or having a State-owned service.

On digital literacy in secondary schools (\$2 million), Mr. Deputy Speaker, we have to be very careful with this allocation as evidence shows that Facebook and mobile phone users have created a society of electronically addicted slaves or zombies.

On digital software licences and lively database – Reading in schools need to be vigorously promoted as reading ability has seriously declined Fiji wide. Digital gadgets have taken over quality reading time for students as well as teachers, therefore retired primary teachers experienced in infant classes should be recruited to address literacy deficiencies through remedial reading and phonics to upgrade reading skills.

Free milk for Class 1 (\$3.6 million) – This is a waste of Government's money as alluded to earlier which can be better supplemented with the supply of fresh local and imported fruits and vegetables for morning breaks and lunch. Government would be contributing directly to NCD prevention in this regard.

Subsidies for boarding schools for secondary school students - These subsidies are only available to students whose parents are earning below \$6,500 a year. I believe that the subsidy should be paid for all students in a school with boarding facilities because additional resources are usually required from parents for the purchase of essential items, such as bed linen and toiletries.

Mr. Deputy Speaker, on the new assessment framework for development of textbooks, \$550,000 and printing of textbooks \$8,700, as we all know, the production and printing of textbooks is not on schedule. This is a very ambitious programme with textbooks containing many errors and the Programme faces many logistical problems resulting in students missing out on important references for their exams.

Also, Mr. Deputy Speaker, developers of textbook materials must possess highly specialised qualification. There is always a danger of plagiarism which can be costly to the Government if prosecuted.

On distance education, Mr. Deputy Speaker, the School Broadcast Unit should be expended to include a TV unit linked with local TV companies to provide distance education through TV. It will effectively supplement radio broadcast.

On technical colleges, Mr. Deputy Speaker, this is a waste of taxpayers' money. The former pro-secondary FIT, TPAF programme with articulations to school based vocational centres and stand-alone technical centres were adequately providing the technical skills manpower for the local employment markets.

All the Honourable Minister for Education has to do, is to seek an appointment with the Minister for Health as he is well versed with this issue, and I would recommend to the Acting Prime Minister that the Minister for Education work closely with the Minister for Health in his Executive Education Committee.

FIT, TPAC, Mr. Deputy Speaker, provides the upskilling while selected Universities in New Zealand and Australia had articulation arrangements for higher technology qualifications. Fiji National University (FNU) was supposed to be a University of science and technology. University of the South Pacific (USP) and the University of Fiji are adequately meeting Fiji's high education needs. The \$19.3 million can be used to upgrade the existing institutions above or remodel FNU to be a University of Technology. With that, thank you very much, Mr. Deputy Speaker.

MR. DEPUTY SPEAKER.- Thank you, Honourable Leader of Opposition, I thank you for your contribution.

I will now call upon the Honourable Ratu Kiliviliame Kiliraki.

HON. RATU K. KILIRAKI.- Mr. Deputy Speaker, it is my duty as an elected Member of Parliament of this nation to comment critically on this deceptive budget so that the people are well informed. My comments and recommendations are a result after analysing the 2016 Budget as well as to bring forth openly the comments and concerns of intellectuals and ordinary people, who otherwise would not be in a position to do so for fear of intimidation. However, Mr. Deputy Speaker, to give a proper analysis, we must be honest, unbiased to accept any positive comments and recommendations for the greater good of the nation and the people.

Firstly, Mr. Deputy Speaker, a budget is a political statement, a short term economic plan to address the requirements of the people and for that, if I can comment briefly on VAT.

VAT decreased to 9 per cent, it was like giving with one hand and taking back with the other hand – a tricky move. The decision to remove VAT exempted basic food items and prescribed medicines will not only bring in more tax but will make life harder for many families who depend on rice, flour, oil and other basic food items to feed their families. If many other countries such Canada, the US, Australia and New Zealand can exempt VAT on basic food, why can't we?

It is true that some exemptions are made for some categories of the poor but it looks rather messy. The need to exempt at least some basic food is imperative, in view of the fact that about 72 per cent of our population is earning below the tax threshold. When our currency was devalued by 20 per cent, food increased by 36 per cent thus dramatically increased the cost of living. Is there any truth in our rhetoric about concern for all our citizens or is it just nice words?

The Budget is therefore deceptive, Mr. Deputy Speaker, because the trump card of reducing VAT to 9 per cent is a grave deception. Why raise the zero rated of the seven food items to 9 per cent. It is not penalising the rich, the rich can afford to pay any VAT but not the 50 per cent poor and the elderly, much more so on the 40 per cent who live below the poverty line. This is a penalty, why does this Budget target them?

The Budget could have sourced the \$306 million lost from VAT reduction from the gigantic FRA budget or even from the military or from other source measures but not to penalise the poor, those who struggle to put a meal, forget about a decent meal on the table.

Again, there is nothing said about the creation of more employment, nor why there was no increase in the National Minimum Wage. The budget may not be the place to look for an increase of wages but a just living wage is a critical issue for all our workers in Fiji, if we are to have real development for all the beautiful boasts made in the budget are to become a reality.

Influential beneficiaries always manage to exert a strong influence on the economic policies. It is often called crony capitalism.

The Government need to address the root cause of so many social problems, like lack of decent employment and also particularly the low wages paid to our workers. Cost of living keeps increasing and workers' wages are below the poverty line, there is bound to be more crime, more domestic violence, more health issues, more child labour and inability to afford decent housing.

We constantly say that we want to attract more investors with various incentives and so increase economic growth. To the workers, what good will it achieve even if investors do not pay a just living wage to the workers? What good is economic growth if it is not redistributed to the benefit of all?

Some major concerns of the Budget allocation:

- FRA budget, a huge chunk of \$635 million. It is feared as the opportunity to waste money because of a poor planning and scrutiny of projects, ad hoc decision or unplanned decisions to build a road or a bridge for the purpose of political mileage.
- The PSC and the creation of the Ministry of Public Service. The constitutional power of the PS and the Minister to hire and fire. We need a review for the purpose to bring back relativity to address disparity in appointments and conditions, disparity in emoluments, salary, abuse of office, abuse of money and resources, corruption, nepotism, fear among civil servants and workers, intimidation, security of employment rather than contractual, pension scheme (a recipe to encourage poverty and social welfare dependency).
- Nepotism, favouritism, partiality, bias, preference, discrimination, prejudice, one-sidedness, preferential treatment, family, race religion, social circles, as a means of financial gains, preferential development gains, incentives or tax holidays. For example Rewa Dairy, zero duty on dairy products. A monopoly and does not encourage the development of the dairy industry, whilst the poor farmers significantly did not gain from the budget allocation as we are at the fourth quarter of the year. Also the budget allocations were at a significant balance at the fourth quarter – a catalysts to abuse and corruption, as in the case of FRA. It is a sign of unprofessional planning and poor management. Over budgeting is also probably an issue

It is very deceptive to say that there were some savings from the budget, whether through servicing the loans of unspent budget. A borrowing to service a debt is a debt, and not a saving.

The Ministry of Fisheries and Forests has a budget of \$26.3 million, an increase of \$2.27 million, Mr. Deputy Speaker. In regards to the Fisheries Sector, questions need to be answered as to the status of this resource-based sector. Unfortunately, except for the Tuna Industry, all other sectors are almost non-existent.

As for the Aquaculture Development Programme, more funding for development is needed for a sustainable programme. The demise of this Programme is lack of expertise and continuity to sustain this Programme. Naduruloulou is but a ghost Research Station. Expert staff have retired and there is no succession policy or programme in place. There is no planning nor training because it has been neglected for so long. Questions continue to be raised; what impacts there is of any assistance given to fish farmers in this area? How many fish ponds have been constructed? How many tonnes of produce are harvested? Government needs to be proactive to aggressively revive this Programme as a source of income and food security to the rural dwellers to alleviate poverty and dependency on handouts.

Also, Mr. Deputy Speaker, the Brackishwater Galoa Project for prawns has been of the same story. This project has been ongoing for a number of years and it has not been successful because there

is no scientific expertise retained to sustain the continued development of this project, so that farmers benefit economically from this Project, to be able to support prawn requirements from hotels. We continue to import prawns, a drain of our foreign exchange which does not benefit the country. A review is recommended to be done, as we are spending money on this Project without any impact at all to the tourism industry as to the supply of prawns to the hotels. The Honourable Minister should critically look into this project and come up with a good strategic plan.

Seaweed cultivation, Mr. Deputy Speaker, again, the Government needs to critically look at the price structure, transportation availability and costs. These are hindrances to the realisation of the full potential of this resource economy, a very essential money earner for the islands like Ono-i-Lau and the Yasawas.

Mr. Deputy Speaker, it is sad to note that the Fisheries Sector, a resource-based sector has lost its sense of direction and focus progressively because of the lack of attention and support of the Government. The Fisheries Sector is important because Fiji is a maritime nation surrounded by reefs and oceans, abundant with marine resources and ideal for any type of mariculture and fish farming, as a means of income generation and also for export, and its focus over the last 30 years has been on four major themes on sustainable development and balancing.

Technical development and training has been non-existence. Lami fisheries base is a dead place. Technical workshops, refrigeration, boat shed and offices are depreciating and rusting away. The extension work capacity to be able to provide extension services to maritime islands is a thing of the past. There is no planning in human resource continuity.

Two vessels; the *Tui Ni Wasabula* and the *Bai ni Takali* are tied up because there is no money for major repairs. It is sad that this very important resource-based institution is non-functional but by name only. We hardly see them now as a progress in the fisheries division. Research and development was very important then, but now non-existent. We used to have Japanese scientists, Australian scientists, NZ and UK, FAO experts all working together to develop the sector. You hardly see them now. It is about time the Ministry does something about this research in the Ministry of Fisheries.

Again, Mr. Deputy Speaker, I will refer to the Naqali/Vunidawa Highway. Justifying its economic return for a huge project such as this, need planning development. There is no electricity in the Navuakece *Tikina*. Farm sizes are but mere scratches of clearing of ginger, *dalo*, cassava and one to two square chains of farms. It is a contrast to the very big and nice highways without any developments at all in the Province of Naitasiri to be of economic gain from these developments.

Mr. Deputy Speaker, the 2016 Budget is yet another disaster for the forestry sector, a disaster not only because of what the 2016 Budget cannot address. Forestry provides one of the best opportunities or vehicle for revitalisation of rural economies, alleviate the burden of poverty for families and communities, and minor forest products are the raw materials for our proud women who produce fine handicrafts. Forests also provides a lot of ecosystem services that support the lives of all Fijians.

The same can be said about fisheries for our maritime areas. The 2016 Budget does not provide for the growth of the industry in the short term, or a vision for the future. It makes a mockery of the hardworking people who depend on forests for their livelihood, and denies Fiji the opportunity for meaningful participation in a vibrant forest sector. The budget is grossly inadequate to service the country's needs, some of which are:

- Provide incentives for more value adding industries. Our valuable mahogany should not be exported as sawn timber. Sri Lanka does not permit export of any rough sawn timber at all.
- Meet the aspirations of landowners, especially community pine plantations;

- Reduce forest degradation and increase tree planting by providing incentives for those in indigenous forest logging to adopt Sustainable Forest Management (SFM); and
- Provide security for conservation areas.

The Honourable Minister of Finance is very proud of our nation's economic growth over the last few years. He said, "The real good news is that growth is broad-based with the exception of the forestry and logging sector."

Mr. Deputy Speaker, if I could enlighten us on the budget of \$623,400 for the Co-operative Development in Fiji, which in fact should need more finances. Co-operatives are basically business organisations. The difference between Co-operatives and other types of businesses is that, in Co-operatives the members themselves, who are the customers own the business and they share the profits according to patronage, and not according to the shares held. Out of the profit, a certain amount is carried to a reserve fund to allow for future development. A small sum is allocated as interest on shares as dividend and the rest is distributed to the members as bonus. The types of co-operatives operating in Fiji, include:

- Merchandise retailing or consumer co-ops;
- Savings and Loans;
- Agricultural Production and Marketing;
- Eco-Tourism;
- Service Co-Ops; and
- Worker Co-Ops;
- Transport; and
- Fishing.

**Socio-Economic Impact:** As economic and social enterprises, co-operatives generate employment in many areas worldwide. More broadly, co-operatives facilitate the economic and social progress of their members, through self-help efforts and help in the fight against poverty. Success stories on co-operatives in developed and developing countries speak volume as to the positive role co-operatives play in their contribution to the lives of citizens and economies of these countries.

**Regressive Policies and Practices in Place Currently:** Statistics reveal that there are over 600 co-operatives of various types operating in the country at one time. There are now less than 300 in existence. The decline in the number of operating co-operatives to this present level can only be attributed to the co-operative development policies put in place by the Government.

In 2008, the Military Government through the then, Minister responsible for co-operatives and who is the incumbent Minister of Finance had recommended and Cabinet approved that the manpower requirement of Department of Co-operatives be reduced from 110 to its present level of 30. As a result, various district offices namely Nadi, Rakiraki, Tavua, Navua, Korovou, Nausori, Nabouwalu and Taveuni closed. Audited services provided by the Department of Co-operatives were withdrawn for obvious reasons. This policy has hastened the demise of many co-operatives.

The Department of Co-operatives has set up itself some ambitious targets and strategies for 2016, however, I cannot see how these targets can be achieved with the size of the 2016 Budget allocation.

Experience has shown that co-operatives in developing countries including Fiji need the support of the State for co-operatives to realise their true potential. This support include appropriate legislation and co-operative development policies. An Asia-Pacific Co-operative Ministers' Conference recommended the following:

- The Government and the Co-operative Movement have common objectives of improving the socio-economic conditions of the people, and therefore they should support each other.
- Co-operatives as social economic organisations by their nature are autonomous institutions and the Government should play the role of facilitator. Financial and management assistance is not infringement of autonomy, provided it is done on mutually agreed terms.

The Way Forward: With the benefit of hindsight, the following recommendations are put forward for the Minister responsible for Co-operatives to urgently consider:

- A comprehensive study be undertaken by a competent authority on the current status of co-operatives in Fiji and to recommend practical solutions to the challenges currently faced by co-operatives with the view to enhancing the movement's ability to contribute positively to the economy.
- A thorough review of the Co-operatives Act be implemented after an aforementioned study is completed.

Thank you, Mr. Deputy Speaker.

MR. DEPUTY SPEAKER.- Thank you, Honourable Kiniviliame Kiliraki, thank you for your contributions. I will now call upon the Honourable Minister for Employment Productivity and Industrial Relations.

HON. CDR. S.T. KOROILAVESAU.- Mr. Deputy Speaker, Honourable Ministers and Honourable Members of this House.

Mr. Deputy Speaker, it is an honour and privilege for me to rise in this august House to acknowledge and contribute to the debate on the 2016 Budget as introduced by the Honourable Minister of Finance which is forward looking and thought provoking.

As the new Minister for Employment Productivity and Industry Relations, I accepted this challenging and exciting role, convinced to contribute to Government's overall commitment, to provide a focus service delivery to all Fijians. Mr. Deputy Speaker, I also take this opportunity to thank and congratulate my predecessor, who is now our new President, His Excellency Major General Konrote.

I commend and support the Honourable Minister of Finance on his foresight wisdom, strength and confidence in introducing the 2016 Budget. Given the overall confidence in our economy, as it continues to grow with a forecast of 4 per cent in 2015 and a projected forecast growth of 3.5 per cent and 3.1 per cent in 2016 and 2017 respectively.

The formulation of our 5-year and 20-year development plans in early 2016, as stated by the Honourable Minister of Finance articulates the vision of the country Fijians want to live in by 2035, with a strong emphasis, on self-regulation, public participation and ownership.

Mr. Deputy Speaker, we as a nation have established our 2013 Constitution as our solid based for reform and modernisation to provide quality services, whilst respecting the freedom of every citizen.

Mr. Deputy Speaker, the 2016 Budget is bold, practical and a real way forward to fulfil these constitutional promises to all Fijians. The 2016 Budget will enable all Fijians to participate and take ownership in the socio economic development of our nation. The medium term strategy as expressed by the Minister of Finance which include amongst others, fast-tracking of structural and civil service

reforms, land reforms to fulfil the long overdue needs by all Fijians for a quality and timely service delivery that meets the basic needs of ordinary Fijians.

Our 2016 Budget priority sectors as expressed by the Honourable Minister of Finance include housing, education, health, infrastructure, agriculture, fisheries and forestry. Such bold and visionary leaps through our 2016 Budget allocation will continue to provide all citizens the forward to work harmoniously as Fijians and move our nation forward.

Labour Reforms: Mr. Deputy Speaker, Fiji's labour reforms have resulted in historic progress since its implementation in the 1990s with the successful roll out of the 6 of the 7 phases of reforms. I am grateful to the 2016 allocation of \$17.3 million towards the labour reforms which is an increase of \$1.5 million compared to 2015.

Mr. Deputy Speaker, please allow me to elaborate on the progress of key labour reforms in our country.

Occupational Health and Safety Reform (OHS): OHS was at the forefront of overall labour reforms that resulted in the enactment of the Health and Safety at Work Act 1996 and the establishment of the National OHS Service in 1998. This strategic intent was to repeal and replace the outdated Factories Act and replace it with a modern and progressive OHS legislation and institution that promotes proactive risk management policy summarised by the philosophy that creates the OHS risk, and those that worked with those risks must have the primary responsibility to resolve those risks. For 2016 our National OHS is allocated \$2.2 million.

Employment and Relations Reform: Mr. Deputy Speaker, the OHS Policy was adopted to reform the former 2003 Industrial Relations Bill into the 2004, 2005 and 2006 Employment Relations Bill which now became law, the Employment Relations Promulgation (ERP) of 2007. For the first time in Fiji's history, the vulnerable non-unionised comprises of 70 per cent of the employment sector are empowered under the ERP to access the mediation services at no cost and the Employment Relations Tribunal.

The Employment Relations Tribunal was established in 2008 and it is an institution that adjudicates on matters regarding employment, health and safety and workers compensation laws. Mr. Deputy Speaker, the Employment Relations Reform has an allocation of \$4.1 million in 2016.

Productivity Reform: Mr. Deputy Speaker, the ERP repealed and replaced six outdated pieces of labour legislation and replaced them with an innovative, modern policy framework that integrates the promotion of good faith, employment relations with productivity improvement which are fundamental for a progressive and stable labour market and overall social and economic development.

Mr. Deputy Speaker, the ERP requires all employers employing 20 and more workers to establish a Labour Management Consultation and Co-operation Committee to provide good faith employment relations and productivity improvement.

Wages Reform: Mr. Deputy Speaker, as Minister responsible for implementing the rights of workers to a just minimum wage, I am glad to report to this august House that our National Minimum Wage has increased from \$2 per hour to \$2.32 per hour. The implementation of this National Minimum Wage threshold would assist some 100,000 Fijian workers and their families nationwide.

Our wages reform has an allocation of \$250,000 in 2016 towards the monitoring of the National Minimum Wage.

Workers Compensation Reform: Mr. Deputy Speaker, the Ministry has renewed the Workers Compensation Act, increasing the amount payable to all deaths and injuries sustained at the workplace. I am glad to state that the amount payable for all deaths have been increased by more than double with the new amount being payable at \$50,000 effective from 17<sup>th</sup> July, 2015.

As part of our Social Justice commitment, we successfully managed to distribute the health care assistance for our Christmas Island veterans. From the total of 276 veterans earmarked under this assistance, 231 veterans have been assisted to-date under the *Operation Grapple* in 2015. We are grateful that a total of \$5 million has been allocated towards the workers compensation payout in 2016.

Our economy has undergone notable growth in the last three years. We have garnered support and interest from the regional and wider international community and have used this to our nation's advantage. We have put into place fiscal policies which we have facilitated both foreign and local investments, spurring entrepreneurial development in different sectors. We have grown our industries and continue to do further. The growth of this industry directly lead to the creation of job opportunities.

Mr. Deputy Speaker, the Government has been criticised for its capital expenditure and infrastructure development. This is despite the fact that this development has directly created employment opportunities for our people as well as the insurmountable other benefits that has made it possible for our economy.

Mr. Deputy Speaker, Members of the Opposition complained about the supposed lack of opportunities and then complained about the actions taken to provide job opportunities. They wield their pessimism with little regard to logic or consistency but no matter, we shall continue to persevere and work to the benefit of all Fijians regardless.

HON. GOVERNMENT MEMBERS.- Hear, hear!

HON. CDR. S.T. KOROILAVESAU.- Mr. Deputy Speaker, we are grateful for the increased allocation of \$3.8 million towards the National Employment Centre (NEC) in 2016. Government had established NEC in 2010 under the NEC Decree 2009 with an initial funding of \$800,000 and the increase in budget will allow us to put into action further plans to address employment concerns and as I stated earlier, bring the unemployment rate down to 4.2 per cent by 2017.

Foreign Employment Services: Mr. Deputy Speaker, labour mobility under the trade in services will be a major avenue for us to provide foreign employment opportunities to Fijians through the NEC. The Ministry has completed the pilot phase for the New Zealand Recognised Employers Scheme (RSE) administered by the Ministry of Employment, Business and Innovation, New Zealand and my Ministry through the NEC with the successful engagement of 31 pilot Fijian workers on a 7-month work engagement under a limited visa condition. I am grateful to state that the employers' responses have been very promising. That indicates the potential for an increase in demand of our workers to New Zealand in the new season from November 2015.

Mr. Deputy Speaker, in May 2015, we sent our first four workers to Australia through the first employer - Plant Grow Pick Limited in Queensland for six months. That number has since increased to an additional 108 workers by October 2015. Further, the same employer has expressed his intention to recruit another 90 workers by November 2015. The prospects are very promising.

Mr. Deputy Speaker, we are mindful of the needs of our local employers whilst at the same time, see the foreign employment opportunities available to our people to accept the opportunity to work, earn, learn, save and return home with more terms of skills, knowledge, confidence and savings to invest locally.

Fiji Volunteer Service (FVS): Mr. Deputy Speaker, the Honourable Minister of Finance announced the transfer of the Fiji Volunteer Service from the PSC back to my Ministry with its staff and allocation of \$1.4 million in 2016. I commend with gratitude this strategic move which will fit well with the National Employment Centre.

Mr. Deputy Speaker, by way of background, the Fiji Volunteer Service is one of the four employment creation services established under NEC but was transferred to PSC in 2012 and was heavily involved with the recruitment of retirees and engagement of a number of Pacific Island countries such as Marshall Islands, Nauru, Vanuatu and Tuvalu.

The FVS is also involved with the engagement of local volunteers. We will continue to promote and utilise the volunteer services nationally, regionally and internationally in 2016 and in future as part of Fiji's Development Co-operation.

Operational Management Reform: Mr. Deputy Speaker, given that productivity is also my portfolio, we have included an additional component of our labour reform as our operational management reform. Under this component, we have restructured our operations and documented our service system and process benchmark to ISO 90001 and 2008 Quality Management System. I am grateful that we have been given \$350,000 in 2016 to fulfil this strategic intervention.

Mr. Deputy Speaker, overall, Fiji's labour reform has resulted in better and more opportunities for both employers and workers. The labour reforms gave specific duties and responsibilities to the key stakeholders. For employers the labour reform provided them with new and better business opportunities. The reform provided more opportunities for workers in terms of better and safe workplaces, better coverage for wages and other terms and conditions including their social security during their term of employment. At the same time, the reforms empowered both employers and workers to be accountable and responsible in resolving employment grievances and other workplace matters such as productivity, occupational health and safety including redundancy.

Mr. Deputy Speaker, our labour reform incorporates a new workplace culture of self-regulation, non-discrimination, equal employment opportunities, responsibility and accountabilities of parties, safe and productivity based workplace, good faith employment relations and green productivity. The coverage and safety nets available to workers and potential workers have increased tremendously under the reformed laws. The unemployed, people with disability, retirees, informal and rural workers, young people (including children) and women are catered for and protected under the Reformed Labour Laws.

Mr. Deputy Speaker, given the labour reforms, the socio-economic benefits to employers, workers, investors, potential investors, potential workers, unemployed and the nation is enormous which directly contributes towards better workplace relations and thus contribute to wider social and economic security and stability.

Mr. Deputy Speaker, in conclusion I support the 2016 Budget which is as I have highlighted the People's Budget and I thank you sincerely.

MR. DEPUTY SPEAKER.- Thank you, Honourable Member for your contribution. I will now call upon the Honourable Minister for Industry, Trade and Tourism.

HON. F.S. KOYA.- Mr. Deputy Speaker, I wish to thank you for giving me the opportunity this afternoon to take the floor to deliver my statement. Before I proceed with my statement, I wish to thank the Honourable Acting Prime Minister and the Minister of Finance for delivering a forward looking, progressive budget that will continue to grow our economy and fulfil our eminent destiny of a great nation.

The budget will further enhance the ability of the Fijian Government to provide targeted support to the under privileged in the society, to broaden their horizon and their ability to earn a better living and contribute to the success of this nation.

In this regard, Mr. Deputy Speaker, I take this opportunity to highlight the different programmes contained in the budget under the purview of the Ministry of Industry, Trade and Tourism but before I do, I must allay some fears that have been raised this morning. It is very concerning and very extremely worrying that individuals in this House would not be able to read a simple check-list and I refer to the Honourable Dr. Biman Prasad who made a mention of a check-list about business application forms.

I wish to bring to the attention of this House, Mr. Deputy Speaker, that the business licences application that was referred to, is actually very streamlined and the information required by the municipalities are depended on the particular type of business operation that you have. Mr. Deputy Speaker, the manner in which the lists of requirements was read out this morning was actually quite misleading to the Fijian public, that for any type of business, the applicant has to provide all the listed documentations.

Mr. Deputy Speaker, in order to clarify the confusion created, I wish to actually read out clearly the business licence requirements. I have it here before me, there is a list of requirements that you have to produce before you actually do this application and I shall read:

- 1) a thoroughly filled Application Form (obviously required)
- 2) a copy of Business Registration Certificate (obviously required)
- 3) a copy of Investment Fiji Certificate (if a foreign investor)
- 4) a copy of TIN Registration letter from FRCA (obviously required)
- 5) 1 copy of Health Licence if operating a restaurant, takeaway, refreshment bar, butcher, nightclub, hair salon or any food handling business
- 6) Director's name and contact at least including 1 copy of their photo identification (obviously required)
- 7) 1 copy of Consent Letter from the landlord (if renting)
- 8) 1 copy of Liquor Licence (if applicable)
- 9) 1 copy of OHS letter from the Ministry of Labour (most definitely required)
- 10) 1 copy of National Fire Authority Certificate (mostly definitely required)

HON. DR. B.C. PRASAD.- (Inaudible interjection)

HON. F.S. KOYA.- All of these issues, Mr. Deputy Speaker, are quite important and pertinent to someone who is about to open a business ...

HON. CDR. S.T. KOROILAVESAU.- Hear, hear!

HON. F.S. KOYA.- ... and it is not convoluted like the Honourable Member had mentioned this morning.

HON. ROKO. T.T.S DRAUNIDALO.- (Inaudible interjection)

HON. F.S. KOYA.- For those who wish to have a copy, I have one with me.

(Chorus of interjections)

HON. F.S. KOYA.- Mr. Deputy Speaker, the FijiFirst Government believes in equality across the board and through this budget we are continuing our work towards ensuring that the economic disparities are removed.

Mr. Deputy Speaker, the backbone to a strong and resilient economy is a robust micro, small and medium sector, a vibrant and competitive export sector and constant evolution in the information, communication and technology sector. All of these lead to new investment, generate employment, foster innovation and create economic activity and wealth.

Mr. Deputy Speaker, in that regard, the Ministry plays the vital role of connecting the dots – developing an overarching trade policy, creating linkages between suppliers and markets, thus leading to a sustainable economy and trading environment.

Mr. Deputy Speaker, Fiji is going through unprecedented period of boom and growth...

(Laughter)

...never before, unprecedented, we will say it over and over again because this is unprecedented in Fiji's post-Independence history, there has been three consecutive years (inclusive of 2015) of above 4 per cent growth rate. In fact, the average growth rate for 2013 and 2014 is 5 per cent which is actually a unique situation.

(Chorus of interjections)

HON. F.S. KOYA.- I will address that shortly about jobs.

It should be noted that in October 2015, the IMF, World Economic Outlook revised the global growth downwards from 3.3 per cent to 3.1 per cent yet we stand at 5 per cent. Listen carefully.

Mr. Deputy Speaker, contrary to what was alluded to this morning, our jobs market remains positive. The Reserve Bank of Fiji Job Advertisements Survey, which he failed to disclose, the number of vacant jobs advertised in the year to September increased on an annual basis by 19.5 per cent.

(Chorus of interjections)

HON. F.S. KOYA.- This is the only firm indicator that we have on our labour market.

(Chorus of interjections)

HON. F.S. KOYA.- Listen carefully, my friend.

Additionally, this is evident through the growth in new lending for investment purposes by 15.5 per cent between January and October 2015. And these new investments create employment, Mr. Deputy Speaker. Furthermore, the recent Business Expectation Survey by the Reserve Bank of Fiji indicates that business confidence is at an all-time high.

(Chorus of interjections)

HON. F.S. KOYA.- Mr. Deputy Speaker, for the first time in the Fijian history, we will have a collaborative and consistent approach to expanding Fiji's trade and investment interests, through the Fijian Trade Policy Framework, which was launched by the Honourable Prime Minister in July.

The continued support to Trade Policy Framework in 2016 through an allocation of \$100,000 will ensure the effective implementation of this important strategic tool that will consolidate Fiji's position as an international competitive economy and trading hub in the region.

Mr. Deputy Speaker, the Fijian Trade Policy Framework also recognises the importance of continuous improvement of market access for Fijian made products. To import quality products, a country needs to export, which brings me to a project that is implemented by my Ministry since 2007, the National Export Strategy (NES).

The NES is yet another of the Fijian Government's targeted policy that provides support to businesses that are exporting or are on the verge of exporting. The purpose of the NES is to encourage diversification and value addition of our exports providing vital support in the export value chain.

Mr. Deputy Speaker, just last week I provided the NES grants to 19 more companies, bringing the total number of projects supported to 77. In an assessment carried out last year, of the 58 projects supported by this programme since 2007, it was revealed that the combined export sales increased by \$30.9 million and 329 new jobs were created. The exporters that were assisted in total secured 87 new markets and 10 companies received international standards accreditation. These are Fijian companies, Mr. Deputy Speaker. Therefore, the continuation of the budgetary support of \$2 million for the National Export Strategy will ensure the continuation of a vitally targeted support for especially the micro, small and medium sized budding exporters and the overall growth of the export sector. By the way, a lot of those exporters come from my friend in front, that is, from the Ministry of Agriculture.

Mr. Deputy Speaker, coming to the tourism sector, which has never been more buoyant with a record 692,630 visitor arrivals and earnings of \$1.4 billion for 2014. This year, with the current growth rate of 9.2 per cent for the period January to September, we are set to surpass the target of 714,000 visitors. As at September, we were at 80 per cent of the 2014 total arrivals or 560,179.

HON. OPPOSITION MEMBER.- *Bhahut dinau!*

HON. F.S. KOYA.- *Dinau* is your word.

Mr. Deputy Speaker, next year we have set a target of 5 per cent growth in the visitor arrivals or 749,700. The aim of the Fijian Government is to increase the size of the pie and I hope the Opposition will actually listen to this. Hence, the investment in marketing in our traditional markets of Australia and New Zealand will continue to explore the untapped segments.

(Inaudible interjection)

HON. F.S. KOYA.- I don't know which flight you are flying on.

Furthermore, the introduction of the direct flight to Singapore will provide a significant boost to the already increasing visitor numbers from growth markets like Asia and such as India and Europe. This will also provide a boost to our audio-visual industry in Fiji.

In terms of income from this sector for the first 6 months of 2015, the yield (which is the most important thing) from tourism has increased by 12.2 per cent or \$41.2 million increase compared to the same period in 2014 or \$688.5 million. Therefore, it is not just about (as they keep harping on about – we need to get a million tourists), the arrival numbers as some claim but it is about the quality tourists that spend time and money in Fiji.

Mr. Deputy Speaker, the approximate increase of \$7 million in the Tourism Fiji marketing grant, which will now be \$30 million, will enable Tourism Fiji to reach out to markets where Fiji lacks presence and focus marketing strategies in the existing markets to increase the yield. This includes making Fiji more than a sun and surf destination, with golf, sports, adventure and culture as important elements of our industry.

Mr. Deputy Speaker, in 2016 we will be hosting the first ever Super Rugby match, between the Crusaders and the Chiefs. This will bring in a new stream of visitors, create employment and consolidate Fiji as a sports destination. Let me tell you something, Super Rugby has never been played in any other country, same for England because of the Christchurch earthquakes. So good job Fiji!

With respect to golf, they have been harping about it and bashing golf all morning. Let me tell you something and this is the plain cold hard facts - 700 nights at one of the largest destinations that we have was sold on the back of last year's golf tournament. You tell me how much money that earns.

(Chorus of interjections)

HON. F.S. KOYA.- That can only be good for our tourism industry and that can also only be good for my friend's area where he lives.

Mr. Deputy Speaker, there have been claims made with regards to the leakages of tourism earnings and it should be noted, please listen carefully because this is all the things that you get wrong, it should be noted that there is no recent study on this particular issue. The last comprehensive study was done in 1990, the Tourism Council of the South Pacific in collaboration with the Fiji Bureau of Statistics, Strategic Planning Department, Ministry of Tourism and Reserve Bank of Fiji.

Mr. Deputy Speaker, that study revealed that the total leakage is approximately 12.1 per cent on direct earnings and 11.5 per cent on indirect earnings. Therefore, a total of 76.4 per cent of tourism earnings or approximately \$1.1 billion is retained in Fiji.

HON. OPPOSITION MEMBER.- (Inaudible interjection)

HON. F.S. KOYA.- Please listen, you might learn something.

Mr. Deputy Speaker, I wish to confirm that as part of our development plans for this particular sector, my Ministry will work with the Reserve Bank of Fiji, Fiji Bureau of Statistics and Ministry of Finance to undertake another comprehensive study in 2016.

The tourism industry is a well-integrated sector of the economy. In this regard, it is estimated that this sector has a significant impact on the gross output, it has a multiplier effect of approximately 3. Mr. Deputy Speaker, this basically means that every dollar spent by a tourist, generates income of \$3. This equates to total income generated through direct, indirect and induced income of \$4.2 billion from the total tourism earnings of \$1.4 billion.

Mr. Deputy Speaker, today there are more hotels and resorts that are owned by Fijians than in 1990, for example. The FNPF owns the Intercontinental and Holiday Inn, 25% stake of GPH; the Vision Group owns the Hilton managed hotels; the Tanoa Hotels is owned by the Reddy Group, Ramada Hotels (currently under construction) is owned by the Gokals, and there is another group also interested in purchasing the Sheraton Westin which is not in operation at the moment and they happened to be locals.

By the way, the Honourable Leader of NFP and the spokesperson for the Opposition on Finance got it wrong when he said that the tourist will pay 11 per cent more, in fact, they will only pay 5 per cent more.

(Chorus of interjections)

HON. F.S. KOYA.- He also got confused between VAT returns and the Environmental levy which has the power of ensuring sustainability of our industry.

(Inaudible interjection)

HON. F.S. KOYA.- Listen to this one, this is really good.

One of the major hoteliers, if not the major hotelier in this country has confirmed that the tourism industry has made record profits on the back of the improved infrastructure provided by this government - new roads, better water supply, new airport terminal investments. Hence, it is only fitting that the industry and visitors need to pay their way, not my word these are the words of one of a major hotelier in this country.

Therefore, programmes such as SLIP have now become redundant. The SLIP is a programme that was over-generous, and such programmes are not offered by any Pacific Island nation or other destinations like Mauritius and Maldives that you compare us to. However, this has not had any adverse impact on their tourism growth.

In addition, Mr. Deputy Speaker, we have successfully integrated the *Fijian Made*-Buy Fijian Campaign into the tourism sector, with the Fijian crafted brand. Through this campaign, we have been able to create a resilient, strong economy from within. Today we have registered 2,035 products belonging to 362 crafters and companies and I am pleased to state that 90 per cent of the licensed companies are micro, small and medium enterprises.

HON. GOVERNMENT MEMBER.- Hear, hear!

HON. F.S. KOYA.- Mr. Deputy Speaker, we have successfully linked 65 out of the 137 licensed Fijian crafters to markets. These crafters today have well-established markets as they directly sell to renowned retail stores and hotels in Fiji. This has created a new stream of income that these individuals did not have. They are earning on average \$2,000 a month each, which is an injection of about \$1.56 million into the Fijian economy.

Mr. Deputy Speaker, the *Fijian Made*-Buy Fijian Campaign enforcement and marketing will be accelerated. The Ministry will rigorously monitor the use of the brand and furthermore as part of the renewal of license process, companies will be audited for compliance with domestic and international standards.

Additionally, Mr. Deputy Speaker, we want to increase ownership from the companies that are licensed and in 2016 and we will forming a partnership with the licensed companies in terms of domestic, regional and international marketing of the *Fijian Made* brand.

Mr. Deputy Speaker, this is the most important part. Let me come to the FijiFirst Government's flagship initiative and our Honourable Prime Minister's favourite initiative, the Micro and Small Business Grant and it is not a handout.

(Chorus of interjections)

HON. F.S. KOYA.- You obviously did not listen. We don't give them the money.

This initiative provides up to \$1,000 to micro and small businesses or individuals wanting to start a business but have no hope of accessing finance.

Mr. Deputy Speaker, this grant is not a hand-out but a leg-up for the smallest of small businesses in Fiji. The unique partnership between my Ministry and the Fiji Development Bank (FDB) has brought in commercial principles and discipline. We have 25,789 applications and through the involvement of FDB, the funded projects will be monitored and entrepreneurs will need further financing to expand their ventures will be assisted.

As I have regularly updated in Parliament, the initiative began with an allocation of \$1 million to support 1,000 entrepreneurs due to the overwhelming response and 7,744 successful applicants, an additional \$2 million was sourced from within Ministry's budget.

Therefore 3,122 micro and small entrepreneurs were assisted, and I wish to confirm to this Parliament today that the Indian Government has cleared a Memorandum of Association to be signed with the Fijian Government to provide the remaining \$4.7 million to assist all the successful entrepreneurs.

Mr. Deputy Speaker, I want to give a couple of examples so you really know what the truth is of the benefits that is already being left at the grassroots level.

Mrs Keleani Vaqaso of Sigatoka received \$1,000 for her fruit and vegetable business in the Sigatoka Market. She has been able to increase her income from \$150 to \$600 per week.

Mrs Kaliona Ravouvou of Sigatoka, runs a home-made juice stand and within the grant she bought a canopy to shelter her juice stand and today she earns \$70 a day instead of \$50.

(Chorus of interjections)

HON. F.S. KOYA.- Mr Sukhendra Prasad of Cuvu, he bought a brush cutter from \$20 a day. He earns \$20 a day now compared to nothing, listen carefully.

Mr Deputy Speaker, the allocation of \$2.2 million for this initiative will ensure that at least another 2,000 odd budding entrepreneurs will be assisted. In 2015 also with respect, we registered about 29 Co-operatives of which 15 are resource-based. It is also important to note that 7 dormant co-operatives have been assisted to revive their operations. They probably became dormant when they were in Government.

The new allocation of the formation of the National Co-operative Federation of \$25,000 will get this particular process underway. Furthermore, my Ministry in collaboration with the SME policy to bring in line with the FijiFirst Government.

(Chorus of interjections)

Mr Deputy Speaker, the 2016 Budget is an inclusive Budget. They will create both social and economic quality for all Fijians and it is a Budget, it is a Peoples Budget as the Honourable Minister of Finance said, "this makes the bold statement that we believe in you and we will do everything that a government can do to help you lead a successful and productive life." I whole heartedly give my support to the 2016 Budget.

MR DEPUTY SPEAKER.- Thank you Honourable Member for your contribution. .

Honourable Members, we are now due for a short afternoon tea break. I will therefore suspend the House for 30 minutes and we will be back at 5.05 p.m.

The Parliament adjourned at 4.35 p.m.

The Parliament resumed at 5.05 p.m.

MR. DEPUTY SPEAKER.- I will call upon the Honourable Minister for Foreign Affairs, the Honourable Ratu Inoke Kubuabola.

HON. RATU I. KUBUABOLA.- Mr Deputy Speaker, Honourable Ministers, the Honourable Leader of the Opposition and Honourable Members of Parliament, may I begin by asking all the Honourable Members to join me in expressing our deepest condolences to the people of France and other nations, whose family members were killed in the terrorist outrage last Friday in Paris. As the Prime Minister has already stated, the thoughts and prayers of every Fijian are with the families of the victims at this time, and with the 350 or so others who are wounded in these attacks, some of whom suffered horrific injuries.

Mr. Deputy Speaker, as Foreign Minister, I also wish to stress Fiji's solidarity to the French Government and our absolute commitment to join governments everywhere in fighting the scourge of terrorism. The international community will not be cowered by these cowardly attacks. On the contrary, it has made us all the more determined to shut down the terrorist threats and Fiji will work with the rest of international community to defeat the challenge, whatever the cause and however long it takes.

Mr Deputy Speaker, in relation to the 2016 Budget, I wish to first acknowledge and thank the Honourable Minister of Finance and his team for an outstanding effort. As other speakers have noted, this is the people's Budget, a Budget for every Fijian and it underlines the FijiFirst Government's commitments to improving the living standards of every citizen.

We are building on the foundations that have been laid in the budget of previous years and that are now producing outstanding growth in our economy, 5.3 per cent last year, better than our larger neighbours. We are empowering ordinary Fijians, giving them unprecedented opportunities and Fiji is not only surging ahead at home. Our standing in the rest of the world has never been higher.

But, Mr Deputy Speaker, the FijiFirst Government is not resting on its laurels. Our reform programme continues in the 2016 Budget to build a fairer and more simpler tax system and to provide low income earners and the disadvantaged with the assistance they deserve. It is about creating a fairer and more equal society, and we are also strengthening the performance of every arm of government, including our foreign policy.

We are already respected in the world but we intend to strengthen our presence on the international stage even further, to give Fiji a bigger voice on behalf of ourselves and our smaller island neighbours, and to our assert our right to do so without undue influence from outside.

A foreign policy by Fijians for Fijians, bringing our own perspective to the great issues of our time whether it is climate change or the challenges of development.

Mr Deputy Speaker, with the Budget we are re-enforcing our ability to pursue a robust foreign policy based on the ongoing principle of being 'friends to all, enemies to none'. This policy has been a resounding success. It has not only won us many friends and the respect of many nations, it is the only way forward for a small Small Island Developing State like ours.

We refuse to be drawn into the power place of others. We will work with all governments of goodwill and we assert our right to be independent, to always act in the best interest of Fiji and the Fijian people. It is what they expect and it is what we are doing, and we will continue to do.

May I, at this juncture, Mr Deputy Speaker thank all of our Heads of Missions and their staff for their tireless work to advance Fiji's interest at the different bilateral and multi-lateral forums. I also

thank the staff of the Ministry of Foreign Affairs in Suva for their support in ensuring the efficient performance of our missions overseas.

Mr Deputy Speaker, with the Ministry of Foreign Affairs Budget allocation of \$42.9 million for 2016, we expect to continue strengthening our bilateral and multi-lateral presence in international forums. Of particular note is our re-engagement with the Commonwealth of Nations. Our contribution to the Commonwealth Secretariat is \$611,000 in 2016. While we continue our principle stand on the issue of membership of Australia and New Zealand in the Pacific Islands Forum, our contribution to the Forum Secretariat is \$138,000 in 2016. Other contributions in 2016 will also be made to the G77 + China, the International Seabed Authority and other organisations. It is the price of our membership of the Community of Nations and we gladly will make it.

Mr Deputy Speaker, let me reiterate that we see the Pacific Islands Development Forum (PIDF) as complementary to the operations of the Pacific Islands Forum. Our contributions to it match our commitment to taking a leadership role in the region, and we deeply appreciate the assistance of other nations, notably China which is working with Fiji to make the PIDF a success. A genuine voice of the Pacific free from outside interference that is also genuinely inclusive, a grand coalition of governments, civil society organisations and the private sector.

Mr Deputy Speaker, I also wish to acknowledge the contributions, particularly from the Republic of the Fiji Military Forces and personnel from the Ministry of Health to alleviate the suffering of our neighbours in Vanuatu following the devastation brought by *Cyclone Pam* in March of this year. All Fijians can be proud of the role of our people played in Vanuatu. These Military and Health Personnel along with other Fijian volunteers were true ambassadors of our country. They were the first on the ground in the wake of the cyclone, helping the less fortunate and alleviating their suffering.

Mr Deputy Speaker, our commitment to the Melanesian Spearhead Group continues in the Budget with the contribution of \$1.1 million for the MSG Secretariat.

Mr Deputy Speaker, we will also continue our comprehensive effort next year to reach out to the world with the programme of official visits. This year, the Honourable Prime Minister conducted visits to India and China, to consolidate our economic and trade partnerships. In August, the Honourable Prime Minister led a Fijian Delegation to attend a Forum for India Pacific Islands Co-operation in Jaipur.

Arising from this Forum, Fiji has been promised 110 slots in the Indian Technical and Economic Co-operation Training Programme and the number of slots for the other 13 Pacific countries will be doubled from 119 to 238. Fiji counts on the Indian Government's support through its Green Growth Framework and principle stand on climate change, especially in the lead up to the COP21 Climate Change Summit in Paris.

It was also heartening to note the Chinese Government's commitment to the joint feasibility study of the China/Fiji Free Trade Agreement during the Honourable Prime Minister's visit in July. Arising from this July talks, the Chinese Government has committed itself to closer co-operation in the areas of trade, fisheries and aviation.

Mr Deputy Speaker, this year we celebrated 40 years of formal diplomatic relations with the People's Republic of China. China has been a firm friend and partner during some of our challenging times, and I wish to acknowledge China's support and look forward to its contribution and commitment to a greener future in the COP 21 Climate Change Summit in Paris.

Mr Deputy Speaker, in June, Fiji hosted the ACPEU Joint Parliamentary Assembly in Suva. In August, the PIDF Summit was also held in Suva, attended by the Deputy Prime Minister of Thailand.

Budgetary allocations for multilateral forums like this, help position Fiji on the global stage and are decisive in getting our voice heard. Both gatherings were a tremendous success and won us many in your friends.

Mr Deputy Speaker, one of the core issues raised at the ACPPU assembly was Small Island States affected by climate change with a particular focus on seas and oceans. Part of our Ministry strategy on this issue has included the appointment of Mr Amena Yauvoli as the new Ambassador at Large for Climate Change and Oceans. Mr Yauvoli was until recently, Acting Secretary General of the Pacific Islands Development Forum (PIDF).

Mr Deputy Speaker, we remain fully committed to the development of the PIDF with an allocation in 2016 of \$800,000. With the support of the Fijian Government, the PIDF is expected to be granted Observer Status in the United Nations General Assembly in 2016. It has already received tacit recognition by the French Government with an invitation to its Oceania Summit in Paris on the 26<sup>th</sup> of this month.

I wish to also highlight the appointment of Mr. Francois Martel of Samoa as the PIDF's new Secretary General. Mr. Martel brings with him extensive experience from around the Pacific in the private sector and in civil society. He is an acknowledged champion of the Small Island States, especially in relation to the adverse effects of climate change.

Mr. Deputy Speaker, I wish to acknowledge the Prime Minister's commitment to attending the COP21 meeting in Paris in the coming days. With his fellow Island Leaders, he will be leading the campaign for drastic reductions in carbon emissions on the part of the industrialised nations, to arrest the current rate of global warming that is causing the rise in sea levels and extreme weather events that threaten our way of life.

Mr. Deputy Speaker, the COP21 meeting will be a seminal point in our foreign policy, given the urgency of the matter at hand. The survival of some of our neighbours and the drastic threat to the lives of all Pacific Islanders and those in other low lying areas of the world, we have no better voice, than our Honourable Prime Minister to advocate for Small Island States and to tell the industrialised nations that enough is enough.

Mr. Deputy Speaker, for the benefit of the House allow me para-phrase a few salient points from the Suva Declaration that was an outcome of the PIDF meeting. Among other things, we call for the 2015 Paris Climate Change Agreement to keep the global average temperature rise below 1.5 degrees celsius above pre-industrial levels. We also call for the Paris Climate Agreement to be legally binding and to establish explicit provisions that ensure the strongest possible effort is made to mitigate the effects of climate change. We want a review of mitigation efforts every five years with the opportunity to commit to stronger action, if the current scientific predictions falter. We also call for a special provision in the Paris Agreement to fast-track urgent action to assist the most vulnerable countries that are already experiencing threats from climate change.

Mr. Deputy Speaker, after a successful submission by the Fijian Government, we are now able to access US\$31 million or F\$67 million Adaptation Grant from the Green Climate Fund only last week. This Fund will be used through the Asian Development Bank to refurbish the Suva Water Supply. The water system will be climate proofed through a number of measures, including strengthening pipes to make them more resilient to flooding and by providing an alternative source of water for the greater Suva area.

The overall water network will also be strengthened. This marks a significant achievement for Fiji. Out of the 37 proposals that were initially submitted to the Green Climate Fund in July, Fiji's proposal is one of the eighth that finally made it to the board level. In fact, it is the first in the Pacific,

among the initial round of projects for the board's consideration. It will benefit around a third of the country's population who live in Suva, and it will mean that by 2025, 95 per cent of Fiji's population will enjoy safe drinking water and 60 per cent of the population will have proper sewerage facilities by 2030.

I would like to congratulate our Ambassador Filimoni Kau of our Fiji Embassy in Seoul, the Ministry of Finance officials and the Asian Development Bank for their hard work in securing access to this funding.

Mr. Deputy Speaker, there are particular overseas missions that will get special attention next year, as mentioned by the Honourable Minister of Finance. Just over half a million dollars is allocated for the expansion of the Abu Dhabi Chancery. Since the opening of our Mission there in 2012 by the Honourable Prime Minister, a strategic placement of our office in the United Arab Emirates has reaped large dividends. As I highlighted in last year's Budget response, the Abu Dhabi based office did a marvellous job in facilitating my negotiation with the Qatar Foreign Minister, Dr. Khalid, allowing the release of our 45 peacekeepers who were captured by the Al Nusra group in the Golan Heights.

More recently, the United Arab Emirates Foreign Minister, His Highness Sheikh Abdullah bin Zayed Al Nahyan visited Fiji in Februarys this year for bilateral discussions with the government. It was his second visit to Fiji since we established diplomatic relations with the United Arab Emirates in 2010. Boosting our budgetary allocation in 2016 to expand our services will mean consolidating and strengthen the benefits of this important relationship. This has included access to the UAE's \$50 million Pacific Partnership Fund through the Abu Dhabi Fund for Development. These funds have enabled the implementation of clean energy projects in Kadavu, Lakeba and Rotuma.

Mr. Deputy Speaker, this is what our Missions around the world strive for, to produce tangible benefits for all Fijians. A robust foreign policy not only winning us friends and influence but improving the lives of our people here in Fiji.

In conclusion, Mr. Deputy Speaker, let me say that our Heads of Missions will be meeting in Suva next month as part of our regular updates for the Ministry. The message to them will be clear, make maximum use of the resource given to you to achieve optimal results. I am proud of what they have achieved so far and I am sure that Honourable Members of this House on both sides, appreciate the hard work they are doing to promote our interests. They are helping to promote trade, to take the *Fijian made* brand to all parts of the world and strengthen our national economic base. They are giving all Fijians a voice in the world, a voice far louder than a country of our size would normally enjoy.

So, Mr. Deputy Speaker, our spending on foreign affairs next year is also a part of this people's budget. Our national resources dedicated to producing the best possible return for the Fijian people.

Mr. Deputy Speaker, I have great pleasure in commending and support the 2016 Appropriation Bill.

MR. DEPUTY SPEAKER.- I thank you for your contribution Honourable Minister for Foreign Affairs. I will now call upon Honourable Jilila Kumar.

HON. J.N. KUMAR.- Mr. Deputy Speaker, please allow me to sincerely congratulate His Excellency, Mr. Jioji Konrote, for his new appointment as the President and the Head of State of our nation. It is also imperative to state that His Excellency is the first Seventh Day Adventist all over the world to head a State. On behalf of all Seventh Day Adventists in the world, I would like to deeply and warmly congratulate His Excellency wholeheartedly.

Mr. Deputy Speaker, the Honourable Acting Prime Minister, the Honourable Leader of the Opposition, the Honourable Cabinet Ministers, the Honourable Members of Parliament and the public - *bula vinaka* and good afternoon to you all.

Today, I stand before you all to pledge my support to the 2016 Budget for its revolutionary and ground breaking initiatives. Winds of change are blowing fiercely through our nation. We have been moving forward under this Government by leaps and bounds and I am pleased to see that next year will be no exception. Therefore, I believe we must thank the Honourable Minister of Finance and his team for their effort in preparing this exceptional Budget.

Mr. Deputy Speaker I have opted to speak on a specific portion of the Budget which I believe is worthy of elaboration before this House. That issue is the \$1.8 million allocation to the modernisation and adjustment to the Fiji Geodetic Datum - 1986. A geodetic datum is a system that uses points on the earth's surface to map and provide detailed information about the area. It provides accurate base data that complements other coordinate systems such as GPS.

There are national datums, such as our 1986 datum and international datums, such as the World Geodetic System 1984. International systems often must use a broader, more approximate system to operate and so it is advantageous for each country to develop their own up to date and reliable datum so as to have information that is as precise and accurate as possible. Our datum is basically obsolete and it is imperative that we update it and move with the times. Such a move will result in compatibility with GPS and thus, lead to more efficient utilisation of resources.

Mr. Deputy Speaker, this will mean the start of a closer symbiosis between ITC Services and infrastructure. As a result, there will be greater room for development of the transport industry, improvement in our understanding and management of natural resources and safer land, air, and sea navigation through the complementary use of GPS. More importantly, we will also be able to more accurately map the effects of climate change and thus, develop well-informed strategies to deal with this challenge in whatever way we can.

In effect, this, and many other changes that Government has put forth, will bring us one step closer to our goal, that is to transform Fiji into a modern nation-state. We are increasingly able to keep abreast of international standards, so as to compete internationally. This initiative will bring us onto the digital map of the 21<sup>st</sup> Century, showing to the world that though we may be small, we are developing.

Mr. Deputy Speaker, this 2016 Budget is one of the most innovative our nation has ever had. We are truly progressing towards a modern nation-state. We are leading the way for the Pacific, as a nation, to move into the future. Our Government has made many changes for the benefit of all Fijians. Yes, Mr. Deputy Speaker, this is a people's budget, a budget that ensures that we can all prosper, now and in the future, as a land of freedom, hope and glory.

Mr. Deputy Speaker, I support the 2016 Budget.

MR. DEPUTY SPEAKER.- I thank you for your contribution, Honourable Kumar. I will now call upon the next speaker, the Honourable Minister for Local Government, Housing, Environment, Infrastructure and Transport.

HON. P. KUMAR.- Mr. Deputy Speaker, I really do not know what milk my good friend wants to drink but let me say, it is so sad to say that those who are drinking animal milk are animals, and I would like to record my disappointment with the statement made by the Honourable Member.

Mr. Deputy Speaker, I rise in support of the 2016 National Budget as delivered by the Honourable Minister of Finance. I congratulate the Honourable Minister and his team for designing a

forward looking budget with the theme “*The Future: a strong Fiji, a fair Fiji, a healthy Fiji*” while looking after the overall economic health of this nation to meet the needs of fellow Fijians. If anything, Mr. Deputy Speaker, we all know the Honourable Minister is known for his hard work.

Mr. Deputy Speaker, this budget is yet again a result of a wide and intensive consultation with both, the private and public sectors, so this is again an inclusive budget that creates opportunities for Fijians to make their own choice for their own good.

The continued investment in education, health, the civil service reform programmes and the overall VAT reduction amongst others are commendable as they are designed to meet Fijians where they are and uplift their overall wellbeing. Before the announcement of the Budget, Mr. Deputy Speaker, our good friends from the other side were assuming that VAT will be increased to 20 per cent but that has not happened. I just want to put it on record.

*The Future: a strong Fiji, a fair Fiji, a healthy Fiji* - the guiding principle of the 2016 Budget was embedded in the Budget Address by the Honourable Minister of Finance and in the accompanying fiscal documents.

Mr. Deputy Speaker, as minister for the diverse portfolios of Ministries and Departments, it is my pleasure to make a few general remarks about the theme of the 2016 Budget and its implication on my Ministerial Department.

Mr. Deputy Speaker, let me remind this Honourable House of the relationship between achievements and promises by the words of the Democrat US Attorney General, who said in 1981, and I quote:

“The measure of your quality as a public person, as a citizen, is a gap between what you do and what you say”

Mr. Deputy Speaker, that applies in even more stringent terms to our Government and the FijiFirst Government has measured up well and I must add, has exceeded in the achievements to date. It firmly reiterates the bold statement inherent in the 2016 Budget that your Government believes in you.

Mr. Deputy Speaker, this is an important reminder to all of us that the Budget is for all Fijians on the principle that a healthy economy and one based on merit, will lead to a fairer and a prosperous nation.

Visionary in that, as pointed out in his Budget Address is that the actions of today will provide a fruitful physical windfall for all stakeholders, from ordinary citizens to investors going by the budget and estimates around.

Mr. Deputy Speaker, it is an expression of confidence in our fiscal policies that we believe in all Fijians, and that together we will punch well above our weight. A point that the Honourable Prime Minister and the Honourable Minister of Finance have made at various points over the past years and this was highlighted in the 2016 Budget Address.

Mr. Deputy Speaker, may I at this juncture, acknowledge the increase in our overall local government budget. Further to the speech by my Assistant Minister, where she highlighted the current and planned activities of the Departments of Housing and also Environment, let me turn specifically to the Department of Town and Country Planning, Department of Local Government and Nation Fire Authority.

Mr. Deputy Speaker, the Department of Local Government is tasked to improve local governance. I am glad to inform this House that the makeover of the Albert Park is currently on track and the \$7 million allocated for 2016 will see its timely completion. After completion, we will see a national park that will be a monument to Fiji's heritage, one that will add to what is developing around this parliamentary complex into an iconic area of addresses that celebrate our past and showcase our visionary future.

Mr. Deputy Speaker, to cater for the heavily populated area in Nasinu, \$500,000 has been allocated towards a sports stadium development in Valelevu. This is a major redress for an area neglected by the past governments and complements the recent development of a multipurpose court in the area.

The Ministry has also partnered the project with the Lautoka City Council with an allocated \$2.8 million to provide international standard facilities at the hub of the West. I have been assured by Mr. Lawrence Tikaram of Coca Cola that once completed, they will move the Coca Cola Games to Lautoka as well. Likewise, I have also told him that if he is not going to host Coca Cola Games in Lautoka, then we will organise Pepsi Games.

Mr. Deputy Speaker, I welcome the \$4 million allocated under the challenge fund for municipal councils that is targeted to continue support programmes assisting the small and medium municipal councils and their local communities in various identified areas. This has become a valuable investment in our councils and communities, and brings immediate benefits in the facilities, services and amenities.

Town and Country Planning: Mr. Deputy Speaker, in 2007, Fiji became an urban economy having 51 per cent of its population residing in the urban area that is projected to increase to 60 per cent by 2013. The Ministry's plan to face these challenges is by seeking ways to extend boundaries of the urban areas, increasing development along major transportation routes, revising greater Suva Urban Growth Management Plan with Water Authority of Fiji and Fiji Roads Authority, allowing for a high-rise development, establishing growth centres in peri-urban areas, upgrading works currently underway by Water Authority of Fiji for both water and waste-water in readiness for the increase. And, in order to align our services with these projected increase in urban population, investment in e-service technology will be implemented to provide better services and enhance attractive investment environment for overseas and local investors.

Mr. Deputy Speaker, the new Town Development Concept is a smart form of urban planning design to attract populations away from cities and towns, extend economic activities in peri-urban and rural areas, and control the uncoordinated growth in the urban area.

The budgetary allocation of \$1.9 million in 2016 will ensure that the Ministry carries out land subdivision in Nabouwalu, and Scheme Planning and Engineering Design for Keiyasi and Seaqaqa for this very purpose.

Mr. Deputy Speaker, urban planning aside, the key component of the new town development in Fiji is the collaboration and partnership between Government and *itaukei* landowners. The beauty of this approach in Nabouwalu, which we see as our pilot project has triggered demand for land development and seen the welcome entry of the landowners into this arena.

The Town Planning Act of 1946 and Sub-Division of Land Act of 1937 currently forms the legal framework governing land and building development. Inclusive public consultations, which I launched last week are projected to be completed by early March, 2016.

Mr. Deputy Speaker, the proposed changes are to reduce planning approval process timelines, improve coordination with agencies, introduction of electronic services and strengthening enforcement mechanisms and establishment of a Planning Tribunal.

Mr. Deputy Speaker, my Ministry, in consultation with the Ministry of Health is proposing to shift the Town Planning responsibilities from the Rural Local Authority to the Ministry, which is the coordinating Planning Approval agency.

Mr. Deputy Speaker, on the note of a brighter future, I am pleased to report to the House that the process for the proposed Declaration of Navua as a town is nearing completion. I am awaiting the end of the objection period, before a final decision on the Declaration of Navua as a town is made.

The ADB in its Report forecasted Nadi as the regional hub of Fiji and towards this end, my Ministry has reacted to the initiative by the Town Council to declare Nadi a city. I am pleased to report that the process towards this has started, and we look forward to Fiji's third city in the near future.

Mr. Deputy Speaker, to compliment the words of my Assistant Minister for Housing, I would like to inform this august House that Cabinet has endorsed, for relevant Ministers under whose portfolios housing is currently found in some form or another to come together collectively to identify these areas, and this will provide information and data to provide optimal services and products under the National Housing Policy.

National Fire Authority: Mr. Deputy Speaker, you may have noticed that there have been a lot of fire cases recently, and the increase in the allocation to the National Fire Authority is noted and welcomed. The major drive for the spending of the increased budget will be on improving services by the National Fire Authority. The NFA will reinforce their plans to respond to fire cases faster and carry out more fire prevention awareness. We are also in close consultation with the Water Authority of Fiji, to ensure that there is enough water pressure wherever the fire hydrants are located.

Mr. Deputy Speaker, please allow me to turn to the Ministry of Infrastructure and Transport. I will speak on the budgetary provision affecting three main sectors, namely; transport, water and energy. My Assistant Minister will speak on Maritime Transport and on the Meteorological Services.

In the interest of time, I will concentrate on general areas. Under the Land Transport Authority, a major spending of the increased budget will be on improving services by the LTA. It has been a major concern amongst the public and amongst Government, and we are taking serious view of the lack of or lapses in service delivery. These service delivery improvements will be achieved through State of the Art technology spends, and increased manpower. In light of this, I welcome the increased allocation for LTA. Already some reforms have been noted within the LTA, such as Fully Automated Motor Vehicle Inspection System, Road Safety Initiatives, Quality Assurance Maintenance System, Certification for Bus Companies, Implementation of Red Light and Speed Cameras.

Mr. Deputy Speaker, moving on Roads, let me correct the incorrect figures given by the honourable Opposition Members, in particular, the comments that Fiji Roads Authority (FRA) has only incurred around \$200 million of expenditure until the end of third quarter could not be further from the truth. The Honourable Members of the Opposition would be well advised to educate themselves as to the workings of Government's financial system and those of the statutory corporate entities if they aspire to hold the reins of power. I can inform this House that the true figure of the work completed until the end of third quarter is in fact in excess of \$400 million. Furthermore, contrary to statements that would indicate a rush to complete works before the end of the year, I can confirm that Fiji Roads Authority and their suppliers are going about their work, and currently estimate achievements of the intended Programme at over 90 per cent, over \$600 million of works completed.

The honourable Members of the Opposition who talk about working together should consider their words, when they choose to make comments about the Auditor-General's Report on FRA from 2014. The Audit Report has only very minor qualifications, and that was the recognition by the Fiji Roads Authority itself that the information inherited from the different agencies that previously managed the roads of the nation was incomplete and inaccurate.

The Fiji Roads Authority was in fact set up to rectify these variances of the past, and has proceeded to do so.

HON. ROKO T.T.S. DRAUNIDALO.- What past?

HON. P. KUMAR.- This is the problem. You cannot digest the success of what we are doing, and...

(Laughter)

I wanted to be very quiet, but now you have opened it. I am not surprised at all by the contributions made by the Opposition all these days, because what else do they have to say?

(Chorus of interjections)

HON. P. KUMAR.- Throughout 2013 and 2014, Fiji Roads Authority has gradually improved its knowledge of the assets, and in 2015 it is undertaking a revaluation by independent qualified valuers.

Mr. Deputy Speaker, four-way lanes would soon ensure that people reach work on time in the morning, and reach home on time in the afternoon. The same goes for the school children. It is so sad, this is happening all around the country, but some people tend to pretend and try to be blind. Even blind people can see what is happening in this country.

Traffic congestion, not only affects Suva, but other main urban centres around the country, and this extension of road lanes is sure to ease the pressure on all drivers and the pedestrians. Better road networks means people can get out of town and cities and have access to affordable land to build their homes. Road networks means easier access to markets. The FRA is provided with the capital grant of \$635.7 million in 2016. The FRA Board is committed to streamlining, cost-saving and ensuring that each dollar from this allocation maximise returns on better road infrastructure. A major reform package for the Fiji Roads Authority will be implemented, so that we have better traction in its operations in building roads towards a better Fiji.

Mr. Deputy Speaker, water is essential to our livelihood and I note and welcome the increase allocation to the Water Authority of Fiji. Ageing infrastructure and increasing demands on water will mean that Water Authority of Fiji will have to work smarter to ensure that this essential service is maintained. The process will not come into effect overnight, but I have faith, that it will be speedy, just as we took water to disadvantaged and remote communities. I had the opportunity to accompany the Honourable Prime Minister in commissioning of few piped water projects. To these communities Mr. Deputy Speaker, the smiles on their faces told their own story of their satisfaction with Government and its policy on taking water to the people. On a related note, I commend the announcement of the removal of the partial deposit of 10 per cent by the communities. I ask, Mr. Deputy Speaker, is this not supporting the poor of this country?

Mr Deputy Speaker, as you may have noticed, I am taking pains to not repeat the allocation in figures already given in the Budget Address, but to move on to priority areas and utilisation projects for these allocations and in that way, I continue my contribution on the final area and that is energy.

Once again, I welcome the increased allocation, a major focus will be reusable energy. This will include harvesting wind, solar and sewerage for energy. Mr. Deputy Speaker, we have identified three locations, namely, Naboro Landfill, Vunato Dump in Lautoka and the Kinoya Sewerage Treatment Plant. I am happy to inform the House that next year 500 households will have solar power installed and 1,726 homes will be connected to FEA's grid under the rural electrification project. Mr Deputy Speaker, I ask the Opposition, is this not assistance to the poor?

(Chorus of interjections)

HON. P. KUMAR.- Similar to the initiatives on removing 10 per cent on the water, the removal of the same provisions for electricity is the welcome initiative. Mr Deputy Speaker, this may seem like a small measure but it translates into immense measure to improve the quality of life among our disadvantaged and remote communities, as well as the urban and peri-urban poor.

To conclude, Mr. Deputy Speaker, this Budget will benefit all Fijians including the Opposition Members. May God bless you all.

MR. DEPUTY SPEAKER.- Thank you for your contribution Honourable Minister for Local Government, Housing and Environment, Infrastructure and Transport. I will now call upon the next speaker, the Honourable Dr. Brij Lal.

HON. DR. B. LAL.- Mr. Deputy Speaker, the Honourable Acting Prime Minister, Honourable Leader of the Opposition, Honourable Cabinet Ministers, Honourable Members of Parliament and the public. *Miau Bula Re!*

I rise to support the 2016 Budget presentation, presented to this House by the Honourable Minister of Finance which has been very well received by the people of Fiji. I will limit my very short contribution to an issue that I believe warrants special mention today because of the benefit it brings to many of our financial bereft citizens. That issue is land leases which the Honourable Prime Minister has been granting to the Fijians living in informal squatter settlements.

Let me begin with a Chinese Proverb:

“If you want happiness for an hour – take a nap  
If you want happiness for a day – go fishing  
If you want happiness for a year – inherit a fortune  
If you want happiness for a lifetime – help someone else.”

(Laughter)

Mr. Deputy Speaker, it is history in the making that our Honourable Prime Minister has started giving out leases to those living in informal settlements in Fiji. For generations, people have lived here, have toiled on this land, raised their families on this land but have never managed to own it.

The insecurity of land tenure has been a major hindrance in the improvement for these residents. Consider it for a moment, how does one reach out for more; how does one truly devote oneself to the accomplishment of one's fullest potential, when the very roof and the land beneath their feet are uncertain.

Since the coming of the FijiFirst Government, these people will now hold a title or a land lease. This will give them more security and more opportunities. The beautiful children of these families will have a brighter and a suitable future and the potential to prosper. They will be able to improve their food security, purchasing power, education and health for their family.

Yes, owning their own piece of land can make them and will definitely make a big difference in their lives. It will have a significant impact on their household and it will build their self-esteem. They will work harder on their own land and decide their own value-adding activities. They can now have valuable assets in the long run which they can use to make further improvements. By this I mean, they can go to the banks and take loans for the sake of further developments and extra entrepreneurial activities.

Recently the Indian Prime Minister, Honourable Narendra Modi made this comment in response to criticisms levelled against him from his Opposition, and I quote:

“I am looking at empowering the poor of my country. How to make the poor of India self-sufficient is my focus.”

He promised that what other governments did not do in 50 years, I will do it in 50 months. This is exactly true for Fiji under the leadership of our Honourable Prime Minister where much of those of our people will be addressed in this term of Government, and many others in the next term to come.

I congratulate the FijiFirst Government for allocating more funds in the 2016 Budget for the issue of land leases to the landless. Let me conclude, Mr. Deputy Speaker, with my own quote:

“Sometime, someday when the pages of the history book of Fiji will be read, I know that the work of FijiFirst will be the most beautiful chapter.”

(Laughter)

Thank you, and I commend the Budget to this House.

MR. DEPUTY SPEAKER.- Thank you for your contribution Honourable Dr. Brij Lal. I will now call upon the next speaker, the Honourable Mikaele Leawere.

HON. M.R. LEAWERE.- The Honourable Deputy Speaker, Honourable Acting Prime Minister, Honourable Leader of the Opposition, Honourable Cabinet Members and my fellow Honourable Members of Parliament; I rise today to speak on a very important function of Government regarding the deliberation of our National Budget which is expected to provide a framework to our national spending for the coming year.

I would like to thank the Honourable Minister of Finance and the officials of the Ministry for preparing this 2016 Budget and not forgetting the other line ministries for their input as well. The practice for most countries of the world where true democracies espouse is to allow this budgetary deliberation to undergo enough time for public consultation between the legislators, especially of Government with the view that this is the principle that will determine the economic, social and political life and direction of our nation for the next year and possibly felt in future years to come. Certainly, Mr. Deputy Speaker, this is not possible with the kind of democratic setup we have. Evidently, this year's Budget debate is given only two days in which we are all expected to deliberate supposedly in detail and in a robust way the national spending of Government.

Personally as an administrator, this negates for me just how much the Government of the day gives credit or involvement in particular of the Opposition to such important national matters, where in a normal democracy we could be used as a proper and effective check and balance system for our nation, especially for Government and its people. Nevertheless, Mr. Deputy Speaker, we hope that our people who will be following the debate on television, will find the time to listen and watch our deliberations

in these next two days so that they can have the benefit of being educated with alternative views of this so called futuristic budget for all.

Mr. Deputy Speaker, I will now speak briefly on the education sector and its allocation. Unfortunately, the Honourable Minister left hurriedly, he should have waited for me. There are notable programmes Government intends to introduce for the coming year and this acknowledges a progress, especially the area of student to teacher ratio where the recruitment of 250 teachers will complement the teaching force in 2016.

This should hopefully ease the burden of teachers, especially in classrooms, where there are seriously large classes. In addition notably, an area that most primary school teachers will also welcome is the area of an increase in teacher based salary. You will recall, Mr. Deputy Speaker, that in my recent contribution in response to His Excellency the President's Address, I had called for a review and increase to the remuneration of teachers to commensurate with the load of additional responsibilities that they have now been expected to comply with apart from teaching students. But I am grateful that Government is taking heed of some of these calls from this side of the House and commend the Honourable Minister for Education in that particular respect. However, Mr. Deputy Speaker, I had also raised other pertinent issues about this sector and I reiterate that call again today. The increase in salary needs to be spread to all teachers, not just primary school teachers or those in the rural areas who need to be cushioned because of the high cost they usually incur in these outlying rural outposts.

All teachers are now saddled with significant responsibilities which includes getting their contracts renewed based on students' academic performances. We all know that it is an outrageous policy anyway but for this argument, we also ask that Government to be considerate of equal labour costs for our teachers. Otherwise we will continue to have teachers seeking alternative jobs in other sectors, therefore depriving our children and nation of skilled, well-educated and experienced personnel.

On that note, Mr. Deputy Speaker it would be worthwhile for Government to also consider the salaries of kindergarten teachers, now that kindergartens will be established in all schools. This is another special area of focus, especially important, as these are the formative years of our students before they enter into the main education system. These grounding years form the foundation of their future education.

Mr. Deputy Speaker, I note that the budget has now allocated funding towards the eight new technical colleges being established in the new year. My concern and question remain on this new initiative, and I continue to be concerned of the real intentions behind this initiative especially its impact on our indigenous students. The possible inferences we can draw is that our indigenous children are being told they are best suited for blue collar jobs with the removal of alternative paths for higher tertiary learning in universities. Mr. Deputy Speaker, how marketable are these students from these colleges? Their qualification framework need to be thoroughly vetted and authorised by the Fiji Higher Education Commission.

I now wish to comment on the recent revelation of performance of students following the external Intermediate Examinations. We now understand that the performance of our students dropped drastically from that of the years where the exams were last sat. Mr. Deputy Speaker, how can the system produce quality results when schools are directed to cover the syllabus in two terms?

This indicates the continued confusion of Government in its reform which makes me fearful of the new ones they are yet again introducing. We cannot be introducing exams in one year, and removing them in the next, introducing vocational technical colleges in one year and shortly after removing them again after discovering that they are not serving their intention.

Mr. Deputy Speaker, with this in mind, I call upon Government to have an autonomous examination board to avoid inconsistency in marking and unnecessary financial burden on printing of exam papers on time. The children should not be used as guinea pigs for experiment by Government. We recently had a one-day programme where schools committed a day to discussing suicide and its negative effects. This, we understand will become annual events. We could all do without this untimely deaths of our children. When such deaths occur, it is an indication of the breakdown of our education system. It indicates the pressure unnecessarily exerted upon our young ones to do well or face grave consequences at home. Therefore, what exactly are we trying to make them do? Suddenly announcing examinations will be set, and then expecting teachers to complete the syllabus of a two-year programme normally within only two terms; that is outrageous yet again.

Mr. Deputy Speaker, I have noted the continued commitment by Government into the initiatives of the Toppers programme and TELS. Whilst students are benefitting through this assistance, sadly to-date we really do not have statistics in terms of the allocation of this assistance for respective ethnicities which would be crucial to allow us to know if the minority groups are benefitting at all or to what extent for example, from these programmes. I fail to understand why such a simple exercise cannot be furnished despite numerous requests for this information. What does Government want to hide? I put it to Government, Mr. Deputy Speaker, that where we need to relook at assisting people to ensure no one is left behind, we need to do so. That also means that if we need to reintroduce the Multi-Ethnic Scholarships for example, we need to do so. We simply cannot and should not allow a segment of our community to over time become marginalised with respect to academic achievement and professional attainment. That will be to our own demise.

Mr. Deputy Speaker, just last night, the Honourable Minister for Education announced over the air that QVS, RKS and ACS are institutions meant for rural students only. I just cannot comprehend why he said this as the Education Act is quite specific and I quote from Part II – Administration. It says: “Pupils to be educated in accordance with the wishes of their parents.” Why is the Ministry not sincere with the regulations as stipulated in the Education Act?

Mr. Deputy Speaker, I will now briefly speak on some outstanding projects of Government that I commend to them to urgently address.

Mr. Deputy Speaker, a lot of areas have roads that need to be properly maintained. We have been promised road upgrading over some period of time, however these maintenance works have been limited to mostly the visible areas traversed by the travelling public. I had mentioned specifically in my maiden speech about the Deuba/Nabukelevu Road as an example. Can we have the FRA, with the highest budget, relook at the needs of our people and assist in this respect as a lot of our people now choose to travel daily to work?

Mr. Deputy Speaker, my involvement with the unions, or as I like to put it, the fighters of workers plight is well known. In fact, I had to go to court to get that part of my life cleared before I could become a Member of this Parliament. Therefore, I have noted with interest these discussions between the unions in Fiji and Government and the expected reporting compliance was expected to provide. I call the whole actions by Government shoddy and just plain bullying. How can you expect the unions to lend their name to an exercise that they know had not been engaging? For government to ignore the recommendations of the ILO to the last minute and suddenly chastise the unions over supposedly holding the country to ransom as they say.

Mr. Deputy Speaker, the ILO are no fools. They may engage with us as a nation but unfortunately, the member countries know that there are real sufferings being experienced by our people who are now suddenly faced with reforms, downsizing, salary cuts and more. I would say, “stop the bullying and look at your actions.”

Our trade unions and workers have been complaining about violation of worker rights under our current laws for a while. The ILO has been asking the government to amend these laws and make them compliant with ILO Conventions since 2011. The government kept resisting. Eventually, following the threat of a commission of inquiry, the government agreed in March this year to bring amendments to Parliament in June. The trade unions and the Members on this side of the House spoke strongly against the Employment Relations (Amendment) Bill saying it was not going far enough to make our labour laws ILO compliant, but the government used its majority and pushed the Bill through Parliament.

The trade unions have again complained to the ILO which has now decided to send a tripartite mission to Fiji. However, if the Government does not allow the proposed mission into the country, then the ILO will take the decision to appoint a commission of inquiry at its meeting.

Mr. Deputy Speaker, these are serious matters that need urgent attention. This side of the House wants to see all the laws to be compliant with the ILO Conventions and our workers allowed to enjoy all worker's rights. We cannot have laws that suppress worker's rights and give employers an upper hand. That does not make for a fair legal framework and will without a doubt, breed conflict.

We, therefore, call on the Government to permit the ILO Tripartite Mission and engage with both the trade union national umbrella bodies, the FTUC and FICTU and all employer groupings to reach a settlement on all matters raised by the ILO and the trade unions including the Political Parties Decree and the potential restriction on Freedom of Association under the 2013 Constitution.

Mr. Deputy Speaker, the recent budget announcement is testimony to this bullying attitude of Government, where civil servants expected at the very least a cost of living adjustment to be paid out by Christmas. Yet, this was not seen in the Budget. What a disappointment. Why has Government ignored the plight of the workers who do all the hard work to allow the Ministers and the government the benefit of having completed projects to show? That is why, Mr. Deputy Speaker, the unions for example, are unable to engage in a sham of an exercise to hoodwink the ILO and its respected member countries.

Mr. Deputy Speaker, we have now seen Government introducing further reform programmes including the introduction of a new Ministry of Civil Service from next year and the phasing out of the Public Service Commission. They have announced that all staff will now reapply for their positions and I understand some significant number of staff have received their contract termination letters.

During the recent year's changeover of contracts under this so called reforms, a lot of civil servants who had served years in Government have now lost their long service leave entitlements they used to enjoy. They have likewise lost all other related benefits like unutilised sick leave or annual leave. This is very demoralising to say the least. These reforms are band-aid solutions and will destroy the Civil Service and is useless to set up another Ministry as alluded to this morning by the Honourable Dr. Biman Prasad.

Mr. Deputy Speaker, now we have a new Ministry being suddenly shoved down people's throats. This was unexpected by many of them and I liken these to the dark period in the early days of the Bainimarama Regime, where the Civil Service was suddenly targeted in 2009 with the introduction of the 55 years retirement age. A lot of our senior civil servants were caught off guard and had not prepared themselves for their forced retirement. It has always been expected for the civil servants to remain healthy and viable at 55 and still have so much to contribute and yet, they suddenly found themselves at home.

It would be interesting to take a survey or study of how many since have died because of undue pressure. We cannot deny this, Mr. Deputy Speaker. At the height of this massive retirements, many

collapsed from heart attacks, suffered from strokes because they still had mortgages to pay and their children were still in school to support.

Now, we are doing the same thing to the workers who have not been reached the age of 55 but let me say this now, Mr. Deputy Speaker, Government sees it to fit to hire skilled and some very old senior civil servant as Ambassadors and as Permanent Secretaries, even after they failed at Elections. So, do we have an animal farm, Mr. Deputy Speaker, where some are more equal than others?

Mr. Deputy Speaker, what is regarded as a loss to one nation is a gain for the Pacific countries where our qualified people have now moved to work in droves. I take, for example, Solomon Islands a significant number of senior positions in that country, including that of Director of Public Prosecutions are held by former senior civil servants from Fiji.

Likewise, in many roles where, for example, a significant number of engineers who were reaching 55 are now holding senior positions at ADB Funded Programmes. Teachers and civil servants are everywhere now, not only in the Pacific but are spread all over the world.

Workers from the former Telecom Fiji Limited and FEA are shifting everywhere and they are doing very well for themselves. This is a major brain-drain for the nation and yet, Mr. Deputy Speaker, we are replacing them with foreigners and expatriates. For example, the CEOs in FRA, Investment Fiji, Fiji Airways and Fiji Ports Corporation Limited to name a few, even in our Judiciary. So many Sri Lankans are now evident. *Esa vaka e vei o Viti?*

Mr. Deputy Speaker, the budget announcement had revealed that Permanent Secretaries will now also be looked after separately by a new Ministry of Civil Service. Before that even occurs, I would like to raise a question whether these Permanent Secretaries will be tagged higher salaries which they now enjoy which is over \$200,000 for a quite a few. Is it fair to have salaries of Permanent Secretaries more than that of some of these Cabinet Ministers? Who is the boss then?

(Laughter)

Meanwhile, Permanent Secretaries were recently interviewed after the process of advertisement and so-called short listing by an Australian Company that the Government has hired to do this task which was previously carried out by the PSC Commissioners quite comfortably. I am hopeful that at this level if such transparencies is truly being implemented, then we need to have Permanent Secretaries that are most meritorious and not those that are there right now without even meeting the minimum qualification requirement and they exist by virtue of family members to the powers that be.

Mr. Deputy Speaker, I leave us with the workers all over Fiji, the famous words of perhaps, the greatest ever Prime Minister of all, the British Prime Minister, Sir Winston Churchill who said, and I quote:

“If you will not fight for right, when you can easily win without blood shed; if you will not fight when your victory is sure and not too costly; you may come to the moment when you will have to fight will all the odds against you and only a precarious chance of survival. There may even be a worse case. You may have to fight when there is no hope of victory, because it is better to perish than to live as slaves.”

(Laughter)

Mr. Deputy Speaker, I wish all Members of this House and workers of this country a very blessed Christmas and Prosperous 2016. *Vinaka vakalevu.*

MR. DEPUTY SPEAKER.- Thank you for your contribution, Honourable Mikaele Leawere. I will now call upon the Honourable Alvick Maharaj.

HON. A.A. MAHARAJ.- Mr. Deputy Speaker, the Honourable Acting Prime Minister, Honourable Cabinet Ministers and Honourable Members of Parliament, good afternoon to you all.

*Turning Promises into Deeds:* Mr. Deputy Speaker, that was the theme of last year's Budget and it is precisely what our FijiFirst Government has been doing and will continue to do. One needs only to look around and see the unprecedented level of development taking place in our nation to know that what I say is the truth. Next year's Budget, Mr. Deputy Speaker, Sir, leaves only room for further progress.

We cannot wait for 10 years, we need to do it now. Thus, I wish to commend the Honourable and learned Attorney-General and Minister of Finance, Public Enterprises, Public Service and Communications for a well delivered and a meticulously planned budget. Looking back, the previous budgets set the tone of development for this country. Many parties at that time said that our motto of *Turning Promises Into Deeds* could not be fulfilled but this was the usual brand of nonsense, of which I am certain we will hear more of these words which was quickly proven to be exactly that, nonsense.

Mr. Deputy Speaker, the truth is that we are using Government finances wisely to build infrastructure that will generate income and grow our economy. The truth is that, previous economic growth has also resulted predictably in increased revenues. Our overall debt is decreasing and this is one factor that allows us to do something that holds significant for all Fijians. The naysayers blocked their ears when we said it but ended up having to listen when international bodies sang the same tune.

Mr Deputy Speaker, Sir, our prudent debit management is one of the very factors that has allowed us to look at reforming Fiji's taxation system. Government plans to address two important weaknesses in our tax structure, first we want to remove inconsistencies or special privileges that do not serve any useful social or economic purpose. This will not only make taxation system more transparent which is important to any Government, but it will also make its system more fair and impartial.

The second issue we are addressing is collection of revenue. We are improving the collection method, we use so that the nation as a whole prospers from tax revenue. These reforms will make taxation fairer and less of a burden while also producing more revenue for the Government to be able to provide essential services for all Fijians.

Mr. Deputy Speaker, our VAT is now 9 per cent. This reduction in VAT will reduce overall cost to citizens as measured by the Consumer Price Index through the Reserve Bank of Fiji (RBF) by, at least, 4.5 per cent and it will also reduce the overall cost of food to all Fijians and this is without even taking into account the duty deduction.

I have seen speculation about this issue where some people have been unable to understand the strategy. I had heard comments from expected source on how the most unprivileged members of the society will be burdened by the fact that VAT is now charged on some food items despite a 6 per cent reduction on VAT on every other item. While VAT will now apply to rice, cooking oil, fish, flour, tin oil, powdered milk, kerosene and prescription medications, the overall costs of groceries will still be less. The most common misconception I had heard is that these items are the only items that the poor are purchasing.

Mr. Deputy Speaker, that misconception is developed by a person who had a narrow mindset and limited understanding of realities in life. Low income families do not only purchase these items. It is impossible that things like soap, toothpaste, toilet paper, detergent, sanitary, salt, onion, potatoes, garlic, ghee, cooking gas are purchased by low income families. That would be deeply flawed by unrealistic assumption added to this. It is a fact that some basic food item prices will still decrease,

despite addition of VAT, for example, the duty charged on tea is reduced by 10 per cent, the addition of 9 per cent VAT to the items should not raise the price.

The FijiFirst Government delivers. While others were talking about reducing the VAT prior to 2014 Election when our economic was not ready for it, our people were patient and believed in FijiFirst. Our people believed that we knew that needed to be done for the well-being of all Fijians.

MR. DEPUTY SPEAKER.- I thank you for contribution, Honourable Member. I now call on the Honourable Nabulivou to take the floor.

HON. A. NABULIVOU.- Mr. Deputy Speaker, I rise to support the National Budget of 2016. The 2016 Budget is yet another milestone in the development and reform of Fiji and I begin by thanking the Honourable Minister of Finance for a truly inspired skill. There are many ways in which this is achieved but I shall address the House, in particular, on the valuable and important support and incentives given to the agriculture, aquaculture and fisheries industries.

The key to development of these industries is empowering our hardworking farmers and fishermen to produce them more efficiently and to ensure they have access to markets which will give them a fair price. Developing these sectors has important benefits to the nation, it:

- 1) improves food security by reducing dependence on imports;
- 2) improves productivity; and
- 3) provides additional wealth to be shared amongst the wider community

Therefore, I am encouraged by the manner in which this Budget seeks to bring about these benefits.

Mr. Deputy Speaker, I was particularly impressed by the revival of the Agriculture Marketing Authority (AMA). I see this as a vital step because small producers do not individually have the infrastructure, the financial resources, the contacts and the bargaining power necessary to produce the best return. I cite the example of the ginger industry where local prices are only a tiny fraction of the prices achieved in overseas markets. This is a problem that the budget addresses. The AMA will serve as the necessary link between our struggling farmers and a larger market.

Mr. Deputy Speaker, this country has great, but sadly, under-utilised land resources. We have the soil and the climate to do so much more. Unfortunately, many small farmers are still locked into agricultural practices that went out of fashion 100 years ago.

Elsewhere in many instances, hand cultivation is inefficient and prevents development of agriculture to its true potential. It limits plot sizes and returns to farmers. So, many do not become true entrepreneurs. As Honourable Members may be aware, I am a ginger farmer. I have spoken here and before on the problems faced by ginger farmers. I can say first hand, one of the major problems is clearing land and cultivation.

Ginger is a crop which requires regular rotation to maintain soil fertility and to manage pests. Land clearing and cultivation by hand is back breaking hard work and slow.

Thus, I am very pleased to see the new fund for purchasing machinery and the allocation of land clearing. Mechanisation is the way to go. I, and the rest of the farming community, welcome any initiative which will assist in this area. We will only get a proper return from our land when we can use mechanical means to increase productivity and achieve efficiency in cultivation. If we can do that, everyone wins.

Furthermore, as the Honourable Minister said in his Budget Address, the farmer of today is part scientist. He/she must understand the weather, soil fertility, crop nutrition, and plant genetics; the control of disease and pests. He/she needs to keep abreast of developments in all these areas and for this extension, Government aid is needed, especially for small producers.

Sir, allow me to conclude by highlighting two themes, I believe is worth repeating from the Honourable Minister for Finance's speech on the budget:

- The Bainimarama Government seeks to create a true democracy in which all Fijians are equal; and
- Democracy rests on the idea that ordinary people are capable of extraordinary things.

Mr. Deputy Speaker, that is what should set the tone for our year. Let us move forward in creating equal opportunities to all Fijians, so our people can achieve these extraordinary things. A nation only impoverishes itself, if it only allows a privileged few to have opportunities. There are days when privilege counted for something in this country are gone forever.

Mr. Deputy Speaker, I wholeheartedly support this budget. This is a 'people's budget'. For the sake of our people, it should not change.

With those words, I commend the budget to the House.

MR. DEPUTY SPEAKER.- I thank you for your contribution, Honourable Member. I will now call upon the Honourable Minister for Fisheries and Forests, Honourable Osea Naiqamu.

HON. O. NAIQAMU.- Mr. Deputy Speaker, the Honourable Leader of Opposition, Honourable Members of Parliament, distinguish guests, ladies and gentlemen, I rise to speak on and support the ground-breaking 2016 Budget announced by the Honourable Minister of Finance.

I am privileged to provide a summary of the Ministry of Fisheries and Forests 2016 Budget with the key initiatives and programmes aimed at sustaining and enhancing the fisheries and forest sector for the upcoming year, which includes both the communities and industries.

Forestry Department: Mr Deputy Speaker, the Department of Forestry has been allocated an annual budget of \$2.5 million for 10 projects in 2016. Eight of the ten Forestry Capital Projects provide direct and indirect assistance to the Fijian rural areas and indirectly in the urban areas as well. I will be drawing the House's attention to these projects, their current status and plans for next year.

Reducing Emissions from Deforestation and Forest Degradation (REDD+) Plus Project: This Project conducts analytical work, biodiversity assessments and develops monitoring protocols for the Forest Carbon Assessment Programme that compensates Fiji for reserving forests and reducing carbon emissions through the Carbon Trading Programme.

Sandalwood Development Programme: This project has the objective of creating awareness on the economic value of sandalwood and at the same time, empowers individuals and communities to undertake their own planting initiatives. The Ministry will continue to promote the planting of sandalwood in rural areas as a high-value commodity with the potential to improve rural livelihoods.

Reforestation of Degraded Forests: This project was started this year to address deforestation and forest degradation. The project supports plantation development for Fiji's future timber needs, and supports the restoration of degraded native forests. The restoration of degraded forests will also lead to cleaner water and air, carbon sequestration, stable biological systems, flood mitigation and

even greater food security. The focus for 2016 will be to engage local investors and stakeholders to increase large-scale planting as part of reforestation.

**Establishment of Permanent Sample Plots Project:** This project determines for the Department the Annual Allowable Cut (AAC) from our native forest so it is kept at sustainable levels and also looks at the biodiversity aspects where plots are established for conservation and management purposes. More than 100 permanent sample plots have been established in Viti Levu, Vanua Levu and Taveuni. Information from this activity is vital to ensure the sustainable management of our natural forest resources.

**The Wood Utilisation Project:** This project aims to reduce wastage of wood and promotes waste wood utilisation by value adding. Some of the major achievements in 2015 include; establishment of two new cottage industries and the development of two new products. Also this year, training has been provided for 19 individuals, mainly wood carvers.

The increase in budget allocation will allow for the procurement of smaller, specialised machines for the processing of waste wood and the set-up of cottage industries through the training of Mahogany resource owners.

**Pine Woodlot Logging Package Project:** This project was initiated to assist the maritime communities in Gau and Cicia to utilise their mature pine plantations. The project purchased harvesting, sawmilling and timber treatment machinery in 2015.

The primary outcome will be better housing for the people of Gau and Cicia and monetary returns from the sale of surplus timber, which will see the establishment of other Forestry based SMEs, thus generating income.

**Lakeba Pine Scheme – Proper utilisation of waste wood and value adding processing project:** A new project that will involve the training of Lakeba Pine resources owners on the proper utilization of the Pine waste wood value-adding processing.

**Forest Subsidy Project:** Mr. Deputy Speaker, this project administers the provision of assistance to elevate value-adding businesses in Fiji. This includes providing value-adding machines to trained wood-carvers. This will in turn generate income and better livelihoods.

**Fiji Pine Trust Grant:** Mr. Deputy Speaker, the Government will continue to provide a grant to Fiji Pine Trust in 2016; an initiative which is aimed at extending pine plantation in Fiji whereby landowners manage forests and sell logs and receive full stumpage.

**Data Link Rental:** Mr Deputy Speaker, the Budget makes an allocation of \$91,500 for the data link rental that will connect our outer forestry and fisheries stations to Govnet Services. It will also improve data acquisition for all four Divisions, improve communication systems and improve service delivery to the communities requiring our service.

Mr Deputy Speaker, as alluded to earlier, my Ministry supports the Green Growth Development Framework by undertaking programmes that contributes towards building environment resilience, social improvements, economic growth and poverty reduction.

**Fisheries Department:** Mr Deputy Speaker, allow me to discuss further into my second Department, the Fisheries Department within my Ministry and its budget for 2016. The following capital projects have been supported with the 2016 Budget allocation from Government.

Marine Resources Inventory Survey Projects (MRIS): This Project continues to undertake a survey and assessment for 411 *iqoliqoli* in this country. The target of 20 *iqoliqoli* areas to be assessed and have management regimes incorporated will be done in time as scheduled.

Product Development Project: This Project assists local communities through value adding and downstream processing of their fisheries products. This include; processing, packaging and marketing of identified fisheries commodities, such as fresh water mussels (*kai*), smoked mullet (*kanace*) and certain sea cucumber species.

Coastal Fisheries Project: This project aims to continue to enhance the rural fishing community's living standards with the provision of technical support such as upgrading of ice plants and infrastructure supports. The continued planned maintenance for ice plants will continue as normal and is designed to see no disruption to fisheries SME in the rural areas that depend on ice from this project.

Reef Enrichment Initiative Project: This project works to restore and enhance depleted reef stocks of clams and sea cucumber.

Construction of Ice Plant in Rotuma and Gau: The construction programme for Rotuma's Ahau Government Station is ongoing and is projected to be completed in 2016. Its ice machine has already been acquired through Japanese assistance this year, and this Budget will see the completion of the project in 2016.

The benefits of this project are:

- Economic development to curb urban drift;
- employment opportunities;
- income generation; and
- improved marketability of fisheries resources.

The construction of the Gau Ice Plant will be completed in 2016, with the completion of the officer's staff quarters.

Moala and Cicia Offices: Mr Deputy Speaker, I would now like to also highlight the two new projects that are to be undertaken in the maritime regions of the Lau group which are preparatory work in Moala and Cicia Islands for office and ice plant construction.

This project is design to:

- a) Enhance the rural fishing communities' living standards by the provision of the technical support such as upgrading of ice plants and infrastructure support.
- b) Development more fisheries SME's in the two islands that depend on ice from this project which will generate income and raise livelihood standards.

Aquaculture and Food Security: This project seeks to develop local aquaculture and provide our country with greater food security. This will see the additional following benefits:

- a) Additional farmers will now be assisted with ponds and necessary and extension services; and

- b) More training for new farmers that eventually equip them to be better prawn and tilapia farmers which in turn will increase aquaculture production and contribute to income substitution as we annually import around \$20 million aquaculture products from Asia.

Brackishwater Project: This project undertakes research on genetic stocks and identifies resilient traits in order to mitigate the threat of climate change's increased temperature in the sea. The benefit will see Fiji actually confident with a species of prawns, it will continue to breed to sustain our food and economic security.

Maintenance of Hatcheries in Naduruloulou: This will enable the hatcheries in Naduruloulou to sustain its operation, boosting the regularisation of its operational staff which should see a marked increase in productivity and constant supply to our farmers.

Mr Deputy Speaker, I have described detailed to this august House, the ground-breaking work that my Ministry has been engaged in during the course of this year

Work Enabled by the 2015 Budget: The allocation for my Ministry next year will allow for further progress, as I have also highlighted, and necessary developments of our fisheries and forestry resources by increasing forecast to these areas our government makes clear each priorities.

Mr Deputy Speaker, this is our forests and our ocean. We must continue to engage the sustainable and long term projects that protect this natural resources so that down the line our children can inherit them. This Budget does exactly that, a ground-breaking document that lays the foundation for our people's future. *Vinaka vakalevu, dhanyavaad* and thank you.

MR DEPUTY SPEAKER.- I thank you for your contribution, Honourable Minister for Fisheries and Forests. I will call upon the next speaker, the Honourable Ratu Sela Nanovo.

HON. RATU S.V. NANOVO.- Mr Deputy Speaker, I rise to thank the Honourable Minister of Finance and his team for the presentation of the 2016 Budget that was presented to Parliament on Friday, 6<sup>th</sup> November, 2015. In my contribution to the Budget Address, Mr Deputy Speaker, I will try to analyse as to how this Budget has impacted on the three areas that I would like to focus my speech on namely:

- (a) The whole of Fiji's economy.
- (b) My shadow ministry which is the Ministry of Employment, Productivity and Industrial Relations.
- (c) The maritime provinces of Lomaiviti, Lau, Kadavu and Rotuma.

Firstly, as the whole of Fijis economy, the Budget presented that can be best described under the following catagories:

- (a) Deceptive and confusing.
- (b) Pro-rich and anti-poor.
- (c) Too optimistic and lacks good governance.
- (d) Need closed monitoring in order to serve each its purpose.

Mr Deputy Speaker, when the Budget was announced and the public was advised that the VAT charged of the price of items will be decreased from 15 to nine per cent, everyone seems to jump at the opportunity because they assumed that this will result in some saving on their take-home pay at the end of the day, especially for the low income earners. However, when the Budget presented was analysed in details, it tends to present a different picture to all the sections of the population.

Mr. Deputy Speaker, the drop in VAT from 15 to 9 per cent and the charging of the nine per cent VAT on the items that used to be zero before means that everyone in this country will have to pay nine per cent VAT irrespective of whether you are rich or poor. This implies that low income earners will have to pay more for the items that are listed above because of the VAT component and, therefore, their net take home pay will be further reduced when those items are exempted from VAT.

Based on the above, Mr. Deputy Speaker, the end result will be that low income earners are better of this year when compare to next year when that saving will be used in meeting the nine per cent VAT that will be imposed on them from the 1<sup>st</sup> of January, 2016.

Secondly, Mr Deputy Speaker, the final price of goods and services at one has to pay will depend on the duty that will be charged on the item. If the duty is less, than the VAT component will also be less and if the opposite occurs, then the duty will be high and the VAT component will also be high. In view of the above, the Budget presented is one of deceptive and confusing to the whole population of Fiji, especially to the low income earners.

On the other hand, Mr. Deputy Speaker, the Budget presented can also be described as pro-rich and anti-poor because majority of the revenue collected are from indirect taxes rather than from direct ones. This means that majority of the poor sections of our community are funding the day to day running of the Government by paying indirect taxes on goods and services that they do consume with virtually less or no saving at all in their net take-home pay.

The rich on the other hand, Mr. Deputy Speaker, have been enjoying the reduction of their tax bill from 32 per cent they use to pay to 20 per cent that they are currently paying for the last three years with comfortable savings in their net home pay. By the reduction of the VAT from 15 to 9 per cent, the rich will now be able to make an additional savings out of the 6 per cent VAT difference that they were paying this year, but will be relieved from paying that from next year. When the above comes into effect next year, the rich will become richer and the poor will get poorer because the former group of people will be able to save a lot in their take-home pay whilst the latter group will finally end up with virtually less or no savings at all - a typical situation that we want to eradicate from our society.

The Budget on the other hand, Mr. Deputy Speaker, can also be described as being too optimistic and lacks good governance. The total expected revenue for this Budget is \$3.1 billion against an estimated expenditure of \$3.4 billion, resulting a gross deficit of \$445,437, representing a net deficit as a percentage of GDP of 2.9 per cent. This is almost exactly the same budget that was presented by the Government last year. The budget was too optimistic in the sense that some of the allocations made in the budget were too much to be successfully utilised during the year. An example of this, Mr. Deputy Speaker, is the allocation of \$658 million allocated for Fiji Roads Authority this year. The problem, Mr. Deputy Speaker, many of the works that was supposed to be funded from the allocation were not done this year and therefore carried forward again to next year. This is demoralising to the people who are expecting to see projects fulfilled as planned, but now delayed again to another year. This can be a result of poor planning on the part of the Government and Fiji Roads Authority can also lead to leakages due to lack of monitoring and supervision.

Mr. Deputy Speaker, in future the Government should thoroughly check that all project plans are clearly laid out, passed by the relevant authorities and costing fully confirmed by a reputable personnel before funds are disbursed. The Government should recruit relevant personnel with relevant

qualifications as well as experience in this area to carry out the task to ensure that the project funded are completed as planned. Once the above is followed closely then good governance comes into place which the current Government lacks at this point in time.

Mr. Deputy Speaker, the Budgets presented last year and this year are above \$3.1 billion and they are quite huge considering our capacity. It was evident this year that we were not able to utilise the entire budget allocated this year to-date and therefore some of the major capital works have to spill over to next year. In view of the above, Mr. Deputy Speaker, the Government must ensure whenever a budget is passed, it will need close monitoring on the part of the Government in order to serve its purpose.

Mr. Deputy Speaker, by close monitoring, I mean, the Government must present to Parliament on a quarterly basis all the progress of development projects funded from the budget allocation, so that the Parliament is fully informed on what is happening on the ground. By adhering to the above, we will critically know where we stand at any point in time to answer to any queries about this project from the public, the people who voted us into Parliament.

Secondly, Mr. Deputy Speaker, the Opposition team members should also be invited by the Government team whenever they go out to inspect budget funded projects throughout Fiji to ensure transparency because there is no allocation for a constituency visitation provided by this Government today.

Mr. Deputy Speaker, still on the main budget that was presented, I noted that some allocation that have been included need not to be there in the first place because those allocations should be looked after by the various organisations or business entities that they do come under. Such budget allocations are as follows;

- a) The \$18 million for the Fiji Airways to open up the Singapore route. That money should be part of the Fiji Airways marketing budget and not the taxpayers of this country's budget.
- b) The \$79 million for peacekeeping duties. This should be met by the United Nations and not the taxpayers of this country. This should be used in meeting other developments that this country urgently needs especially scholarships to University for our children. The UN on the other hand, should first reimburse us all our dues before we re-engage with them again.
- c) Golf allocation of \$9 million to continue hosting the Fiji International Golf Tournament. This allocation should be part of the marketing allocation for the International Resort at Natadola and not to the taxpayers of this country.

A total of three allocations for the above, Mr. Deputy Speaker, is \$106 million which is quite a big sum and has nothing to do with the majority of the population of this country, especially the low income earners. This can be put into good use if it was to replace the 9 per cent VAT component of the \$108 million for the basic food items and drugs that will now be paid by the low income earners of this country from January 2016.

Mr. Deputy Speaker, I will now touch on the impact of this Budget on my Shadow Ministry – the Ministry of Employment Productivity and Industrial Relations. From the 2016 Budget presentation regarding the Ministry, it is noted that the Ministry have put in place so many initiatives that will hopefully address the unemployment problem that we are currently facing.

Mr. Deputy Speaker, these initiatives include Apprentice Schemes, Foreign Employment Scheme, volunteer scheme, the creation of the National Employment Centre and we do thank the Government for that.

In the middle of last year the unemployment figure quoted by the Ministry was 30,000 and 12,000 of that were university graduates. In the middle of this year, the unemployment figure gradually increased to 46,277 as registered in the National Employment Centre and out of that only 5,600 were able to be provided with permanent employment which represents 12 per cent of the unemployment labour force.

Mr. Deputy Speaker, from the 1<sup>st</sup> July this year, the minimum wage rate imposed by Government was \$2.32 an hour from \$2.00 initially. With the new minimum wage rate of \$2.32 an hour, the Government was hoping to provide employment to 100,000 workers. The target by Government, Mr. Deputy Speaker, was very much unrealistic because at the new wage rate at \$2.32 an hour, on a 45 hour week the gross pay would be around \$104.40 and after the FNPF deduction of 8 per cent, the employee will be left with their net take home pay of \$92.40. With the imposition again of 9 per cent VAT on all the basic items and the drugs that were zero rated before, the effect on that net take home pay from next year will be far much eroded and the employee or worker will still be very much worse off below the poverty line. With the imposition of the new minimum wage rate from July this year, we request the Ministry to give us an update as to how many more people have been employed through this initiative.

As an alternative, Mr. Deputy Speaker, the minimum wage rate as I have reiterated last year should be worked out on the base of sectors of the economy because different sectors will require different skill requirements, the experiences and responsibilities and minimum wage for different sectors would be encouraging enough to attract the right people to that particular sector. If we had adopted this sector minimum wage this year, I am confident that some of the balance from the 40,666 who are still searching for employment would have been employed by now.

Mr. Deputy Speaker, I am also delighted to note that the Apprentice Scheme will be back in the Ministry next year. For the scheme to be successful, it is suggested that once apprentice graduates, the employer who takes them in for employment should be given an incentive through tax exemption for 4 years which was the duration for their apprentice programme. This will motivate school leavers to join the Apprentice Scheme because they know that at the end of the day they will be provided with employment.

The employer on the other hand, Mr. Deputy Speaker, should also be motivated to provide employment to these apprentices once they graduate because they will be provided with tax exemption initiatives. At the end of it, Mr. Deputy Speaker, this innovation will be well received by both parties because it creates a win win situation to both the stakeholders involved.

Mr. Deputy Speaker, it is also pleasing to note that the Foreign Employment Scheme and the Volunteer Scheme have also started, but the number of people employed in these two schemes do not really have much impact on the 40,677 people who are still unemployed at this stage.

In the Honourable Minister of Finance Budget Address delivered this month, we were advised that based on the Fiji Bureau of Statistics completed exercise in reassessing the GDP to year 2011, it is estimated that the economy have expanded by 1.4 per cent in 2012, 4.7 per cent in 2013 and 5.3 per cent in 2014. Since the growth has been favourable in the last three years, especially in the last two year, Mr. Deputy Speaker, there should be corresponding increase in the number of people being employed and that should be the target of the Government. Unfortunately, this is not so especially in the road upgrading projects where majority of the funding in the budget for 2013, 2014 and 2015 were directed to the China Railway Company that brought their own machinery and workers from China and only employed limited number of workers in their various projects here in Fiji. This, Mr. Deputy Speaker, should be discouraged in future. The reason being, almost all the funds are repatriated to China in this case in point with almost no employment creation to the local people. To improve and increase

employment relation further, Mr. Deputy Speaker, with the outside world, the Government is requested to open and be transparent in its dealing with the international organisation especially the ILO.

We are also pleased to note that democracy has gradually crept into our country once more and in order to restore the same to its entirety, we on this side of the Chamber still demand the total abolishment of Essential National Industries Decrees because it restricts the workers in Fiji Airways, Telecom Fiji, FINTEL, FEA, FBC and Municipal Councils their rights to be represented by industrial unions and in doing so, have their terms and conditions of employment eroded without any recourse or job protection.

Mr. Deputy Speaker, this is discriminatory and contrary to Section 26 of the 2013 Constitution which guarantees equal rights for all citizens. Getting people to be employed in large scales will be very hard to achieve and this can only be possible through firstly by providing the right climate of employment locally, and secondly by closely adhering to ILO Rules of Employment. Going against the ILO Rules of Engagement as we are currently doing, Mr. Deputy Speaker, will do more harm than good for our country and the majority of our people will suffer. We do not want that to happen and the Government must act now before it is too late.

Last but not least, Mr. Deputy Speaker, I would now like to touch upon as to how the 2016 Budget has impacted on the maritime provinces. After going through the 2016 Budget, Mr. Deputy Speaker, we noted that an allocation of \$2.4 million from the Ministry of Rural and Maritime Development to meet the development cost in the Maritime Provinces of Kadavu, Lau, Lomaiviti and Rotuma. We noted that the amount allocated is a decrease of \$2.6 million from what was provided to these provinces last year and only the province of Kadavu will be assisted this year to meet the construction of a suspension foot bridge at Nalotu, Yawe (\$300,000) and a foot crossing connecting Gasele to Nauciwai in Yale for \$400,000.

Mr. Deputy Speaker, the resources on these Maritime Provinces needs to be developed in order to create economic activities and employment on the island. Failing the above, it will encourage urban migration from these provinces to urban centres which will in turn increase the squatter population and creating uncontrollable social problems. The resources in these maritime provinces are in abundance in the areas of land and sea which are virtually untapped at this stage. Palm plantation are present in Kadavu, Gau, Cicia and Lakeba and are ready for harvesting at this stage. Fertile farm land are available in almost major islands in the Maritime Provinces but nothing much has been done in this area to capitalise and rip the full potential of these resources for the benefit of the Maritime Provinces. Sea resources are also available in abundance and yet to be tapped into.

To address the above issue, Mr. Deputy Speaker, the Maritime Provinces will request the Government to pay more attention to the plight of the people and to commence working on how best the resources can be best utilised by focusing their attention on the following.

- 1) Construct all weather roads throughout the major islands in the Maritime Provinces and priority should be given to Kadavu because the road works have been going there on a piece meal basis for almost 30 years now and yet to be completed. The cost of these road construction should be taken out from the \$50 million allocation given to the Fiji Roads Authority for rural roads.
- 2) Construct farm access roads in the major islands and the priority should be to complete the Ravitaki and Tavuki Access Road which is partially done at this stage.

MR. DEPUTY SPEAKER.- Thank you for your contribution Honourable Member. I will now call upon the next speaker, the Honourable Assistant Minister for Infrastructure and Transport, the Honourable Vijay Nath.

HON. V. NATH.- Mr. Deputy Speaker, I rise to commend the 2016 Budget to this House and I begin by thanking the Honourable Minister of Finance for the boldness of his vision.

It is a budget of our time in that it creates amongst other things a fair tax regime for all Fijians for a change to VAT. It is a budget for the future in that it continues our investment in Fiji's infrastructure to set us up for increased prosperity in the years ahead. As a Government, FijiFirst is building a strong Fiji, a fair Fiji and a healthy Fiji.

The 2016 Budget is an extremely impressive document. Mr. Deputy Speaker, once again investment in the national infrastructure is a top priority for 2016. As we build up on the impressive outlay, the past few years have transformed our economy for the better.

All told, my Ministry's budget has increased by more than \$1 million next year, this includes \$635.7 million for the Fiji Roads Authority, and \$250.4 million for Water Authority of Fiji. So, we are fully committed to continue the massive upgrades of our basic infrastructure that has transformed our nation prospect and set us up for an extended period of growth.

We are extremely proud of this achievement on this side of House and I am sure that this programme has the support of every Fijian.

Mr. Deputy Speaker, in support of my Minister, I will focus my contribution to this august House highlighting the Ministry's Budget allocation for Maritime Safety Authority of Fiji, Government Shipping Services, Department of Work, Department of Building and Government Architect and Department of Meteorology.

Maritime Safety Authority of Fiji, Mr. Deputy Speaker, MSAF plays a pivotal role in the oversight of its regulatory function covering maritime safety, maritime enforcement and the prevention of maritime pollution. For the 2016 Budget, MSAF will receive an operational grant of \$2.4 million, an increase from \$2.3 million in 2015. The funding will continue to see that MSAF continues with the aid to navigation infrastructure work which includes the construction of five new light houses and the maintenance of the current structure. In addition MSAF will decentralise its role with the opening of two new offices in Rotuma and Natovi in 2016.

Government Shipping Services: Mr. Deputy Speaker, is provided with a budget totalling \$22 million to provide important maritime services, development and connectivity to our maritime community. An allocation of \$5 million has been provided to the construction of new ship in 2016. A unique ship, Mr. Deputy Speaker, with the double function, a multipurpose function. This will be completed by mid-2017.

Mr. Deputy Speaker, while we are re-fleeting our vessels, we also are mindful of our berthing facilities, we need to ensure that while our million dollar investment in new ships are purchased, that we are moved to a safe and controlled environment.

In 2016, we will be undertaking a second phase of reconstruction to the Government's wharf at GSS, at the cost of \$2.9 million. The transformation on GSS will also see that completion of its new building to host the cargo warehouse, engineering electrical electronic workshop, office space plus dry and cold storage facility of \$2.3 million has been allocated for 2016 to complete this construction work.

Mr. Deputy Speaker, the Department of Work in the Ministry's implementation arm in these four divisions, where we play the support role of the implementation of work for Divisional Commissioners, other Government Ministries and Government Statutory Authorities.

Similarly, the final building and Government Architect holds this important responsibility of offering advice to design, cost and monitoring for whole of Government and civil building construction.

Mr. Deputy Speaker, in order to provide this important support services, the other Government agencies, the total budget of \$21.9 million has been allocated in 2016. The Department of Works is allocated with \$400,000 to continuously provide electricity to five rural government stations, in Lakeba, Rotuma, Vunisea, Nabouwalu and in Taveuni.

Mr. Deputy Speaker, the Meteorological Section plays a critical role to deliver the meteorological and hydrological services to our neighbouring Pacific Island in order to ensure that we continue to provide timely and accurate weather forecast to the National Meteorology is provided with allocation of \$3 million to replace the aged Nadi Weather radar with a new advanced capacity.

MR. DEPUTY SPEAKER.- I thank you for your contribution, Assistant Minister for Infrastructure and Transport.

I will now call upon the honourable Minister for Defence, National Security and Immigration

HON. CAPT. T.L. NATUVA.- Mr. Deputy Speaker, honourable Deputy Prime Minister, honourable Leader of the Opposition, honourable Members of Parliament, I rise today to express my own support for the 2016 Budget, and to thank the Honourable Minister of Finance and his team for a great effort in setting the spending priorities for next year.

I wish to firstly convey my compliments to His Excellency, Major General Jioji Konrote as he assumes Office as our Head of State and Commander-in-Chief of the Republic of Fiji Military Forces. I can assure him of the complete loyalty and support of all men and women in uniform, and their best wishes as he takes over as their Commander in Chief and Head of State.

Mr. Deputy Speaker, I also wish to condemn the perpetrators of the terrorist attacks in Paris and express our sincere condolences to the French people for the suffering they have endured. This is not only an attack on the people of France, but an attack on global peace and stability and I am sure the whole House joins me in conveying our sympathy to all those affected by this barbaric act of terror.

On a happier note, may I also congratulate the *Fijiana* Sevens team for winning the Oceania 7s and gaining qualification to the Rio Olympics.

Mr. Deputy Speaker, the 2016 Budget is a blueprint of our spending as a nation next year that secures Fiji's future and advances the values of equality, fairness, personal responsibility and good governance.

Mr. Deputy Speaker, I wish to focus my comments this afternoon on the allocations provided to the Department under my portfolio.

The Ministry of Defence, National Security and Immigration is tasked with the coordination and supervision of Fiji's national security effort through the formulation and effective implementation of policies, legislation, programmes and initiatives related to maintaining and enhancing our security and defence. The Ministry is currently undertaking a review of Fiji's National Security and Defence Sector. The first draft of our National Security Policy has been completed, and is currently with the Solicitor-General's Office for review before our final round of consultations. This Project will be

carried over to 2016 and we intend to finalise Fiji's first ever White Paper in 2016 which includes the Defence White Paper, Police White Paper and the Immigration White Paper.

The Ministry of Defence, National Security Headquarters has been allocated a budget of \$3.6 million that will enable it to operate and deliver its normal services, including policy advice and the implementation of the various legislation under the Ministry. This allocation sees an increase of just over \$1 million which has been set aside for the finalisation of the National War Memorial Project in Veiuoto. The Ministry will work in partnership with the Fiji Museum in promoting the new Military Museum to both locals and our overseas visitors to recognise and commemorate the sacrifices of Fijians in the various conflicts in which we served. The National War Memorial helps Fijians to especially remember those who paid the ultimate sacrifice in the defence of the values we all hold dear.

The Department of Immigration has been provided with a budgetary allocation of \$5.5 million. The Department, of course, is responsible for providing an efficient and effective immigration service through the administration and enforcement of Immigration legislation.

The Department has received an increased allocation of \$750,000 for the Integrated Passport Issuance System. This decentralises the issuing of passports as part of our overall aim to reach out to the public and especially those in the rural areas. Having issuing centres for passports located in Immigration Offices in Lautoka for the West and Labasa for the Northern parts of Fiji, as well as our embassies overseas will significantly ease the burden of ordinary Fijians wanting to acquire a passport. It will make the issuing process faster and smoother, and also reduce the costs of having to travel to a central location, as in the past.

Fiji Police Force, Mr. Deputy Speaker, the safety and security of all Fijians is paramount to the Government and the Fiji Police Force has an important responsibility to keep the people of Fiji safe by maintaining law and order, protecting property, and upholding the rule of law. Between 2012 and 2014, there was a significant decline in Serious Offences and Crime Against Children while there was a slight increase in Crimes Against Women. The overall crime statistics over the same period have fallen significantly from 22,416 recorded in 2012 to 17,633 in 2014. This represents a significant overall reduction in the crime rate of approximately 21 per cent.

One of the biggest challenges in terms of police operations is the shortage of vehicles available for the conduct of the Force's day to day work. Government will be providing at the end of this month approximately 30 vehicles towards the end of this year to assist with police operations on a short term. Government, in the 2016 Budget has also allocated provisions for infrastructure development with the general intention of improving Police services to the public.

Mr. Deputy Speaker, Sir, \$126.3 million has been provided to the Fiji Police Force. This represents an increase of \$5.8 million in comparison to the 2015 allocation.

Mr. Deputy Speaker, the increased funding in the operating budget is for the appointment of 108 new officers to address manpower shortages in the border police, prosecutors, support staff and research officers, and the increased funding in the capital budget is primarily for the construction of new police stations, posts and the renovations of living quarters.

Mr. Deputy Speaker, I will focus on the allocations for capital construction and capital purchases, as we enhance the capacity of the police to deliver their services and provide them with the modern equipment, they need to conduct their work efficiently.

Mr. Deputy Speaker, \$3.7million has been allocated for the Capital Construction for the Police Force in 2016.

- \$2.4 million is provided for the construction of the new Valelevu Police Station. This will enable the Station to meet the expanded police responsibilities required to serve a rapidly increasing population in the Nasinu area, which according to the latest figures, stands at approximately 127,000;
- \$710,000 has been allocated for the construction of the Beqa Police Post, which will enhance accessibility to police services on the island, and also Yanuca, given the growing development in the area. This is part of the Government's overall plan to provide better accessibility to police services for all Fijians, and especially those in rural and maritime areas, and will continue for the next three or four years.
- \$300,000 has been provided for renovating and extending existing Police Stations and Police Posts. This will ensure that police officers are provided with a safe and conducive work environment to enable them to conduct their duties to the best of their ability.
- \$300,000 has also been provided for the upgrade of police living quarters across the nation.
- \$4.6 million is provided for Capital Purchases.

Mr. Deputy Speaker, this allocation will allow the Police Force to enhance its ability to deter, detect and investigate crimes through the use of modern police technology.

The following purchases have been earmarked for 2016, to assist in this regard:

- Solar power panels for rural and maritime police stations and posts to provide a sustainable, stand-alone power source in remote locations. This will enable the Police to maintain their operation in times of natural disasters, and it is also in line with Government's efforts to promote environmentally friendly power source;
- Communication equipment to modernize the police system and take it from an analogue to a digital multiband platform. This will enhance Police communication and connectivity locally and abroad, and especially our Police presence in rural areas and the outer islands. Phase one commenced this year and will continue for the next three years;
- CCTV and Traffic management equipment, not only will these assist with documented evidence of traffic offences, but also provide for safer traffic management and more efficient movement in major population corridors. This will also enhance the Traffic Control Unit's ability to enforce highway and road laws and detect infringements;
- Standing protective equipment for Police officers, to assist them in making arrests and for their safety and protection in volatile situations;
- Special operational equipment for search and rescue, natural disasters and other policing operations;
- The purchase of analytical forensic chemistry equipment and Digital Imagery Laboratory to provide us with strong capability in toxicology analysis, traces evidence analysis and arson-case sample analysis. This will lead to improved detection and conviction rates and also allow for better investigate capabilities. Forensic technology needs to evolve continuously to keep up with the ability of criminals to employ much

more devious and sophisticated means to break the law and it is obviously prudent for Fiji to improve its capacity to deal with these criminal elements;

- The purchase of four patrol crafts and four tactical response boats for maritime police stations. These boats will strengthen the police maritime presence, which extends from the shoreline to 12 nautical miles out to sea, and better serve community areas. Priority will be given to the policing of identifying crime hotspots within our territorial waters; and
- Mr. Deputy Speaker, the Police have been given \$590,000 for the purchase of specialized vehicles for the specific purposes of transporting and managing persons in custody or deceased persons being carried to and from morgues.

Mr. Deputy Speaker, these capital purchases are in line with the Government intention to lift the standards of policing to international best practices by improving their operational readiness and effectiveness.

Combatting crime is not the sole responsibility of the Fiji Police Force and requires assistance from every citizen. I therefore, call on all Fijians to assist the Fiji Police Force whenever and wherever possible to ensure that we continue to maintain a peaceful Fiji for all.

Republic of Fiji Military Forces (RFMF): Mr. Deputy Speaker, the primary responsibility of the RFMF is to ensure at all times the security, defence and well-being of Fiji and all Fijians. The RFMF has also been an important pillar of our foreign policy through its significant contribution to the United Nations Peacekeeping operations in troubled areas around the world. There has been a significant fall of \$8.5 million in the budget allocation to the RFMF next year and this is largely due to the reduction of capital projects.

Mr. Deputy Speaker, the RFMF has been provided with \$1million to cater for preliminary works for the construction of the Black Rock Integrated Peacekeeping Centre project. The RFMF has also played a significant role in national development. As an example, the number of projects implemented by the RFMF engineers from January 2014 to November 2015 is 23 at a total cost of \$2.9million, which has assisted greatly in improving the lives of many Fijians, and in particular those living in rural areas. For example, the RFMF has built footbridges for the maritime islands such as Ovalau and Gau; school blocks for the Namuka Secondary School, Ratu Filimoni Memorial School, Batiri Primary School, and so on to name a few. The RFMF has also completed a number of road projects like Korosi to Balaga road in Wailevu, Savusavu, Vunisea and Namara in Kadavu.

The RFMF has also been an integral part of the effort to assist all Fijians during and after natural disasters over the years. Mr. Deputy Speaker, the Fiji Navy despite its limited resources, has been able to effectively monitor our EEZ over the last nine years in the absence of EEZ surveillance from New Zealand, France and Australia. It is important to note the \$2million that is being provided for the renovation of RNS Kiro is to increase its seaworthiness for the next 25 years.

The RFMF will continue with the renovation and infrastructure development of the RFMF building at Queen Elizabeth Barracks, Sukanaivalu VC Barracks in Labasa and the Force Training Group in Nasinu. The upgrading and renovation projects are aimed at improving the RFMF infrastructure and amenities to support the expanded RFMF programmes and establishment. This has stagnated over the past nine years due to RFMF's focus on national development.

Mr. Deputy Speaker, as mentioned last year, with the current state of this building, the morale and operational effectiveness of the RFMF will be adversely affected unless we meet its infrastructure needs. The improvement to infrastructure will remain one of RFMF's top priority for the next three

years. Mr. Deputy Speaker, \$200,000 has been allocated for maintenance and spare parts to ensure that RFMF vehicles are operational.

Learning from our challenges this year, which resulted in a slow capital project implementation, the Ministry will ensure that this is not repeated in 2016. We are currently working on our projects implementation plan for 2016 and some processes will start this year to ensure that all projects are completed in time.

Mr. Deputy Speaker, the budget allocation to the RFMF still ensures that it is able to conduct its national role effectively, while at the same time being able to meet our peacekeeping obligations.

Peacekeeping: Mr. Deputy Speaker, the RFMF has been the Fijian Government's vehicle to support and participate in global peace and security initiatives. For over three decades in 1978, our servicemen and women have participated in peacekeeping operations in trouble spots around the world, including Lebanon, Sinai, East Timor, Bougainville, Solomon Islands, Sudan, Iraq and the Golan Heights. This commitment has lifted our profile internationally and has given us a disproportional influence in various international forums in relation to our size. We are punching above our weight and are acknowledged around the world for doing so.

Mr. Deputy Speaker, it is well known to the international community that the RFMF was willing to go to Iraq and the Golan Heights when no other military force around the world was prepared to do so. This has given us a huge amount of prestige as a nation and is a source of pride for every Fijian. The increase in the 2016 Budget of \$6 million to cover the increase of the Local Allowance for the Multinational Force and Observers in the Sinai coincides with the increasing intensity of the operations of the Sinai Peninsula. The situation there is uncertain and volatile. The MFO has augmented its operational capacity to counter the escalation of violence within the region. This increased provision deservedly puts the allowances of Fijian serving with the MFO at the same level as other RFMF peacekeeping missions overseas.

Mr. Deputy Speaker, as part of the Fiji commitment to global security, the Honourable Prime Minister has pledged Fiji's continued involvement in the peacekeeping arena. The \$6 million increase for next year is a clear indication of our determination to maintain this commitment, which is highly valued by the international community.

Mr. Deputy Speaker, the Honourable Draunidalo during her speech earlier today mentioned that the Military budget in 2016 is five per cent of the GDP. I wish to reiterate, Mr. Deputy Speaker, that it is a grossly misleading piece of information as the 2016 budget for the Military is approximately 1.3 per cent of GDP. This is significantly less than the global average for democratic countries which stands at around approximately 2 to 2.4 per cent of the GDP.

Mr. Deputy Speaker, the Honourable Member has also mentioned that our investment in peacekeeping does not quite reflect the return that it brings to the country. Our achievement in the field of peacekeeping and foreign diplomacy has translated into all kinds of benefits to Fiji. This includes our chairmanship of the G77, membership of the Non-Aligned Movement and chairing such bodies at the International Sugar Organisation. In addition, peacekeeping has since 2007 brought in on average just about \$40 million in revenue for Government.

Mr. Deputy Speaker, as I have stated in many of my speeches in the Parliament over the course of last year, the notion that the RFMF is solely responsible for the *coups* that have occurred in Fiji is grossly misleading. In fact, the 1997 and 2000 events were instigated by some disgruntled elements, including chiefs and some church leaders who were able to influence certain members of the RFMF to support their cause.

Mr. Deputy Speaker, our investment in peacekeeping has nothing to do with the so called *coup* culture in the country. This *coup* culture can only be removed, if there is a realistic review of our current security and defence sector, an area my Ministry is trying to address in our current defence review process.

Mr. Deputy Speaker, to conclude, in order to continue the Government's positive growth outlook for 2016 and beyond, it is vital for us to provide safety, security and stability. Only with this can we create the necessary environment to attract investments for development and real opportunities for our people to prosper.

Mr. Deputy Speaker, with a total appropriation of \$308.1 million provided to the Department under my Ministerial portfolio, Government is ensuring that the organisations entrusted with our security and defence remain efficient, effective and agile enough to meet current and emerging challenges.

Mr. Deputy Speaker, this is a People's Budget - a budget true to its theme and moving us forward. "A Strong Fiji, A Fair Fiji and a Healthy Fiji!" And I have great pleasure in commending it to the House as an effective blueprint to continue moving our nation forward.

Thank you, Mr. Deputy Speaker, on this note, I would like to reiterate my support for the 2016 Budget and conclude that this is a Budget for all Fijians.

MR. DEPUTY SPEAKER.- I thank you for your contribution, Honourable Minister for Defence, National Security and Immigration. We will have our last speaker for the day, and I call upon the Honourable Niko Nawaikula.

HON. N. NAWAIKULA.- Mr. Deputy Speaker, thank you for the leave to give my contribution. Perhaps, before I move on, to correct our concern, we are concerned that 5 per cent of the Budget has been allocated to the Ministry of Defence, and that is a budget in a war footing. Firstly, that is what this side of the House is concerned of and secondly, that money in total, is not being reimbursed to us. We are paying for them to keep peace in a foreign land and we have all these priorities to do so here. That is our concern.

In my contribution, Sir, I wish to make some general comments in relation to the Budget and specific points on areas of interest and areas that concern me as a Shadow Minister. But the first observation that I wish to make is to raise the concern on the absence of the Honourable Prime Minister Bainimarama from the second Budget debate of this Government.

This, Sir, is extraordinary and given that it is twice in a row that the honourable Prime Minister has been absent from the Budget debate, and no doubt will be back in a time warp to wrap things up when he comes back on a vote of his majority.

However, as outlined by my fellow colleague, the Honourable Dr. Biman Prasad, at its best, this Budget is deceptive and given some of the specifics that we have seen, the Budget we have good reasons of concluding that it is so.

In his address, the Honourable Minister has suggested that the Budget is structured to bring about a strong Fiji, a fair Fiji, a healthy Fiji under the theme "Fiji believes in you". But I ask the question, does it do so?

Mr. Deputy Speaker, Sir, allow me to raise some of the issues that I have with the Budget and this is not necessarily in order of priority.

On VAT reduction and its real impact, the reduction of VAT from 15 per cent to 9 per cent, while welcomed on one hand by citizens, it raises concern about the welfare of the poor and more vulnerable members of society on the other. In particular, the impact that the application of VAT will have on the basic food items that Government promised to have kept at zero rated. This has not happened and the Government is breaking its promise in that regard.

In addition, by announcing the VAT reduction to be effective from 1<sup>st</sup> January, 2016, how much impact will this have on consumers planning to buy this year? To get the benefit of the VAT reduction, they will surely defer purchases to 2016. So how much of an impact will this have on the anticipated increasing tax income from increasing retail sales that Government has projected to receive following the Budget announcement.

On the *iTaukei* development assistance of \$10 million that is referred to in Head 50, Mr. Deputy Speaker, Sir, the Government introduced this allocation in 2014 but no *iTaukei* landowner or unit has received a single dollar or development from this kind of assistance. So the same \$10 million allocation for 2014 was rolled over and allocated for 2015 and today. This is the kind of deception that we are referring to here.

At this juncture, if you could allow me to rebut some of the comments that were made from my counterpart on the other side. He was jumping up and down, making a song and dance of how even the blind can see how good this Budget is, but that is not the test. The test is whether, firstly what is budgeted will have an impact and secondly, whether what is done is fit for use by those who it is intended to benefit. To give an example, the allocation of \$2 million that was supposed to be for the establishment of Nabouwalu township, this money was not there. Upon inquiry, only \$30,000 was used for documentation.

HON. P.B. KUMAR.- Wrong.

HON. N. NAWAIKULA.- And for the whole year, all they did was to resolve a disagreement with landowners. So where has this money gone?

Again, \$2 million was allocated for Seaqaqa. Where is the money? When we asked, they said, “go and ask the Director for Town and Country Planning.” But the Honourable Minister here may explain where this money has gone to.

Now the other point, if things have happened as budgeted, the other question is whether it is fit for use, and I would invite my counterparts on the other side to look at the Audited Reports and see how much corruption had happened in relation to the supply of solar panels, or even if I could invite him to go down and check out the flats at Raiwai. You will see that they are not fit for use. Those buildings might last for six more years, and they will collapse. They will collapse, six years I give you, and all will be gone.

HON. P.B. KUMAR.- You are not an engineer.

HON. N. NAWAIKULA.- You can jump up and down here but that is not the point. The test is whether it will happen in fact, and if it does happen, whether it is fit for use. Another example, the \$2.5 million desalination plant in Taveuni – waste of money. They have to supply water every day. Another example is the road from Korosi to Bela, the Honourable Minister for Defence has referred to that. Six years in the making, it is still not completed and there are so many instances that the Auditor-General has recommended to look into, including disciplinary actions.

On the international rugby event of \$2.6 million, Mr. Deputy Speaker, Sir, the Honourable Minister announced the allocation of \$2.6 million to pay for a one-time international rugby match here

in Fiji between two Super 15 teams. Supposedly, to show the international community that Fiji can host international tournaments.

HON. P.B. KUMAR.- We can.

HON. N. NAWAIKULA.- But, if we can host international tournaments of this type, we should have already been doing so. As I understand it, one of the main reasons we could not host such events relates in part to our inadequate facilities and issues with venue advertising at the National Stadium. So, what are we trying to prove here?

That is the reason also why we were excluded from the Sevens World Series and that is why we cannot host international games. I question the logic of allocating \$2.6 million for one international match and make no provision for our Sevens Team in preparation to Rio. In my mind, this is reckless and ego driven budgeting.

Mr. Deputy Speaker, if I can refer to the \$9 million that is allocated for the International Golf Tournament. If after three years of operation and \$15.6 million of taxpayers funding, the organisers of the International Golf Tournament still need an additional \$9 million allocated in the 2016 Budget, then something must be wrong somewhere here. This problem is compounded by the fact that the Minister for Tourism is reported to have committed the Government to three more years of underwriting the event.

On the FBC TV, an allocation of \$11.2 million. Mr. Deputy Speaker, Sir, everyone in this House knows about the practice of nepotism practised openly by the FijiFirst Government and no better example of this is the appointment of the Honourable and learned Attorney-General's younger brother to the position of CEO of FBC. I can repeat that "nepotism". We could all recall the heated debate in this very Chamber about the infringement of *Mai TV* and Fiji TV's exclusive broadcast rights on the FIFA World Cup and IRB World Cup Rugby so that FBC can benefit from the two major events. Only for that.

We also know about the role of a certain consulting firm, who recommended major upgrading to FBC, then recommended their one company to provide the upgrade at a cost of \$10 million, and then this double again to \$20 million.

Mr. Deputy Speaker, the fallout from all this was, two Fiji TV Executives lost their jobs, the Fijian Holding sold off Sky TV to Digicel and FBC TV deflected the Auditor-General's remark about its solvency by going to the attack against the Auditor-General himself.

And in this budget, the older brother of the CEO of FBC has by the stroke of his pen added \$8.3 million to the annual \$2.9 million the FBC receives for Public Service Broadcasting.

What is interesting, Mr. Deputy Speaker, is that in the Explanatory Notes to the Budget on Page 314, Head 50: it simply says this, and I quote:

"A sum of \$6.7 million is provided as subsidy grant to Fiji Broadcasting Corporation (FBC) to provide public service broadcasting through radio nationwide. This is repeated for the TV Broadcast and the amount quoted is \$4.6 million."

Mr. Deputy Speaker, this is where the deception I referred to comes in.

The \$6.7 million allocation to FBC Radio represents 502 per cent increase for what the Budget information says is the normal broadcast service. What are they doing in 2016 to warrant a 502 per cent increase in funding? The same goes for TV, this increase represents a 156 per cent increase. In the

absence of any detailed explanation, it would seem to me, this huge increase of \$8.3 million funds for 2016 is being given to help reduce its indebtedness and to help it become insolvent so that the younger brother can save face.

HON. A. SUDHAKAR.- Point of Order, Mr. Deputy Speaker.

MR. DEPUTY SPEAKER.- Point of Order.

HON. A. SUDHAKAR.- I rise on a Point of Order, Mr. Deputy Speaker. This is the third time, the Honourable Member has made a personal implication on a person who is not here, the Attorney-General is not here, his brother is not here and this is the third time he is making an implication, I was waiting ....

I think you should sit down while I read the Point of Order. This is not allowed under Standing Orders, Mr. Deputy Speaker.

HON. OPPOSITION MEMBERS.- What Standing Order?

HON. A. SUDHAKAR.- Standing Order 64 (4) and I quote:

“A member may not impute improper motives”.

Go read it, it is there.

What I am trying to saying is that, he has already made improper motives against a Member of this Parliament and his younger brother, he is not allowed to do that.

(Chorus of interjections)

He should address, and it has already been ruled by Madam Speaker in the morning that he should confine his arguments to the Budget, not to use the guise of the Budget to impute improper motives.

(Chorus of interjections)

I asked for your ruling, Mr. Deputy Speaker. It is already defined in Standing Order 64 (4).

MR. DEPUTY SPEAKER.- Honourable Member, your Point of Order is taken and we will now continue with Honourable Nawaikula's speech.

HON. N. NAWAIKULA.- Mr. Deputy Speaker, there is also in the Standing Orders - liberty for them to correct me, if they feel I misrepresented under Standing Order 81.

(Inaudible interjection)

Well, then I exercise my right - my privilege. I can call him a liar. Mr. Deputy Speaker..

HON. P.B. KUMAR.- You are wrong.

HON. N. NAWAIKULA.- Mr. Deputy Speaker, for the past decade and including this Budget's allocation, Fiji taxpayers have paid \$447 million for providing peacekeeping for the United Nation (UN). However, over the same period only \$122.6 million has been refunded, which means that the UN owes the Fiji taxpayers \$324.6 million,

HON. RATU I.D. TIKOCA.- *Solia vua.*

HON. N. NAWAIKULA.- So it is one thing to ask Fiji to send its troops into harm's way, but it is quite another to refund the taxpayers of Fiji of \$324.6 million it owes.

Mr. Deputy Speaker, I am totally against this country paying out of its pocket for our soldiers to work for the UN to keep peace in some foreign land and restore their democracy when the UN has done absolutely nothing to stop the same personnel and institution from committing treason and raping democracy back home.

The UN did not come to us in 1987, neither did it come to our aid in 2000, nor did it come in 2006. Yet, the people that are infecting the impasse on our beloved country are UN trained, highly ranked Fijian soldiers, known the world over as professional UN peacekeepers. Even after 2006, when New Zealand and Australia took issue with the UN that employing Fijian soldiers to keep peace the world over should stop because the same people and institution is destroying peace and committing treason back home, the UN conveniently turned a blind eye and increased its demand and intake.

Our UN experience has been impacting on our national budget for a long time. Mr. Deputy Speaker, 5 per cent of budget allocation is directed at keeping the peace and democracy in some foreign land. It is a budget allocation expected of a nation that is at war, except that for us, it is to sustain our military, to maintain peace and democracy elsewhere and to help them commit violence, abuse and treason back home.

Previously, we were led to believe that the UN, through its member countries, was footing all costs of all peacekeeping missions and even matching the money we spend dollar for dollar, but not so. The figures do not show that. The figure shows something different.

In 2015, we spent \$69.9 million and the UN reimbursed us \$12.839 million. That means we spent out of our own money \$57 million to send our soldiers to these foreign lands, to maintain peace there, to restore their democracy, their cultural identity their values and religious faiths. By any standard and reasoning, this money is better spent locally. In 2015, the UN reimbursed us \$27.9 million of the \$72 million, so that we spend out of our own pocket \$45 million. In 2016, we are budgeted to spend \$78.9 million and the UN to reimburse \$9.5 million, so that we are spending out of our own pocket \$71 million.

Over the past decade, Fiji taxpayers have paid out approximately \$421 million for peacekeeping but the UN and others have only refunded \$122.6 million so that \$299 million is still outstanding.

My point, Mr. Deputy Speaker, is that in 2016, \$71 million of our own money will be used for something that is not useful to us, namely to keep the peace in some foreign land and to restore democracy there. Why not use the same money to stop violence and restore our own democracy? Or why do not we use the same money to send our soldiers to the West to expand and restore our sugar industry.

Mr. Deputy Speaker, I simply cannot understand the reasoning behind spending \$71 million of our own money to send to soldiers.

Mr. Deputy Speaker, on the environment, not so long ago I called the Honourable Prime Minister and Minister for *iTaukei* Affairs and Sugar Industry out on the unprepared Intended Nationally Determined Contributions (INDC) Report, ahead of the UN Climate Change in Paris. Unfortunately, whatever the contents are in the INDC Report, the Honourable Prime Minister is taking to Paris, it is a Government document and the Opposition was not included in its formation. .

This is to be a crucial moment in the Prime Minister's bid to create a profile for himself as a great third world champion in the battle against climate change. He intends to descend in Paris like a South Pacific Potentate served by a delegation of 40. Yes, Sir, 40 to 50 people to accompany him, it seems to me there are delusions of grandeur involved here.

HON. GOVERNMENT MEMBER.- You want to come?

HON. N. NAWAIKULA.- That is not the point. The point is wasting money.

HON. GOVERNMENT MEMBERS.- Inaudible interjections.

If you interject, please interject constructively. It seems to me that there are delusions here. It is not clear at this stage whether our ourable Prime Minister or the Honourable Minister for Local Government, Housing and Environment, Infrastructure and Transport (my friend) has been punched out of the ring, or will he be favoured with a ticket to be in the conference too.

(Laughter)

The Honourable Prime Minister appears to have grabbed his portfolio, even the Honourable Prime Minister wondering of the role that he is supposed to play. Well, he has the right to rebut me after this.

(Inaudible interjection)

We understand that the Paris meet is important, but we also wonder about the cost. The people are entitled to know how much they will be paying for the extravagance of the Prime Minister's trip and his 40 fellow travellers.

At least it will give him a fresh opportunity to read out another set piece speech bashing Australia and New Zealand as members of his Coalition of the Selfish. I noticed he has not yet got to the point of naming China - one of the world's biggest polluters as part of this collision. Neither has he mentioned Russia, US, EU, India or Indonesia.

I urge him to have the courage to speak out on this and to actually tell us who he thinks the culprits are and name the selfish ones.

Mr. Deputy Speaker, there is a big disconnection with the problem on the Prime Minister's climate change and the environmental mission. That is the state of our Local Government.

It is that while we grandstand overseas, the country is suffering at home with this Government's environmental neglects. In fact, I say that this country's environmental record is shocking. I refer the House now to some of the things that the Honourable Leader of Opposition has said in her Fiji Day message. She pointed out that our environment is an integral part of Fiji's identity and its very existence.

The Honourable Leader of Opposition reminded us that Fiji is a beautiful place, a blessing from its Creator. Yet she said, "We observe how it is being degraded and despoiled through our own actions." I add that this degradation is very much a product of the leadership failure of the Bainimarama Government to properly manage our environment and adopt policies accordingly.

Big speeches do not make a policy. We read a lot about the Green Growth Framework and how this now governs everything that the Government does but where is the framework? Why has it not been the subject to a huge public policy, I assume that the hyperactive Minister for Education has got a

big environmental section in the school curriculum for a country that is supposed to be an environmental leader, it is bizarre that our landscape has reached the point where members of the public are commenting on its deplorable state.

Mr. Deputy Speaker, let me quote from a letter published in the *Fiji Times* and signed by two from Nadi. They write and I quote, “How can Fiji lecture Europe, Australia and the rest of the world on climate change and clean air and skies when we continue unrestricted to burn our cane fields, bushland and nature? We are burning thousands of acres every year, burning hundreds of tonnes of dark clouds of ash, black soot and carbon emissions into Fiji’s skies, onto people’s houses, villages, schools, lawns and laundry in the gardens. The tourist must be absolutely horrified when they witness these fires and dirt clouds when approaching Nadi by plane.

Is this the same Fiji that cries about climate change, rising seas and temperature? One of my own colleagues the Honourable Kiliraki published a letter describing littering as a sickness that the nation is finding hard to cure, I second that motion. Another newspaper correspondence argued that Fiji might end up as one of the dirtiest countries in the world. As the Honourable Prime Minister, what is his government going to do to stop all this? Can he tell us why buses are permitted to daily pump out noxious black smoke? The Honourable Prime Minister might like to explain why he did not step forward to haul plans for an industrial development on Draunibota Bay. Resident and resources owners are quite rightly concerned about this,

MR. DEPUTY SPEAKER.- Thank you for your contribution, Honourable Niko Nawaikula. That brings us to the end of our sitting. I wish to take this opportunity to thank Honourable Members for your contribution to today’s budget debate.

Parliament is now adjourned until 9.30 a.m. tomorrow.

The Parliament adjourned at 7.38 p.m.