

# PARLIAMENT OF THE REPUBLIC OF FIJI



## PARLIAMENTARY DEBATES

### DAILY HANSARD

**FRIDAY, 31ST JULY, 2020**

[CORRECTED COPY]

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## **FRIDAY, 31ST JULY, 2020**

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

HONOURABLE SPEAKER took the Chair and read the Prayer.

### **PRESENT**

All Honourable Members were present.

### **MINUTES**

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

That the Minutes of the sitting of Parliament held on Thursday, 30th July, 2020, as previously circulated, be taken as read and be confirmed.

HON. A.A. MAHARAJ.- Honourable Speaker, Sir, I beg to second the motion.

Question put.

Motion agreed to.

### **COMMUNICATIONS FROM THE CHAIR**

HON. SPEAKER.- I welcome all Honourable Members to the final day of sitting of Parliament for this week. I also welcome all those watching the live broadcast and the live streaming of today's proceedings. Thank you for your continued interest in your Parliament. Thank you, Honourable Members.

### **2020-2021 BUDGET CONSEQUENTIAL BILLS 2020**

HON. SPEAKER.- Honourable Members, I now call on the Attorney-General and Minister for Economy, Civil Service and Communications, the Honourable Aiyaz Sayed-Khaiyum, to move his motion. You have the floor, Sir.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. Mr. Speaker, Sir, pursuant to the resolution of Parliament on Friday, 17th July, 2020, I move:

That the following Consequential Bills be debated, voted upon and be passed:

- (1) Tax Administration (Budget Amendment) Bill 2020 (Bill No. 14/2020);
- (2) Income Tax (Budget Amendment) Bill 2020 (Bill No. 15/2020);
- (3) Value Added Tax (Budget Amendment) Bill 2020 (Bill No. 16/2020);
- (4) Stamp Duties (Repeal) Bill 2020 (Bill No. 17/2020);
- (5) Service Turnover Tax (Repeal) Bill 2020 (Bill No. 18/2020);
- (6) Environment and Climate Adaptation Levy (Budget Amendment) Bill 2020 (Bill No. 19/2020);
- (7) Airport Departure Tax (Budget Amendment) Bill 2020 (Bill No. 20/2020);
- (8) Customs (Budget Amendment) Bill 2020 (Bill No. 21/2020);
- (9) Customs Tariff (Budget Amendment) Bill 2020 (Bill No. 22/2020);
- (10) Excise (Budget Amendment) Bill 2020 (Bill No. 23/2020);

- (11) Reserve Bank of Fiji (Budget Amendment) Bill 2020 (Bill No. 24/2020);
- (12) Accident Compensation (Budget Amendment) Bill 2020 (Bill No. 25/2020); and
- (13) Local Government (Budget Amendment) Bill 2020 (Bill No. 26/2020).

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

HON. SPEAKER.- Honourable Members, I now call on the Honourable Attorney-General and Minister for Economy, Civil Service and Communications to speak on his motion. You have the floor, Sir.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir.

Mr. Speaker, Sir, as alluded to earlier on when we tabled these 13 Amendment Bills, they are related to the Budget announcements that were made directly or indirectly, and I would like to very quickly summarise these 13 Bills, Sir.

The first one, the Tax Administration (Budget Amendment) Bill 2020, Mr. Speaker, Sir, seeks to amend the Tax Administration Act 2009. Essentially, the Bill amends Sections 46 and 46A of the Act to provide for more consistent and fair application of the audit penalties.

At the moment, under section 46 and 46A of the Act, the person who makes a false or misleading statement to a tax officer or omits any matter from a statement made to a tax officer which results in the tax shortfall or a tax benefit arising from overstatement, that person is liable to a penalty at the rate of 75 percent of the tax shortfall or the tax benefit arising from the overstatement, if the statement was made knowingly or recklessly, or at a rate of 20 percent in any other case.

Proposed amendments to sections 46 and 46A provide a formula for the calculation of the penalty at a standard rate of 15 percent per annum, but if the tax shortfall or the tax benefit arising from the overstatement occurs over a number of years, the rate will be calculated in the same way as an interest rate.

The Bill deletes section 46B of the Act which was dealing with the imposition of 300 percent penalty for VAT evasion. The deletion is necessary, as sections 46 and 46A of the Act address VAT evasion.

The Bill amends section 48(7) of the Act by deleting, “other than that imposed under section 46”. At the moment, the CEO of Fiji Revenue and Customs Service (FRCS) is unable to remit in whole or in part any penalty payable under section 46 of the Act.

Mr. Speaker, Sir, the proposed amendment changes this and allows the CEO to also remit in whole or in part any penalty payable by a person under section 46 of the Act. Further, the proposed amendment will bring about a uniform treatment in dealing with types of penalties.

The Bill also amends Mr. Speaker, Sir, section 116(a) of the Act to provide for consistency with other penalty provisions in the Act.

Mr. Speaker, Sir, the next Bill is the Income Tax (Budget Amendment) Bill 2020 which seeks to amend the Income Tax Act 2015 to introduce the following policy changes:

- Definition of “capital asset” is amended to include depreciable assets.
- Replacement of definition of “permanent establishment”.

- Exclusion from the application of Non-Resident Withholding Tax.
- Debt forgiveness will continue not to be subject of income tax as part of the COVID-19 Budget Response.
- Tax deduction to be allowed for Fringe Benefit Tax. Again, this is an amendment to Clause 6, so essentially the list of deduction is not allowed to ensure that Fringe Benefit Tax does not remain a cost to business.
- FNPF deductions, again, this is for the allowance of up to 10 percent where you get 150 percent tax deduction.
- Clarification of rules on the disposable depreciable assets.
- Increase in the ratio from 2:1 to 3:1 - this is what you call “thin capitalisation rules”.
- Increase Capital Gains Tax exemption threshold from \$16,000 to \$30,000. At the moment, there is an anomaly, so if you are selling a property, they will charge CGT on the land but then they have income tax on the actual building itself and this is to align that and bring it also in respect of the income tax threshold;
- Deferral of Capital Gains Tax and reorganisation.
- Advanced payments of tax.
- Tax incentive for cash donations to sporting entities is recognised by the Fiji National Sports Commission. Honourable Members would note that we have just fine-tuned that. It has to be an entity that is actually recognised by the National Sports Commission.

The next, Mr. Speaker, Sir, is the Value Added Tax (Budget Amendment) Bill 2020. Again, this is in respect of VAT reverse charges. In this case, Sir, a reverse charge means that the liability to pay VAT is on the recipient of the supply of the service, instead of the supplier of such a service. For example, if I engage the services of someone overseas, such as an IT specialist as companies does, I would be liable to pay VAT for the service once it is provided. This, I would then be able to claim for when I lodge my VAT returns. I am able to do this and make a claim, if I am registered under the Act.

A registered person is one whose annual gross turnover from the taxable activity exceeds \$100,000. What the amendment does, Mr. Speaker, Sir, is to remove the requirement for a registered person to pay VAT in such a case, and thereby no longer needs to claim for VAT returns because these are services provided for someone from overseas. So it makes it a lot cleaner, in fact, it helps them positively with their cashflow.

Clause 3 of the Bill amends Section 22 of the Act to exempt VAT from the supply of residential accommodation. As those of you know, those of you who are landlords and some of you are in this Parliament, that if you have rental over \$100,000, there is VAT payable but that is now being removed.

Clause 4 of the Bill amends Section 23 of the Act by removing provisions relating to the cancellation of registration of a person who supplies residential accommodation. This is further to the provision that I have just read.

Clause 5 of the Bill amends the Act by deleting section 27(a) of the Act. This provides for how a registered person is to be treated where a branch or division of that person's taxable activity - the supply of residential accommodation and all of those are related to each other.

The amendment to section 39(10) of the Act to remove reference to the construction of residential property for rent, as this becomes obsolete as a result of the proposed amendment.

Mr. Speaker, Sir, again going on further to Stamp Duties (Repeal) Bill, essentially as announced, this is very simple. It is a repeal of the entire Act so the Act is now completely repealed to abolish stamp duty in Fiji across the board. There is a savings provision necessary to facilitate the transition out of the application of the Act because there are some people who would have already paid or in the process of paying and how it deals with that.

The next one again, Mr. Speaker, Sir, is also the repeal of the Service Turnover Tax (STT). As we have said, there is no more service turnover tax so there is actually a Service Turnover Tax (Repeal) Bill. Again, Mr. Speaker, Sir, it completely abolishes the STT as with the stamp duties.

The next Bill, Mr. Speaker, Sir, is in relation to the Environment and Climate Adaptation Levy (Budget Amendment) Bill 2020. As announced, Sir, the rate has been reduced from 10 percent to 5 percent and also the threshold has been increased. So, previously, if you had a business that was listed to be part of the ECAL Framework, if you had a gross turnover of more than \$1.25 million, then it was applicable to you. Now, we have increased the threshold to \$3 million. Even if you are a small hotel, a small property that has a gross turnover of less than \$3 million, you will not actually have to pay the ECAL. The property will not have to facilitate that.

Again, Mr. Speaker, Sir, the ECAL reduction has an effect on a number of different other areas where ECAL was applicable, including those who earn more than \$275,000 and the various other laws that fall within that category, including super yachts, et cetera.

Mr. Speaker, Sir, the next one is the Airport Departure Tax (Budget Amendment) Bill 2020. Again, Mr. Speaker, the amendment seeks to simply reduce Airport Departure Tax from \$200 to \$100.

The next one, Mr. Speaker, Sir, is the Customs (Budget Amendment) Bill 2020. There are three changes made to the Act. Currently, under the Customs Law, if a person is dissatisfied with the decision of the Comptroller, the person may appeal the decision to the Court of Review. To streamline the process to review the decision by the Comptroller, a similar approach to that which is undertaken in the Tax Administration Act 2009, for a decision under the laws have been adopted under the Bill.

Under this new review process, if a person is dissatisfied with the decision of the Comptroller, the person may first lodge an objection to the decision of the Comptroller. However, if the person is still dissatisfied with the reviewed decision of the Comptroller, the person has the option of appealing the reviewed decision to the Court of Review, so giving another avenue of the appeal process to the person who is dissatisfied by the decision of the Comptroller of Customs.

Secondly, there are procedures currently in place in relation to the arrival of any ship or aircraft in Fiji that must be undertaken by the Master of the ship or aircraft. This includes procedures, such as only landing or touching down in Fiji airports or ports. At the moment, if the Master of a ship or aircraft fails to comply with any of the arrival procedures outlined in section 14 of the Act, the Master of the ship or aircraft is liable to pay a fixed penalty but it can remain in Fijian waters.

With this proposed amendment, proper officers will now be empowered to refuse clearance if the Master of the ship or aircraft fails to comply with any of the arrival procedures specified in section 14.

The third amendment of the Act simply corrects cross-referencing errors in the provisions relating to Customs rulings to provide clarity.

Mr. Speaker, Sir, the next Bill is the Customs Tariff (Budget Amendment) Bill 2020. As highlighted, this changes a number of tariff line items, Mr. Speaker, Sir, and Honourable Members would have been given the amended tariff structures where you would see the old rates and the new rates, and where those changes have taken place. As we said, it is over 1,600 items that actually have been reduced in tariff.

There is still a continuation of certain line items to protect Fijian industries or development of various industries in Fiji. For example, Mr. Speaker, Sir, if we are talking about meat, we are still protecting the pig industry, cattle industry, sheep industry, goat industry, et cetera. All the rates have remained the same but we have done the fine-tuning of it, if you like.

There are certain meat products that are actually not manufactured in Fiji, for example, things like pepperoni, salami, but are actually imported. So, because there was a very rudimentary approach towards the tariff structures before, if we, for example, want to protect the pig industry in Fiji and the rate is 32 percent, then everything that was related to meat would be just 32 percent. There is no current nuance approach to it.

Mr. Speaker, Sir, because we do not make pepperoni and salami, we obviously can reduce the duty on that, so we have got separate line items now. So, pigs are protected, we have the Vuda Piggery, the Yaqara Beef Industry, Fiji Sheep, et cetera, those are all protected. But those what we call the small goods, the delicatessen goods, they have been reduced.

You would be surprised at the kind of meat that is there that we actually cater for. So, things like turkey, we do not rear turkey in Fiji. So, the duty on turkey, for example, has been brought down to 5 percent, but we are protecting our poultry industry which is chicken. It is called Domesticar Gualalas that is what the brand that is called under the tariff code speak. We have done that, however, all the other food items where there is no local production of it, we have reduced it.

Mr. Speaker, Sir, a few years ago, we had completely reduced the duty to zero percent on a number of food items, for example, strawberries, rock fruits, et cetera, they are not grown in Fiji. You would see now even things like nuts that people need to eat almonds and what have you, we have zero-rated that also because obviously, it is not just for the hotel industry but our people actually eat it. So, we have done things like that, Mr. Speaker, Sir. However, we have protected some local industries, like Foods Pacific, Leylands Fiji, which actually make sausages. So, the duty rate of sausages have been maintained at the protective rates.

There are others, for example, there are some very interesting scenarios that we have. There are two large manufacturers of biscuits in Fiji but both of their manufacturing is actually for the export market. So they have 32 percent protection, plus 10 percent excise duty in order to streamline processes. If you look, Mr. Speaker, Sir, on very rare occasions have we actually allowed excise, so we have removed excise duty. They still have a protective rate of 32 percent.

Our batteries for cars, there is a particular company called Pacific Batteries that will make all batteries. For example, batteries that have nickel, cadmium, lithium, et cetera, that are not manufactured locally, we have reduced the duty on those batteries to 5 percent for people who want

to buy for their vehicles, et cetera. But batteries that are actually made in Fiji, because they employ Fijians and we will be actually looking at how effective they are, their duty rates have actually been protected for them also.

We have a number of clothes that actually were protected. Most of the garment manufacturers in Fiji make clothes that are not for us, they essentially make it for the outside market. They make suits, et cetera. Most of the women's clothing that ready-made are all imported, some of the nice jackets that female Honourable Members on the other side wear, are made in Fiji. They either buy the fabric and get it sewn in Fiji, or they are ready-made ones, they all are imported, yet they pay 32 percent. So, we have again taken a nuance approach saying, "Look, these things need to be reduced", so we have reduced it to 5 percent.

Again, the baby garments, we have a lot of babies in Fiji, we have reduced the duty. It used to be 32 percent a few years back, we have reduced it to 5 percent. We have now zero-rated it. Undergarments for women and men and children's vests have all been reduced to zero percent because we do not make them but people need them, it is everyday usage.

Mr. Speaker Sir, again with footwear, for a number of years, there is a protection but most of the footwear companies in Fiji no longer manufacture them. Some of them actually do some, however, they themselves actually import the footwear. They may make a few but they actually import that so, again, this is to give better pricing to ordinary Fijians.

Exercise books were expensive, there was some local protection given to a local manufacturer but what we saw was, because he was given a specific rate of duty for protection, they were not paying on the percentage of the importation if someone imported it, they have to pay specific rates, for example, \$5 on one item, \$3 on one item, plus the percentage. So, because we do not allow for competition and, of course, exercise books are really critical for students, the protection rates have been removed and the 5 percent fiscal duty has been imposed on that.

Again, long time ago, someone brought in soap powder and he was packaging it, so they gave him protection. It is no longer being done so, again, the duty rate for washing detergent as everyday usage has been reduced from 32 percent to 5 percent.

Again, Mr. Speaker, Sir, there has been some protection for people who are making plastic in Fiji, like plastic chairs. Some of the protections actually continue, however, it has been reduced from 32 percent to 5 percent.

Mr. Speaker, Sir, a number of these items and you can see that as we have highlighted in the music industry, they are being completely zero-rated. A number of items that we do buy when people go overseas have been zero-rated. Things like manufacturing of cables, there was only one company called Dominion Cables. We now have another company, I think it is called Pacific Cables, but they do not make these cables above a particular voltage, it was just to protect them. We used to have it at 32 percent.

What we have done now, we had another line item saying, "Yes, there will be 32 percent protection" but any cables above this particular voltage because we know it is not made in Fiji, it is 5 percent. It makes it easier for businesses, they do not actually have to go and make applications, et cetera, so that is the overall gist of it. As we have highlighted, there is over 1,600 items in that respect that we have changed.

Mr. Speaker, Sir, the next Bill is the Excise (Budget Amendment) Bill 2020. Again, it provides a levy in collecting excise duty on goods manufactured in Fiji. The excise levied and



collected on the following locally-manufactured goods are cigarettes, alcohol, carbonated drinks and sweetened beverages.

Mr. Speaker, Sir, as was highlighted in the Budget Address, while reducing the rate of excise duty on alcohol by 50 percent, of course, allowing our hotels, et cetera, to be able to be competitive, we are also removing the excise duty on locally-manufactured sweetened and flavoured milk. We are all aware of the nutritional benefits of milk for children, milk is rich in protein and some of them, of course, the argument being it is sweetened, yet the fact is that, we need people to get access to cheaper sweetened milk.

Mr. Speaker, Sir, as such, to make a variety of optional milk more affordable, we are not only reducing the rate of import excise duty on sweetened and flavoured milk from 15 percent to 3 percent, but we are also removing the excise duty on locally-manufactured sweetened and flavoured milk.

Mr. Speaker, Sir, the next amendment is the Reserve Bank of Fiji (Budget Amendment) Bill 2020. This particular Bill seeks to amend the Reserve Bank of Fiji Act 1983, to increase the limit for outstanding advances holdings by the RBF of notes, bills, securities or other evidence of indebtedness of/or guaranteed by the Government and statutory corporations, and the credits established for the Government and statutory corporations by the RBF.

Clause 2 of the Bill, Mr. Speaker, Sir, amends section 51 of the Act, to allow RBF to increase the limit for outstanding advances holdings by RBF of notes, bills, securities and other evidences of indebtedness.

Clause 2 of the Bill also amends section 51 of the Act to allow RBF to extend the limit referred to in paragraph 2.2 to a maximum limit of 60 percent of the average total revenue of the Government. Mr. Speaker, Sir, there is quite a few bit of information and I am quite happy to answer those questions but essentially, it seeks to increase the limit of that.

The next one, Mr. Speaker, Sir, is the Accident Compensation (Budget Amendment) Bill 2020. The Bill seeks to amend the Act to ensure financial reporting requirements under the fund are aligned to how trust funds are treated under the Financial Instructions Act 2010. As stated, the Accident Compensation Commission of Fiji (ACCF), is actually a Trust Fund because all the levies that are collected goes into that, so we want it to be aligned to the Trust Fund Act which was not actually aligned to that, so now we are going to have that aligned.

Last but not least, Mr. Speaker, Sir, under the Bills that were tabled on 17th July, 2020, on the Local Government (Budget Amendment) Bill 2020, as we know in 2016, the Government changed its financial year from the calendar year to the period commencing 1st August to 31st July the following year. Sir, we are now going to have this particular amendment that will allow the alignment of the financial year of Municipal Councils to the Government financial year.

Secondly, Mr. Speaker, Sir, it is reducing the retirement age of officers appointed to Municipal Councils from 60 years to 55 years, and this will come into effect in one year's time. So, those are Bills tabled on 17th July, 2020. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Attorney-General. The floor is now open for debate on the motion. Is there anyone wishing to take the floor on this motion?

Honourable Professor Prasad, you have the floor.

HON. PROFESSOR B.C. PRASAD.- Thank you, Mr. Speaker. I thank the Honourable Attorney-General for the details that he has provided on all the 13 Bills. Of course, Mr. Speaker, the Consequential Bills approval is kind of a stamp of the final seal of approval on this Budget, and, of course, the Budget has been passed and we need to look at these Consequential Bills.

Mr. Speaker Sir, I am just going to pick on some of the Bills. We do not have issues on a lot of the consequential legislation to give effect to the Budget, but let me just start by making this general observation. If you look at all the tax amendments, most of the 13 Bills, Mr. Speaker, is really to do with the impact of these Bills on the revenue but also, it is seen as an incentive stimulus to the larger economy.

Mr. Speaker, Sir, we have talked about some of these changes - changes in the tariff, for example, the application of VAT, the Stamp Duties, the repeal of STT, the tourism taxes, we have talked about since 2015 and 2016, and on many occasions, we said to the Government that some of these taxes imposed were having adverse impact on the businesses, especially on the tourism industry. The competitiveness of our industry even before COVID-19 were raised with respect to some of these taxes, but we know that the Government was operating in a very expansionary mode over the last five or six years and, of course, they needed revenue.

With the strict compliance, we do not oppose compliance, but a lot of the revenue measures that is now being changed, repealed and reduced, of course, is going to have a big impact on the revenue collection but this is what we had warned the Government on many occasions that it is not right to keep raising taxes. And one example that I want to pick, when we said, “do not increase duties on alcohol every year”. We had three consecutive years of increase. We were ridiculed in this House, that we are trying to promote this, trying to promote that.”

HON. A. SAYED-KHAIYUM.- You said to remove VAT.

HON. PROFESSOR B.C. PRASAD.- No, I talked about the excise duty on alcohol that you increased for three consecutive years. We talked about that and I know some people on this side, the kind of comments that they were making.

The point is, Mr. Speaker, that this is not surprising. However, it comes at a time when the Government is really being forced to do this because we need to create stimulus, ensure that our businesses get what they want. But the timing, what they intend to get out of it, Mr. Speaker, Sir, is not necessarily going. Some of these things should have been done in a normal time, this is what we were saying.

(Honourable Dr. I. Waqainabete interjects)

HON. PROFESSOR B.C. PRASAD.- Maybe you were also watching Bollywood movies, Honourable Minister for Health.

(Laughter)

HON. SPEAKER.- Order!

HON. PROFESSOR B.C. PRASAD.- If you look at the Customs Tariff (Budget Amendment) Bill 2020, of course, Mr. Speaker, without looking at all the details, no one will complain about the major components of the budget which is either zero rating or reduction of duty and excise of 1,600 items.

However, when you look at the list, it is really not focusing on the underprivileged, the needy and the most vulnerable because basic items, such as rice, flour, tea, garlic, onions, as well as medicine was already duty free but people will still have to have the burden of paying 9 percent VAT on them. And this is the Government that promised the people in 2014 that they will never put VAT on the basic items, but they did. While the list of 1,600 items also have food items, an overwhelming majority of them can be termed as luxury food products and out of reach for those who survive on basic items.

Mr. Speaker, Sir, for example, the duty on milk, and I know, I have talked about this on many occasions in the past as well, it is still there because of the agreement that we had when we sold Rewa Dairy. He is making a lot noise but he knows what is happening to the dairy industry in this country, he knows it. Edible oil, for example, still carries a 15 percent duty on concessions available to retailers. Also, lentils or dhal, another basic food item still carries a duty of 5 percent.

Mr. Speaker, Sir, the same goes for medication. Medicine was also zero-rated but their prices will not change because VAT is still not changed. It is very important for our people to understand some of the issues in this amendment.

Mr. Speaker, Sir, the other components when we look at the Capital Gains Tax ....

(Honourable Member interjects)

HON. PROFESSOR B.C. PRASAD.- Mr. Speaker, Sir, I will let him talk to you first. Maybe, he watched Kadar Khan last night in one of the Bollywood movies.

The changes to the Capital Gains Tax, for clarification, Mr. Speaker, Sir, is appropriate.

We note the changes to the VAT and the application of that for supply of residential accommodation, stamp duty, we note the repeal of STT, the reduction of ECAL from 10 percent to 5 percent and the airport tax reduction from \$200 to \$100. But Mr. Speaker, perhaps the Honourable Attorney-General can clarify this because Fiji Airways also had a presale of tickets, so I am assuming that the \$200 that would have been charged, now that that has been reduced, they will be refunded the \$100 because a lot of people have made inquiries with respect to that.

Excise taxes, in fact, Mr. Speaker, on that, I just want to point out that in the COVID-19 Response Budget, the Government, perhaps in a very cryptically manner also increased the tax on fuel. In fact, they increased it by 20 cents when that should have been passed directly to the consumers and businesses.

In fact, if you are looking at stimulus budget, why do you want to raise the tax when the world market prices was coming down? They should have passed it on to the consumers so when they went and said, "We are reducing the price", actually the diesel and petrol prices should have been reduced by another 20 percent. It was done in quite a cryptical manner and the Government may not try to hide that. So, perhaps, the Government needs to consider that as well.

The Reserve Bank of Fiji Act, Mr. Speaker, we understand the changes because the total revenue of the Government in this Budget and the forecasted Budgets would be lower and it makes sense for the Reserve Bank of Fiji (RBF) to raise the limit. But here, I would also want to raise this issue, Mr. Speaker, that while the Banks are giving relief to customers by way of deferring payments, the Banks have actually not reduced the interest rate yet. They should be, because liquidity is going up, Banks are also holding back on lending in some ways, while at the same time not reducing the

interest rates, so it is really not too much of a help. It might be temporarily, but the customers will still have to pay.

I think this is the time that the RBF ought to use its influence to ensure that commercial banks and lending institutions actually reduce their interest rate because the RBF is going to put in more money (presumably as a result of this change and the limit has increased) into the system, banks will see a further increase in liquidity and, therefore, interest rate should go down. It is very important for the banks to understand that they need to play their part as well.

With respect to the Local Government (Budget Amendment) Bill 2020, Mr. Speaker, again, I think this is ludicrous. In fact, majority of the people will be affected by this. For example, we have had information already that almost 150 workers in the Municipalities of the Central Division - Suva, Lami, Nausori and Nasinu, will be affected by this policy where Government plans to reduce the retirement age from 60 years to 55 years. I mean, why do you want to do it now? You have made the change in the Civil Service some years back, why do you want to bring the Local Government employees now when majority of those people are not at the senior level but those are people earning \$4 and \$5 an hour?

This is the time to give them confidence and assurance that they will have the job. I mean, you are making them anxious and many of them would have made their plans for the next two years or three years. So come 1st August, 2021, all those who are over 55 years old but yet to reach 60 years and those reaching 55 years who are currently 54 years old, will be retired, Mr. Speaker. Some will argue, logically of course, that civil servants can retire at 55 years, why cannot municipal workers? That seems to be the logic, Mr. Speaker.

But we have argued before, neither the civil servants nor those municipal workers and we know how the retirement age was changed in 2009 through a Decree. And in many of these Local Government Councils, Mr. Speaker, workers have collective agreements with individual Councils on retiring workers at 60 years of age. So why then there is a need to legislate it now? I would urge the Government to withdraw this Bill, Mr. Speaker. Let the workers in Municipal Councils deal with local individual Councils and as part of their collective agreement, get what they want.

If Government, for example, Mr. Speaker, allowed a three-year timeframe to have this discussion, we may be able to pass through this crisis and the workers will have a much better period of time to plan their exit from the employment that they have. So I find this Local Government (Budget Amendment) Bill 2020 quite ludicrous and actually, it is going to be a kick in the guts of those workers who will have to retire in the next one-and-a-half to two years.

The other point that I want to make, Mr. Speaker, is the consistency of some of these changes. Let me come back to the Customs Tariff Act. Actually, I am not sure how the Government cannot see the contradiction.

I was quite surprised that the Honourable Minister for Trade talked about how the negative impact of PACER Plus could have an effect. My own view, Mr. Speaker, with respect to that, this is kind of a trade liberalisation policy where we are reducing tariff rates quite drastically on a wide range of products. That, in itself, I think, would make PACER Plus negotiation in many ways quite redundant. So I cannot see that connection, why we are not having a good discussion, in fact, we should have concluded. I think the whole trade negotiations are all over the place.

(Honourable Members interject)

HON. SPEAKER.- Order, order!

HON. PROFESSOR B.C. PRASAD.- We heard some time back that there was a feasibility study done to look at the Fiji/China Free Trade Agreement. We do not know where we are, but I think, Mr. Speaker, it is very important for us to look at where we are with Australia and New Zealand at the moment because I think while we have done this, this is one time that we need to look at why we should join PACER Plus, why we should sign the agreement and why we should negotiate with Australia and New Zealand. In fact, Australia and New Zealand, Mr. Speaker...

(Honourable Members interject)

HON. SPEAKER.- Order!

HON. PROFESSOR B.C. PRASAD.- ... also have an opportunity because they also have a responsibility. This is the time for them to call the shots, to bite the bullet and provide a much better framework for labour mobility and trade within the Pacific countries, and we have talked about how Australia and New Zealand is very important for the Pacific and for Fiji.

(Honourable Dr. I. Waqainabete interjects)

HON. PROFESSOR B.C. PRASAD.- You can do better than that, Honourable Minister for Health! Yes, you can do better than that, instead of those ridiculous interjections.

Mr. Speaker, I think it is very important for us to look at PACER Plus and this is an opportunity for Fiji to negotiate better. In a sense, we have taken steps on our own with respect to trade liberalisation. This is the time to look at the negotiations.

Mr. Speaker, in conclusion, I want to say that while we support all the other Bills, we cannot support the Local Government (Budget Amendment) Bill 2020, so I urge the Government to withdraw that Bill. It is not going to have an impact on the material substance of the Budget. Thank you, Mr. Speaker.

HON. SPEAKER.- I thank Honourable Professor Prasad. Honourable Niko Nawaikula, you have the floor.

HON. N. NAWAIKULA.- Good morning, Mr. Speaker, I would like to contribute. The motion that is before the House is asking us to approve a total of 13 Consequential Amendments to support the Budget which we had already passed.

My comments, or I am correct to say that from this side of the House, they will not be making any objection to that but we raise concerns now with you to make the Government accountable. We have passed the Budget and from our side, during the process of the debate and during Committee stage, we have asked or requested the Government to do this and do that. I know we asked that we reduce the expenditures but they said, "No", we asked to reduce the deficit but they said, "No", but I want to touch again on our request for Government to stimulate the primary industries but the Government refused again.

Mr. Speaker, if you look at other countries, including Japan, they put a lot of emphasis on primary industries - agriculture, fisheries, et cetera, never-mind that they have become beef manufacturers. That is one of the reservations, the concerns that we have in holding the other side accountable.

If we look at the budget of the Ministry of Fisheries, Ministry of Forestry and Ministry of Agriculture, in totality of what was given to them to stimulate them was \$3 million, but that was not

to look for new export projects. That was mainly to maintain their status quo, so we do not know how they will stimulate themselves from their allocations now. They should be empowered.

We talk about pawpaw, coconut, vanilla, cocoa, we need to develop all those, so I am asking the other side, especially the Honourable Minister for Agriculture, why did he not ask the Honourable Minister for Economy to empower his Ministry so that they can develop even more for export, and I refer especially to the plans that the late Ratu Mara had.

When I spoke here, he promised, "I will explain". But his contribution to the whole Budget was simply a rebuttal. He did not say anything about his Ministry.

(Honourable Dr. M. Reddy interjects)

HON. N. NAWAIKULA.- Well, by the next Session, the Budget allocation would have already been done so he will not be getting more, unless he is looking for aid.

HON. DR. M. REDDY.- You were not here when I spoke.

HON. SPEAKER.- Order, order!

HON. N. NAWAIKULA.- Honourable Speaker, I was here when he spoke and he spent the entire 20 minutes rebutting everyone and said nothing about his Ministry. I am saying here, again...

HON. DR. M. REDDY.- You were not here when I spoke.

HON. SPEAKER.- Order, order!

HON. N. NAWAIKULA.- ... he should do more, he should do more! It is a very essential Ministry.

HON. DR. M. REDDY.- Where were you? You should have been here.

HON. N. NAWAIKULA.- Yesterday was Committee only.

His contribution to the Budget was nothing. He did not talk about agriculture, he did not talk about pawpaw, and he did not talk about any new things.

(Honourable Government Members interject)

HON. SPEAKER.- Order, order!

HON. N. NAWAIKULA.- His allocations - he did not talk about vanilla, most allocations for those were continuous. He did not talk about *dalo*, nor did he talk about *yaqona* or *duruka* or breadfruit - all these things.

(Honourable Government Members interject)

HON. SPEAKER.- Order, order!

HON. N. NAWAIKULA.- Well, I am very sorry for you of what he is doing now, which is the total opposite.

We have a lot of respect for his predecessor, the Honourable Minister for Defence, National Security and Policing. Of all the plans that Honourable Minister for Defence, National Security and Policing put up, he came in and he wiped them all out.

(Laughter)

HON. N. NAWAIKULA.- He brought in his new ideas, and where are we in the agricultural sector? We are going down, down and down.

(Hon. Dr. M. Reddy interjects)

HON. N. NAWAIKULA.- But my point is, Mr. Speaker, Sir, we are doing our role now. We have to hold you accountable. I can have tea with him outside, I can hold his hand ...

(Laughter)

HON. N. NAWAIKULA.- ... but inside here, I will criticise him because that is my job. I am paid for that. They pay me \$50,000 to criticise him, I have to earn my keep. So the whole point there, Mr. Speaker, except that the Budget has been approved, we are very, very sad.

(Honourable Government Members interject)

HON. N. NAWAIKULA.- I cry, I cry for you.

(Honourable Government Members interject)

HON. N. NAWAIKULA.- Yes, I cry for the Ministries of primary industries. I cry for the Honourable Minister for Fisheries, I cry for the Honourable Minister for Agriculture, I cry for the Honourable Minister for Forestry because they have nothing. We did not empower them of \$2.7 million.

(Honourable Members interject)

HON. N. NAWAIKULA.- I will pray too. I cry, I pray, and I will sympathise for him. They should have asked me to go and see the Honourable Minister for Economy on their behalf.

(Honourable Government Members interject)

HON. SPEAKER.- Order, order!

HON. N. NAWAIKULA.- So maybe, I can persuade the Honourable Minister for Economy to give them more money because you cannot do it. The Honourable Minister for Economy was more concerned on empowering tourism and he forgot about the primary industries.

HON. SPEAKER.- Honourable Member, just stick to the Consequential Bills, forget about the Minister.

HON. N. NAWAIKULA.- I forget about him because it is the past.

When we passed the Budget, we forgot about them, so the Budget has now been passed and they have refused. So my whole point is that, "Yes, you have the mandate, we respect you for that but now moving forward, we now have to hold you into account."

One of the concerns that we have is enforcement. We had a lot of duties reduced so that items will come down, but what guarantee is there that the poor person in the village will feel that? One example, is that the price of beer is coming down. Now in the villages, they do not mix homebrew, they just pick up the phone and call Savusavu and they get some cartons of beer and pay for it because they have enough money. The question is whether this benefit will go down to them or the person in Lau, and there is not enough enforcement procedure to ensure that.

One guarantee would have been if we have a complementary amendment in the price control so we have more items to be price controlled and that will ensure that the poor people, the very poor, will also benefit from this.

Finally, Mr. Speaker, Sir, my concern also is in relation to the Local Government (Budget Amendment) Bill 2020. This is asking for changes into the submission of annual accounts. It is also asking for the reduction in the ages and the point I want to say here is that, please, the local government is local government. You give them the right of self-determination in relation to decision making.

For how many years now we have almost nationalised them, they have almost become a department, they should be respected. Their decision-making process independently should be respected for the reason that they are local government. So those are the concerns that I wish to raise, Sir. Thank you, Mr. Speaker.

HON. SPEAKER.- I thank the Honourable Nawaikula for his contribution to the debate. Honourable Gavoka, you have the floor.

HON. V.R. GAVOKA.- Thank you, Mr. Speaker. Mr. Speaker, I just want to speak a bit on some aspects of the Bills and generally, what we have now is a huge reduction in taxes and charges and fees that I believe is placing this country on a better platform in terms of developing its economy. It has been a long time coming. I think there was a time there when fees and taxes and what not was being introduced, almost as if the good times were not going to end but now it has ended, it is time to face reality and hence, the Budget and the Bills that we have today.

Hopefully, this is the platform on which the country can rebuild its economy. I know in my previous life, once you reduce your tariff rates, it takes a long time to climb back to what it used to be. But I do not want to see us increasing the departure tax to \$200, I would like us to keep it at \$100 and all the other charges that have come down.

Mr. Speaker, Sir, I agree with my colleague, Honourable Professor Prasad, about our trade deal with Australia and New Zealand. I think that should be ratified and signed as soon as possible, to strengthen our relationship in our region.

Mr. Speaker, Sir, something that always mystifies me is the interest rates by the banks and their willingness to lend. I have asked a number of economists, "What can we do to get the banks to lend at this time and reduce interest rates?" They said, "It is the confidence of the banks in the governance of a country." That, Mr. Speaker, is something that we need to look into, and the way we do things in this country needs to improve. The banks increase their rates as a way of mitigating the risks. As I have said earlier, it is to do with the governance of our country.

For this week, Mr. Speaker, Sir, with the Parliamentary sitting, I think the whole country had a sense of joy that their leaders could lead like this and indulge in the debates and show the country that you are a free people who can debate and who can have dialogue in the way we do here in this Parliament.



If you saw the media reports for this week, it was very balanced. I think on Monday and Tuesday, it was a little rough on the other side or the Government, but on Wednesday, it has changed, they got some positives and I think the whole country likes to see that. And by extension, it gives the confidence to the banks to lend and to relook at their interest rates because the lending rates from RBF is only 1.5 percent now, I think?

HON. A. SAYED-KHAIYUM.- No.

HON. V.R. GAVOKA.- It is 1.5 percent, it has come down from 2.5 percent. It is much lower but the interest rates are still high and confidence is still not there to lend so really, it is the confidence in the way the country is governed.

When we asked them questions, we are told that almost like we do not have the right to those replies. Like yesterday, I asked the Honourable Prime Minister about the bech-de-mer and he said that it is going to happen when it happens. But, the people in my area want to know when, and you could not come up with a reply. So, that reflects very badly on the way we do things and hence, affects the confidence of the institutions in this country.

Mr. Speaker, we now have a Budget, approved, and we expect this Government to go out and govern the country properly. You have governed this country in good times but now, we are facing difficult times, so go and do it properly. That is my plea to them, and I believe our Party Leader had also articulated that to the Government. It has been given to you, go and do it properly.

Mr. Speaker, the Budget has passed, the Consequential Bills will be passed, but my plea to the Government from this side of the House, go out and do it properly and get the confidence that we need so that the whole community, especially the banks, can start lending and start generating the activities in our economy. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Member for his contribution to the debate. Honourable Attorney-General, you have your Right of Reply.

HON. A. SAYED-KHAIYUM.- Thank you, Sir, I wish to say, just for clarity's sake, we all need to be very precise here, but I just need to respond to a couple of issues that had been raised.

Mr. Speaker, Sir, unfortunately, Honourable Nawaikula again deviated, but just to highlight regarding agriculture, he obviously does not look at the big picture. The Ministry of Agriculture has received an increased budget. You do not simply look at the budget itself, there are so many other factors - the various tax incentives, duty reduction and all the agricultural inputs have all been reduced.

Of course, he needs to also understand, if everyone today in Fiji went and planted *dalo*, it will not be a viable industry to get into, because the price of *dalo* will come down and there will be a glut in the market. You need to value-add and you need to be able to find markets for it. At the moment, half the world is shut down, so your ability to go and market is limited. These are the ground realities so, please, you need to understand. Mr. Speaker, Sir, I will be very brief.

(Hon. N. Nawaikula interjects)

HON. SPEAKER.- Order, order!

HON. A. SAYED-KHAIYUM.- Honourable Professor Prasad raised a number of issues, I just need to address that. They said, "We have been saying this about taxes", et cetera, despite the

so-called increase in taxes, Mr. Speaker, Sir, which were consistent. When we introduced ECAL, it remained at 10 percent. When we introduced STT, it remained at STT. In fact, we were the only ones that brought down VAT, so there is no inconsistency nor a year-to-year increase. Yes, alcohol and cigarettes did go up.

Mr. Speaker, Sir, but they wanted to bring down the price of lamb chops and beer at Election time, this is not Election time. He did it just before Election time. You see, the timing is very different, so you try and appeal to people, “At Election, I will bring down the price of beer and lamb chops.” We are not appealing to anyone. What we are simply trying to do is make sure that the economy and the policy decisions made in the economy is actually the correct reaction, and indeed placement for this particular pandemic. That is what it is all about, Mr. Speaker, Sir. Please, Honourable Professor Prasad, this would have been much clearer if you had an alternative Budget, but obviously, you do not.

Mr. Speaker, Sir, the other point was that, he talked about the tariff rates and I think someone else mentioned that it does not affect the underprivileged. The reality of the matter is (which they have never recognised), all the past number of years, for a number of the areas in particular for food items and everyday items, wherever possible, we have continuously reduced tariff rates. We actually have done that, we have gone down further.

We have now done widespread industry consultations. We were meeting different stakeholders, right from meat suppliers to people who are manufacturing sausages, and all sorts of people, people making cables. We recognise people in Fiji and I mentioned in the Budget, for example, the Pinto Industries in Vanua Levu. Honourable Bulitavu, you need to be aware of what Honourable Gavoka and Honourable Professor Prasad were saying. They said that because we have reduced the tariff rate, let us go and sign the PACER Plus, hook line and sinker. What we are saying is, “No, we need to do it on our own terms.”

We are doing it on our own terms because the whole philosophy of PACER Plus, Mr. Speaker, Sir ....

(Honourable Member interjects)

HON. SPEAKER.- Order, order!

HON. A. SAYED-KHAIYUM.- I know you did the consultancy on trade liberalisation for the Forum Secretariat.

But, Mr. Speaker, Sir, the fact of the matter is, when you go to negotiations, you need to be able to say, “Look, we have certain industries in Fiji, they are what we call “infant industries”, or certain industries that are for domestic purposes, we need to protect them, or you wean us off in over a period of time.” These are the negotiations or discussions that have been taking place.

As the Honourable Prime Minister has said continuously, we have not shut the door, the same thing with Economic Partnership Agreement (EPA) and Pacific Agreement on Closer Economic Relations (PACER Plus) which is only in relation to Australia and New Zealand. These tariff reductions are to all the countries in the world. To all the countries in the world, we are saying, “Look guys, over here it is 5 percent. These ones, we will continue to provide protection because there are Fijian jobs at stake or we have a particular comparative advantage, we may progressively go off it,” so that is what we are doing. We are setting things on our own terms. That is the difference.

Mr. Speaker, Sir, what they also do not understand is that liberalisation is also to do with the various laws in Fiji. I will give you a very classic point. If you go to a supermarket in Australia or New Zealand, you can actually buy Vitamin C at the supermarket. You can buy various vitamin pills, buy them off the shelves. In Fiji, unfortunately, the pharmaceutical companies and drug-related boards have a stranglehold. We are trying to liberalise that. Why should not ordinary people have access to Vitamin C and other vitamins in supermarkets because supermarkets can actually buy them in bulk and they would be a lot cheaper, the unit cost will be a lot cheaper, so the working class person can go and buy Vitamin C and those other vitamins? These are some of the areas that we are working on, it is not all on one surface. That is the kind of liberalisation and structural changes we are doing that we are looking at.

I also want to reiterate, I mean, things like what we have been doing - sanitary pads and all those personal items, over the number of years we have reduced duty or zero-rated duty. Now, undergarments for children, women and men which are everyday items, they are not luxury items. Poor people have to wash their clothes too, they need to wear underpants and vests, and they need to buy raincoats for their children, shoes, toothbrush, toothpaste, and all of those items.

They stand here and pontificate and say that they are concerned about the poor people as if the poor people only are in rags and only eat some basic food. That is the picture they are trying to portray.

(Honourable Government Member interjects)

HON. A. SAYED-KHAIYUM.- Do not say 'no' because that is what you are saying. You have not provided an alternative view, nor have you recognised what these tariff structures have done or will do.

Mr. Speaker, Sir, the other point, of course, that I would like to make is that Honourable Professor Prasad talked about fuel. Yes, we did increase the duty on fuel because we also need a revenue, it is a fact. When you do not have VAT, ECAL or STT, or when you do not have tourists coming in or you do not have departure tax, we still need to provide the services. This Parliament has staff - civil servants who all need to be paid for, unlike your recommendation, we did not reduce civil servants' pay. We have continued with the civil servants' salaries, Mr. Speaker, Sir. We need revenue.

(Honourable Member interjects)

HON. A. SAYED-KHAIYUM.- No, no, we are not lying! You read the *Fiji Times* article.

The point is, we increased the duty on fuel at a time when the world fuel price was plummeting, so despite the increase in the duty, the price of fuel is still reduced for the consumer.

HON. J. USAMATE.- Hear, hear! There you go.

HON. A. SAYED-KHAIYUM.-Of course, they are slowly going up, but the fact of the matter is, it does not affect them on their daily lives.

Diesel price came down, bus fare, therefore, should have come down too, Mr. Speaker, Sir. So, we have done it at the right time. Please, do not feign sympathy for municipal service when you said "Let's have the pay cut for civil servants." The reality of the matter is, the Honourable Minister for Local Government will do, they are trying to modernise the Municipal Councils. That will mean

eventually higher pay rises. Some of those people get paid very low salaries, so it is the entire restructure, modernising, mechanising it, Mr. Speaker, Sir.

The last few points I will make was, a lot was talked about the interest rates. The way interest rates were at the moment, Honourable Gavoka, RBF lends to the commercial banks at 0.5 percent, and there are certain loan facilities that the RBF lends to the banks at 1 percent. For example, there is an allocation where they lend money at 1 percent for those people who are buying their first homes, and then those commercial banks can lend that money for no more than 5 percent, so there are certain home loans that are at 4.2 percent and 4.3 percent. Of course, we would like, overall, the interest rates to come down, but there are a number of determinants. Government cannot go and intervene in the market, but there are various ways that it will happen.

As everyone knows, the term deposit rates were very high. So, in other words, when you go and put your \$10,000 and you say, "I want to fix it for one year or two years and you pay me 6 percent interest rate," that 6 percent that you are getting will mean that when the bank uses your \$10,000 to lend to someone else, the interest rate will be high. But when the term deposit rates actually come down and people are getting used to these terms deposits and the markets adjusts itself then, of course, the lending rate will subsequently get lower and you will see in the next few months that the lending rates will come down. But as I have highlighted, there are a number of debts that are going bad for the banks, they have to make provisioning.

Honourable Nawaikula said, "Oh, indeed, for tourism industry and nothing for the villages", you go down, half the Coral Coast all the villagers are employed in the tourism sector. You go to the Mamanucas, all the villagers are in the tourism sector. So, obviously it affects them directly. People in Savusavu too so, please, do not have this sort of black and white dichotomous approach because nothing like that exists.

The reality of the matter is Mr. Speaker, Sir, that we have a sophisticated economy, people work in different parts of the sectors, so obviously the tourism sector contributes very largely towards GDP. So, what we are seeing is that, with term deposit rates coming down, you will see the lowering of the interest rates. In fact, there has been an overall increase of 0.5 percent for new loans for the banks.

Mr. Speaker, Sir, very quickly in respect of the other matters that were raised, I wanted to make the point about the milk products that Honourable Professor Prasad raised. Yes, there is still protection being provided in certain areas and the Honourable Member knows, we have discussed this at the Public Accounts Committee level, there is an agreement in place and that agreement comes off in two years' time. We had a 10-year deal that protection rates will come off in August 2022, and then it will be reduced to 5 percent for everyone. You know that, ask Lodhias, you mix around a lot with them. They will tell you about that rate.

Mr. Speaker, Sir, the reality of the matter is that the farm-gate price that the Honourable Minister for Agriculture will tell you is a lot more than what it ever used to be. The farmers through Co-operative as Class B shareholders in Fiji Dairy are getting a dividend every year. They never used to get dividends every year. So, this is the kind of concoction that they have in place, Mr. Speaker, Sir, regarding this.

Mr. Speaker Sir, I think that is all I would like to say in respect of the notes that I made. Last one I want to make also, Mr. Speaker, Sir, Honourable Gavoka talked about confidence. This is not self-adulation by Government, but we have received extreme positive response by nine out of 10 people, in fact probably 9.5 out of 10 people; ordinary people, civil servants, business investors in respect of the Budget because there is a particular vision that has been laid out.

Honourable Tabuya yesterday raised the issue and I did not get an opportunity to respond. She said, “The Prime Minister’s residence, we cannot have people living in opulence”, and all that kind of nonsense. He is not going to live in it. No one on this planet Earth lives forever, all of us are mortals. We will die one day. You will die, I will die, the Honourable Prime Minister will die, and whoever is the next Prime Minister will occupy that office.

It is an asset for Fiji but we are building this because, Mr. Speaker, Sir, it was what you call a “ready-to-shovel” project. There will be people employed as the Honourable Prime Minister highlighted in his speech. In fact, the construction sector is saying that with the projects that we have highlighted, there will be at least 1,600 new jobs created. People will have money in their pockets, people from the informal sector will have money in their pockets. So, that is the kind of thinking that goes behind that, the confidence building is when we come to this Parliament and are able to be positive about it, of course.

You can question things but we need to be able to look at it from a nationalistic perspective. We need to be far more nationalistic about it because no other time in history has the world faced this kind of pandemic and the deleterious impact it has had on various economies, trade, work, employment, et cetera.

Mr. Speaker Sir, with those closing remarks, I would like to urge all Honourable Members to support these 13 Consequential Bills. Thank you very much.

HON. SPEAKER.- I thank the Honourable Attorney-General for his Right of Reply. Honourable Members, Parliament will now vote.

Question put.

Motion agreed to.

[A Bill for an Act to amend the –

- (1) Tax Administration Act 2009 (Bill No. 14/2020);
- (2) Income Tax Act 2015 (Bill No. 15/2020);
- (3) Value Added Tax Act 1991 (Bill No. 16/2020);
- (4) Stamp Duties Act 1920 (Bill No. 2020)
- (5) Service Turnover Tax Act 2012 (Bill No. 18/2020)
- (6) Environment and Climate Adaptation Levy Act 2015 (Bill No. 19/2020);
- (7) Airport Departure Tax Act 1986 (Bill No. 20/2020);
- (8) Customs Act 1986 (Bill No. 21/2020);
- (9) Customs Tariff Act 1986 (Bill No. 22/2020)
- (10) Excise Act 1986 (Bill No. 23/2020);
- (11) Reserve Bank of Fiji Act 1983 (Bill No. 24/2020);
- (12) Accident Compensation Act 2017 (Bill No. 25/2019);
- (13) Local Government Act 1972 (Bill No. 26/2020)

enacted by the Parliament of the Republic of Fiji. Act Nos. .... of 2020]

HON. SPEAKER.- Honourable Members, on that note, we will suspend proceedings for refreshments in the Big Committee Room. Parliament will resume in half an hour.

The Parliament adjourned at 10.54 a.m.

The Parliament resumed at 11.26 a.m.

HON. SPEAKER.- Honourable Members, I now call upon the Honourable Attorney-General and Minister for Economy, Civil Service and Communications to move his motion. You have the floor, Sir.

### **TELECOMMUNICATIONS (BUDGET AMENDMENT) BILL 2020**

HON. A. SAYED-KHAIYUM.- Mr. Speaker, pursuant to the resolution of Parliament on Wednesday, 29th July, 2020 I move:

That the Telecommunications (Budget Amendment) Bill 2020 (Bill No. 27/2020) be debated, voted upon and passed.

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

HON. SPEAKER.- I now call on the Honourable Attorney-General and Minister for Economy, Civil Service and Communications to speak on his motion. You have the floor, Sir.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir.

Mr. Speaker, Sir, as announced in the Budget Address on 17th July, 2020, we are now removing the data levy under the Telecommunications Act. That data levy was introduced last year to set up a distinct funding mechanism to support projects aimed at national development in relation to information and communications technology.

Money collected from the data levy went into the Telecommunications Development Trust Fund established under the Telecommunications (Trust Fund) Regulations 2016, with the continued development of Fiji's telecommunications industry. However, Mr. Speaker, Sir, we have had discussions with telecommunication companies and they have agreed to continue but in a different manner, and to keep things simple for the telecommunications industry and support our long standing commitment,

Mr. Speaker, Sir, to streamline the sector's regulations, we have opted to remove the data levy and instead, increase the current 1.5 percent revenue-based telecommunications licence fee prescribed in accordance with Telecommunications Licensing Regulations 2012 to 2 percent. Of this amount of 2 percent, 1.5 percent of the percentage point would be collected as normal with the remaining or the additional 0.5 percent funnelled into the development fund to ensure continued development of our telecommunications infrastructure and projects.

Mr. Speaker, Sir, as Honourable Members would also know from the Budget, we talked about this under Head 16 - Connecting the Unconnected project. This allocation is for mapping project to further clarify the black and brown spots of internet connectivity, which are areas where there is no mobile phone connectivity which is black spots or pockets of unconnected areas in between which are the brown spots which have intermittent reception.

Mr. Speaker, Sir, this will require significant infrastructure development. However, with this funding streams and close coordination with the telecommunication industry partners, we are confident we are able to further cement our standing as a telecommunications hub. So, essentially what it will do, put it simply, at the moment the law is that they have been paying for all these years to the Telecommunications Authority of Fiji (TAF), 1.5 percent as gross turnover to the TAF Fund which has been used to connect black spots, et cetera.

Now, what we are doing is getting rid of the data levy and increased that 1.5 percent to 2 percent. And then out of that additional 0.5 percent that will go directly to the Trust Fund in respect of Developing Fund activities, for example, telecentres, et cetera, that we have put in place, Mr. Speaker, Sir. That is what this Act simply seeks to do.

Mr. Speaker, Sir, as we have highlighted yesterday too, there are a number of areas in Fiji and I have the list here, where we have identified. There are about three areas in Cakaudrove, about eight key areas and these are the black spots in Lau, Macuata has about two areas, Lomaiviti quite a few actually, Kadavu quite a few, Navosa and Naitasiri about three main areas where there are what we call complete black spots. Then of course, Sir, we have some brown-out areas, where we will be actually getting lot more connectivity in that respect.

So, essentially, Mr. Speaker, Sir, this Bill just seeks to get rid of the data levy which will now stop, but also in respect of the current 1.5 percent, it will go up to two percent and then 0.5 percent will go towards the connecting the unconnected. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Attorney-General.

Honourable Members, the floor is now open for debate on the motion. Honourable Lynda Tabuya, you have the floor.

HON. L.D. TABUYA.- Thank you, Mr. Speaker. I thank the Honourable Attorney-General and Minister for Economy for explaining the purpose of this amendment to the Telecommunications Act and we welcome it.

I am speaking on behalf of SOLDEPA and we welcome this change. This was debated last year and as you know, we opposed it and at this time, I just want to commend the Government for this. I think during this time of COVID-19, we can safely say that while many other industries are losing income and many, the internet giants and companies that made a lot more money from data use, so this is welcomed.

However, I just want to make a suggestion to the Government for future reference, that this is being done in a few countries around the world and these are taxes that can be introduced to tax the internet giants that are now making or doing a lot of business on the internet such as *Google*, *Apple*, *Facebook* and *Amazon*.

A digital tax, it is called, is something for the Government to consider. In July 2019, France passed a Digital Tax Law where they taxed those internet giants based on their sales that happened locally within France. This is done really because while the internet companies who complained a lot about the increase in the taxes last year, felt it was unjust. They did suggest or hope that the Government will look at taxing those internet companies that do a lot of business online.

Fiji is not exempt from that. We are now doing a lot more online businesses using these platforms, selling our goods on these platforms and the sales that is generated from that are currently not taxed. So, it is a suggestion for the Government to consider.

New Zealand is following suit. So, in November 2019, they have been discussing the similar digital tax to be enacted because these companies, in a way, use our daily consumer data to sell online advertising. So, that suggestion is for future reference to make to generate revenue for the Government and for the country to consider a digital tax in place.

So, we do commend the removal of this levy on data so that our internet companies continue to provide this service to our consumers at an affordable price, but do recommend highly the consideration of this digital tax on those internet giants that are making billions of dollars of revenue from online businesses.

To that end, Mr. Speaker, I do support the motion before the House, on behalf of this side of this side of the House. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Member for her contribution to the debate, and I give the floor to the Honourable Attorney-General for his Right of Reply.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir.

Mr. Speaker, Sir, just by way of clarification for the Honourable Member is a completely different type of tax. What the Honourable Member is talking about is about taxing large multinational corporations that perhaps, are registered in different countries and do not necessarily pay tax. The case in point which she was referring to, a lot of you would have been watching *Netflix* and you pay for *Netflix* through your credit card. That money is paid to *Netflix*, but they do not actually pay any taxes in Fiji. It is a very global issue. Fiji is actually a small fry in all of these and at this point in time, the point of difference between that and this is very different.

When we introduced this levy last year, Mr. Speaker, Sir, again, the whole point was to be able to try and gain some revenue for our Trust Fund. We have been communicating with mobile phone companies; Vodafone, Digicel and Telecom Fiji Limited (TFL), and in fact, FINTEL also could be part of this, where they have agreed to increase the amount of money. They will pay 2 percent of the gross turnover towards this levy and we have discussed with them that 0.5 percent will go specifically towards developing telecentres, et cetera, which gives us continuous flow of income. It is completely different to what Honourable Tabuya is saying and, of course, some of the larger countries are dealing with this.

At this point in time, we would actually like to attract *Google* to Fiji. We would like to attract business from those kind of multinational corporations. This is the reason why the Honourable Prime Minister agreed to move our Trade Commission from Los Angeles to San Francisco.

San Francisco is where you have the Silicon Valley. There are a lot more opportunities for our businesses and, in fact, for our ability to gain inroads into the Silicon Valley. We have a young population, who are very technologically savvy. There are things like coding, et cetera but, unfortunately, prior to COVID-19, we were in discussions with a couple of people from the Silicon Valley to develop courses at Fiji National University (FNU) to teach our young people coding, so that they can actually provide services to those companies without necessarily having to move to the Silicon Valley. That is the new way of doing business. We would like to develop more relationships with those types of organisations.

We were in Bangladesh last year, Samsung, for example, when they developed all those Apps, et cetera, they do it during the day and at night time, they send whatever they have developed to Dhaka, the capital of Bangladesh. All those young Bangladeshis are sitting the whole night trying to troubleshoot, so that they can fix up the issues. So by the time they go to sleep, they send it back to Seoul or wherever in Korea where Samsung is based, and they start working on it too. That is the opportunity we see for our young people and we hope to further that once this pandemic is, sort of, out of the way.



But I would like to thank your support for this and I would like to urge all Honourable Members because this will actually help us to connect those who are unconnected. I would like to also, Mr. Speaker, Sir, acknowledge the support and the endorsement by the telecommunications companies. Thank you very much.

HON. SPEAKER.- I thank the Honourable Attorney-General. Honourable Members, the Parliament will now vote.

Question put.

Motion agreed to.

[A Bill for enact to amend the Telecommunications Act 2008 (Bill No. 27/2020), enacted by the Parliament of the Republic of Fiji. (Act No. .... of 2020)]

HON. SPEAKER.- Honourable Members, I now call upon the Honourable Attorney General and Minister for Economy, Civil Service and Communications to move his motion. You have the floor, Sir.

### **FIJI NATIONAL PROVIDENT FUND (BUDGET AMENDMENT) BILL 2020**

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, pursuant to the resolution of Parliament on Wednesday, 29th July, 2020, I move:

That the Fiji National Provident Fund (Budget Amendment) Bill 2020 (Bill No. 28/2020) be debated, voted upon and be passed.

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

HON. SPEAKER.- I now call on the Honourable Attorney-General to speak on his motion.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, there are two aspects to this particular Bill. One of them, of course, is to address the reduction of the FNPF contribution from the 10 percent to the 5 percent and the 8 percent to the 5 percent, and the continuation of that for an additional 12 months. The second aspect, Mr. Speaker, Sir, I think this is very important because it would affect over 400,000 active members of FNPF.

We have been in consultations, of course, we have been receiving a lot of public feedback and so is FNPF. At the moment, the Pension Scheme is very inflexible and if I could elaborate, once a person turns 55 or, for example, when a person becomes medically incapacitated and they are able to access all of their funds, or when someone becomes a beneficiary under the FNPF because the principal has died and they have now received the sum, or when a person turns 55 years or when they wish to, sort of, say, "Alright, I now want to access my funds" and because some people continue to be members of FNPF even after 55 years, they can opt to take out their entire retirement savings. In other words, they can do their entire lump sum withdrawal, they take it all out and that is it, or they can opt to purchase a life or a term annuity product (that is the pension), or they can opt for a combination of both, in other words, part lump sum payment and part pension for life or term.

If you say for life and say I want to be paid for the rest of my life, they will calculate the amount you get until you die. If you do a joint, in other words, you do it with your spouse, then he or she gets continued to get paid after that too, or you can say, "I want it for a term - a term pension", then you can get it for five years, 10 years or 15 years. Some people will say, "Look, I do not think

I will live past the next 10 years so I want to enjoy my pension. I want it for the next 10 years.” So they calculate and they pay that out to you.

Now, once you choose those options, you can either actually change it, you are locked into it. Obviously, if you have withdrawn all your funds, you have withdrawn and there is no more. If you go on for term, you go on for term and there is a set amount. If you go on for your annuity, then you get a particular period, and that is what you are locked in for.

This new product will be called the drawdown account, will be an additional retirement income product, giving the FNPF members an additional option to choose from, and this has been signed off by the Actuary for FNPF which is Australian-based and, indeed, approved by the FNPF Board. As I have said that because it does not give you the flexibility because there are some people, for example, once they get on a pension, assuming three years later they want to go overseas for medical treatment, they cannot get a lump sum payment, so they are locked into that. Assuming they may want some additional amount of money, maybe they want to help their child or whatever the case may be, they are locked into it because now they are receiving only the fixed amount.

I will give an example. If I turn 55 years, I have a balance of \$100,000 in my FNPF account, I decide to then purchase a single life annuity product which means I take out a single life pension, my pension entitlement would be calculated in accordance with the Act which mandates an annuity conversion rate of 8.7 percent for 55 years age-based pensioner. This means that I would consistently receive a monthly pension of \$725 for the rest of my life. But if I need to take out more money for medical expenses or whatever to withdraw the balance of my \$100,000 savings, at some point in time, I would not be able to do so because that is the three products.

Now, what we want is, of course, the flexibility. The drawdown account, Mr. Speaker, Sir, would allow holders to receive a regular income from their accumulated savings in a manner that releases capital, as well as earn investment return which allows them to withdraw. What it can mean is that, for example, if I turn 55 years and I then say, “I want my balance to be put in this drawdown account”, the drawdown account then will actually accumulate interest. And then I may say that I want to be on a pension, for example, on annuity for the next 10 years.

But in between if I want to go and withdraw \$30,000, I will be allowed to do so, it gives you that flexibility. So the Actuaries have actually signed off on it, so the drawdown account holders will earn interest rate at the same rate as the FNPF members, the interest rate for the drawdown account will be the same as the credit rating for FNPF members accounts and this simply means that the interest rate they claim to FNPF members will also be declared with the balances of those with the drawdown accounts.

For the last financial year, the interest rate was 5 percent. The FNPF members enjoyed the distribution of the interest, and the drawdown account holders and all those will also enjoy the same going forward, Mr. Speaker, Sir. So, essentially Mr. Speaker, Sir, what it does, it gives the pensioners themselves the opportunity to be able to get that flexibility built into their savings and they have accumulated up to the age of reaching 55 years.

In fact, I have got the statistics here, there are about 41,000 people at this point in time, who are over the age of 55 years but have not accessed their FNPF accounts. They have continued to work, or they have decided not to touch it all, so these people can also enjoy the benefit of this new product. There is about another 400,000 soon-to-be pensioners, ranging from the age of 16 years all the way up to 55 years, who also can enjoy this particular product.

So, this Amendment, Mr. Speaker, Sir, seeks to allow that flexibility to our would-be pensioners or people who want to drawdown their accounts by unveiling a fourth new product that will be available to the pensioners. Thank you, Mr. Speaker.

HON. SPEAKER.- I thank the Honourable Attorney-General. Honourable Members the floor is now open for debate on the motion. Does anyone wish to take the floor?

There being no one wishing to take the floor, I give the floor to the Honourable Attorney-General and Minister for Economy.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. I would like to thank the Honourable Members for their support. This will be very good for those people who are members of the FNPF. Some of you are soon to retire too, so it gives you that flexibility in respect of your funds that you can access. So, I thank you for your support. Thank you.

HON. SPEAKER.- Honourable Members, Parliament will now vote.

Question put.

Motion agreed to.

[A Bill for enact to amend the Fiji National Provident Fund Act 2011 (Bill No. 28/ 2020), enacted by the Parliament of the Republic of Fiji (Act No. ....of 2020)]

HON. SPEAKER.- Honourable Members, I now call upon the Attorney-General and Minister for Economy, Civil Service and Communications to move his motion. You have the floor, Sir.

### **BUSINESS LICENSING (REPEAL) BILL 2020**

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, pursuant to the resolution of Parliament on Wednesday, 29th July, 2020, I move:

That the Business Licensing (Repeal) Bill 2020 (Bill No. 29/2020) be debated upon, voted upon and be passed.

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

HON. SPEAKER.- I now call on the Honourable Attorney-General to speak to his motion. You have the floor, Sir.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, as announced in the Budget on 17th July, 2020, we are now abolishing the Business Licensing regime to make it easier for ordinary Fijians to do business and, of course, other people coming into Fiji too. It has, of course, been part of our Colonial heritage, the business licensing system has proven too, of course, to be quite lengthy and, indeed, quite bureaucratic. There is no doubt, quite a lot of improvement had been carried out in respect of the time it used to take for business licences to be approved. We found that at one point in time certain Municipalities used to actually ask for an application fee on top of the business licence fee.

However, Mr. Speaker, Sir, as we have seen in many of the developed economies, in particular those who are quite high up in respect of ease of doing business, like New Zealand, they have actually removed the business licensing requirement. However, the focus will be on people to

register their business. So, even if I want to open up Siteri's Cleaning Services, Siteri simply has to register the business, the business name or if she has got limited liability, she registers that and off she goes and starts her cleaning business. She does not have to go to the municipal council or anywhere else. If someone wants to start up Johns Clothing, they will simply need to register. Of course, everyone has to have a tax number and then they start off their business.

As highlighted in the Budget though, there are certain areas where you will need further approvals. There are some high risk areas, like they have in New Zealand. If you want to open Sunita's Restaurant, then Sunita simply cannot go off and start her restaurant, because the Ministry of Health Officials will need to make sure that she complies with the health regulations. She cannot be cutting the meat on the floor. So those are the types of areas where you have intervention. Another example would be someone selling in different parts of the town, he or she simply cannot just go and say "I no longer require a business licence, so I can go and sell in the middle of the roundabout." You obviously cannot do that because there are certain regulations around that. However, of course, if you want to start off a business in a shop or anywhere else, you can do that.

Mr. Speaker, Sir, the other point I also wanted to highlight is that, there has also been a coordinating effort through the Ministry of Commerce, Trade and Tourism in respect of making sure that we get approvals done really quickly. As announced in the Budget also that any of the businesses or any initiatives that will attract the incentives that we have announced in the Budget, for example, tax incentives, we will work closely with the Ministry of Economy and FRCS to hold hands together to get those developments up and running.

As a way of offsetting some of the revenue loss for Municipal Councils because some of them have actually made a little bit of money for their operating expenses through business licence fees, such as in small towns like Tavua, et cetera, we have allocated \$200,000 in the Budget to help them supplement their loss of income, at least, for a period of time.

Mr. Speaker, Sir, the Business Licensing (Repeal) Bill 2020 seeks to repeal the Business Licensing Act 1976 to abolish the system of licensing of businesses from 1st August, all of which Mr. Speaker, Sir, is quite historic. Tomorrow, we will mark the end of Fiji's business licensing regime. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Attorney-General. The floor is now open for debate on this motion.

There being no one wishing to take the floor, I call upon the Honourable Attorney- General to speak in reply. You have the floor, Sir.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. I have nothing further to add. Thank you.

HON. SPEAKER.- Honourable Members, Parliament will now vote.

Question put.

Motion agreed to.

[A Bill for an Act to repeal the Business Licensing Act 1976 (Bill No. 29/2020), enacted by the Parliament of the Republic of Fiji. (Act No. .... of 2020)]

HON. SPEAKER.- Honourable Members, I now call upon the Honourable Attorney-General and Minister for Economy, Civil Service and Communications to move his motion. You have the floor, Sir.

**FIJIAN COMPETITION AND CONSUMER COMMISSION  
(BUDGET AMENDMENT) BILL 2020**

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, pursuant to resolution of Parliament on Thursday 30th July, 2020, I now move:

That the Fijian Competition and Consumer Commission (Budget Amendment) Bill 2020 (Bill No. 30/2020) be debated, voted upon and be passed.

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

HON. SPEAKER.- Honourable Members, I now call on the Honourable Attorney-General to speak on this motion. You have the floor, Sir.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. As we discussed earlier this morning and also discussed in the Budget, we have made a number of announcements over 1,600 line items, where the duties have either been completely eradicated or reduced quite significantly. Of course, we have STT and stamp duty being removed.

However, Mr. Speaker, Sir, as we have seen previously on a number of occasions when we have reduced duties quite significantly, the reason for doing so is to ensure that, that reduction in duty is passed on as a reduced price to the end-user or the end-consumer. So the consumer must actually benefit from that reduction in duty.

Unfortunately, as also highlighted a number of times, a number of businesses - given the way that the market structure is in Fiji, a lot of the products in Fiji are imported only by one particular company or what we call a sole agency. If you go to a number of other jurisdictions, like Australia and New Zealand, you will not actually find, for example, only one dealer for a particular brand of car, there are many importers of a particular brand of car. In Fiji, for example, there is only one dealer for a particular brand of car, so there is not much competition.

Similarly, we see this in various food items. Because there is only one importer or a sole agency, for example, bringing in a particular cereal, even though the duty on cereal was reduced, the price of cereal actually did not come down, notwithstanding the fact that the Fijian currency did not go down in value, that all other input costs actually did not go up at all. So despite that, the price still remain the same or in fact they increased it so they are eating a lot more of that and in the end, the intended recipient of that reduction (the consumer) did not get the benefit.

Mr. Speaker, Sir, I would like to table this Bill accordingly as already tabled, to ensure that businesses pass on this duty and tax reductions, we are proposing an amendment to the Fijian Competition Consumer Commission Act to establish an offence for businesses not to reflect duty and tax reductions in goods and services, and to empower FCCC to monitor the market and enforce this requirement.

We have actually ring-fenced it as we have said, for two years immediately after the reduction because eventually, we want the market to actually do what it does best which is competition. But for, at least, the first two years, FCCC can monitor these particular products and, indeed, we will urge them to publish the pricing of these goods so you know what is actually happening.

Mr. Speaker, Sir, this offence is actually similar to the current offences under the Customs Act 1986 and the Valued Added Tax 1991, which are monitored and enforced by FRCS. However, Mr. Speaker, Sir, given the realities in the market and given the market information and intelligence gathering that FCCC does, in any case which is a normal part of its work, they are better suited for monitoring and enforcing this particular policy.

Therefore, Mr. Speaker, Sir, the Fijian Competition and Consumer Commission (Budget Amendment) Bill 2020 seeks to amend the Fijian Competition and Consumer Commission Act 2010, to ensure that the duty and tax reductions are felt and experienced by the ordinary Fijians, and to allow FCCC to effectively monitor these prices. This is actually quite simple. I mean, in the same way, for example, I just want to highlight that we actually have protection for tinned fish because we actually do canning of tinned fish. Some of it is sold, but a lot of it is exported.

However, what we have done, Mr. Speaker, Sir, we have taken a more nuance approach, so things like sardines or salmon and other types of fish that we actually do not can in Fiji, they have been reduced to 5 percent. But the ones that we actually do can, they have been given a comparative advantage by having a 32 percent protection against it. So next time when you go to the supermarket, the price of sardines and the salmon must come down because the duty rate has been reduced from 32 percent to 5 percent.

I was not in Parliament but I know Honourable Qereqeretabua had raised some issues that because of the reduced duty, maybe the bad tinned fish would come in, but that is where the monitoring is taking place. The Ministry of Health and Ministry of Commerce, Trade and Tourism looks at things like standards, and they look at the goods that come into Fiji. For example, there is now a regulation in place that should you bring in food items that has none of the ingredients stated in the English language, it must be stated in the English language because we must know what we are consuming. Those kind of safeguards are already built into the law and that is the type of protections we have.

I was quite astounded when one of the lawyers from the law firm that they use, put on their *Facebook* page and said that the Minister, naming me in person, saying that if he wants the price to come down, then maybe he should go and sell the hairdryer himself. It was a hairdryer, of course, he did not mention food. "If he wants the price to come down at the local hotels, then he should go and mix the cocktail himself". It is really preposterous and quite stupid actually to make those kind of comments because we want this to be actually passed on to the ordinary consumer, we want the market to be a lot more robust.

Ultimately, as a philosophy, we do not actually want to do price control if there is enough competition. But because the ground reality in Fiji is such that we have monopolistic positions, duopolistic positions and we have had, in the past, curtailing, so we need to have FCCC to be able to ensure that, that does not happen; that companies can go off and make their profits but our philosophy has always been, Mr. Speaker, Sir, lower margin, higher turnover - sell more goods and you will make a lot more money.

In the same way, for example, if you are going to import a showerhead, you need to have a good price on it so ordinary Fijians can buy the new showerhead. Do not make it so expensive that only the rich people afford it. We do not want people from low income families to be recycling nails.

In the same way we want our people to be able to ensure that if we have zero-rated duty on almonds and various other products, we want them to be able to buy those products. So FCCC is being empowered to do so, so it is critically important to ensure not only the passing on of the of

reduction duties, but also to create much better competition in the market. Thank you, Mr. Speaker, Sir.

HON. SPEAKER.- I thank the Honourable Attorney-General and Minister for Economy. The floor is open for anyone who wishes to take the floor.

Since no one wishes to take the floor, Honourable Attorney-General, I give you the floor for your Right of Reply.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, I have nothing further to add. Thank you.

HON. SPEAKER.- Honourable Members, Parliament will now vote.

Question put.

Motion agreed to.

[A Bill for an Act to amend the Fijian Competition and Consumer Commission Act, 2010 (Bill No. 30/2020) enacted by the Parliament of the Republic of Fiji. (Act No.....of 2020)]

### **PRESENTATION OF PAPERS AND CERTAIN DOCUMENTS**

HON. SPEAKER.- Honourable Members, I now call upon the Honourable Attorney-General and Minister for Economy, Civil Service and Communications to table his Reports.

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

- (1) Third Quarter Appropriation Statement for the period 1st February, 2020 to 30th April, 2020;
- (2) Office of the Auditor-General Report on the Performance Audit on the Administrative and Management of the Bus Fare Assistance through E-ticketing for the School Children, Disabled and the Elderly;
- (3) 2019 Fiji Development Bank Annual Report; and
- (4) 2017-2018 Fiji Corrections Services Annual Report.

(Reports handed to the Secretary-General)

HON. SPEAKER.- Honourable Members, under Standing Order 38(2), I refer the following Reports to the Standing Committee of Public Accounts, the:

- (1) Third Quarter Appropriation Statement for the period 1st February, 2020 to 30th April, 2020; and
- (2) Office of the Auditor-General Report on the Performance Audit on the Administrative and Management of the Bus Fare Assistance through E-ticketing for the School Children, Disabled and the Elderly;

Under Standing Order 38(2), I refer the 2019 Fiji Development Bank Annual Report to the Standing Committee on Economic Affairs.

Under Standing Order 38(2), I refer the 2017-2018 Fiji Corrections Services Annual Report to the Standing Committee on Justice, Law and Human Rights.

Honourable Members, I now call upon the Honourable Minister for Infrastructure, Meteorological Services, Lands and Mineral Resources to table his Reports. You have the floor, Sir.

HON. J. USAMATE.- Mr. Speaker, Sir, in accordance with Standing Order 38, I present to Parliament the 2015–2017 Ministry for Infrastructure and Transport's Annual Reports.

HON. SPEAKER.- Please, hand the Reports to the Secretary-General.

(Reports handed to the Secretary-General)

HON. SPEAKER.- Under Standing Order 38(2), I refer the 2015-2017 Ministry of Infrastructure and Transport Annual Reports to the Standing Committee on Social Affairs.

Honourable Members, I now call upon the Minister for Commerce, Trade, Tourism and Transport, the Honourable Faiyaz Koya, to table his Reports.

HON. F.S. KOYA.- Thank you, Mr. Speaker, Sir.

Mr. Speaker, Sir, in accordance with Standing Order 38, I present the following Reports to Parliament:

- (1) 2017-2018 and 2018-2019 Investment Fiji Annual Reports; and
- (2) 2017-2018 Consumer Council of Fiji Annual Report.

HON. SPEAKER.- Please, hand the Reports to the Secretary-General.

(Reports handed to the Secretary-General)

HON. SPEAKER.- Under Standing Order 38(2), I refer the 2017-2018 and 2018-2019 Investment Fiji Annual Reports to the Standing Committee on Economic Affairs.

Under the Standing Order 38(2), I refer the 2017-2018 Consumer Council of Fiji Annual Report to the Standing Committee on Social Affairs.

Honourable Members, I now call upon the Minister for Forestry, the Honourable Osea Naiqamu, to table his Reports. You have the floor, Sir.

HON. O. NAIQAMU.- Mr. Speaker, in accordance with Standing Order 38, I present the 2014 and 2015 Annual Reports for the Department of Forestry.

HON. SPEAKER.- Please, hand the Reports to the Secretary-General.

(Reports handed to the Secretary-General)

HON. SPEAKER.- Under the Standing Order 38(2), I refer the 2014 and 2015 Annual Reports for the Department of Forestry to the Standing Committee on Natural Resources.



## ADJOURNMENT

HON. SPEAKER.- I now call on the Leader of Government in Parliament to move the adjournment motion. You have the floor, Sir.

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

That Parliament adjourns until Monday, 31st August, 2020 at 9.30 a.m.

HON. A.A. MAHARAJ.- Honourable Speaker, Sir, I beg to second the motion.

HON. SPEAKER.- Honourable Members, the Parliament will now vote.

Question put.

Motion agreed to.

HON. SPEAKER.- Honourable Members, I thank you for your contributions to the Budget process and I congratulate you all for the passing of the 2020-2021 National Budget.

I reiterate the advisory from the Ministry of Health with respect to the lifesaving measures and protocols that are in place nationwide. The war against COVID-19 is far from over, therefore, I urge all Honourable Members and all those watching the live proceedings that we must adhere to the measures and the protocols.

Honourable Members, on that note, the Parliament is adjourned until Monday, 31st August, 2020 at 9.30 a.m.

The Parliament adjourned at 12.10 p.m.