

PARLIAMENT OF THE REPUBLIC OF FIJI



PARLIAMENTARY DEBATES

DAILY HANSARD

FRIDAY, 22ND OCTOBER, 2021

[CORRECTED COPY]

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FRIDAY, 22ND OCTOBER, 2021

The Parliament resumed at 10.13 a.m. pursuant to notice.

HONOURABLE SPEAKER took the Chair and read the Prayer.

PRESENT

Hon. Josia Voreqe Bainimarama, Prime Minister and Minister for iTaukei Affairs, Sugar Industry, Foreign Affairs and Forestry
Hon. Aiyaz Sayed-Khaiyum, Attorney-General and Minister of Economy, Civil Service, Communications and Housing and Community Development
Hon. Lt. Col. Inia Batikoto Seruiratu, Minister for Defence, National Security and Policing, Rural and Maritime Development and Disaster Management
Hon. Parveen Kumar Bala, Minister for Employment, Productivity, Industrial Relations and Youth and Sports
Hon. Rosy Sofia Akbar, Minister for Women, Children and Poverty Alleviation
Hon. Dr. Mahendra Reddy, Minister for Agriculture, Waterways and Environment
Hon. Cdr. Semi Tuleca Koroilavesau, Minister for Fisheries
Hon. Faiyaz Siddiq Koya, Minister for Commerce, Trade, Tourism and Transport
Hon. Jone Usamate, Minister for Infrastructure, Meteorological Services, Lands and Mineral Resources
Hon. Dr. Ifereimi Waqainabete, Minister for Health and Medical Services
Hon. Premila Devi Kumar, Minister for Education, Heritage and Arts and Local Government
Hon. Alexander David O'Connor, Assistant Minister for Health and Medical Services
Hon. Veena Kumar Bhatnagar, Assistant Minister for Women, Children and Poverty Alleviation
Hon. Vijay Nath, Assistant Minister for Infrastructure, Transport, Disaster Management and Meteorological Services
Hon. Alvick Avhikrit Maharaj, Assistant Minister for Employment, Productivity, Industrial Relations, Youth and Sports
Hon. Alipate Tuicolo Nagata, Assistant Minister for Employment, Productivity, Industrial Relations and Youth and Sports
Hon. Jale Sigarara, Assistant Minister for Agriculture and Maritime Development
Hon. Viam Pillay, Assistant Minister for Environment and Rural Development
Hon. George Vegnathan, Assistant Minister for Sugar Industry
Hon. Selai Adimaitoga, Assistant Minister for iTaukei Affairs
Hon. Mitieli Bulanauca
Hon. Mosese Dreca Bulitavu
Hon. Viliame Rogoibulu Gavoka
Hon. Dr. Salik Ram Govind
Hon. Anare Jale
Hon. Ro Teimumu Vuikaba Kepa
Hon. Sanjay Salend Kirpal
Hon. Inosi Kuridrani
Hon. Virendra Lal
Hon. Dr. Ratu Atonio Lalabalavu
Hon. Mikaele Rokosova Leawere
Hon. Ratu Suliano Matanitobua
Hon. Osea Naiqamu
Hon. Joseph Nitya Nand

Hon. Sachida Nand
Hon. Ratu Tevita Navurelevu
Hon. Professor Biman Chand Prasad
Hon. Lenora Salusalu Qereqeretabua
Hon. Adi Litia Qionibaravi
Hon. Aseri Masivou Radrodro
Hon. Salote Vuibureta Radrodro
Hon. Simione Rokomalo Rasova
Hon. Jese Saukuru
Hon. Rohit Ritesh Sharma
Hon. Lynda Diseru Tabuya
Hon. Lt. Col. Pio Tikoduadua
Hon. Ro Filipe Tuisawau
Hon. Peceli Waqairatu Vosanibola
Hon. Tanya Waqanika

**NOMINATIONS FOR THE APPOINTMENT OF THE
PRESIDENT OF THE REPUBLIC OF FIJI**

HON. SPEAKER.- I now call upon the Honourable Prime Minister for his nomination. You have the floor, Sir.

HON. J.V. BAINIMARAMA.- Mr. Speaker, pursuant to Section 84(2) of the Constitution of the Republic of Fiji, I hereby:

Nominate the *Turaga na Tui Macuata*, Ratu Wiliame Katonivere to be appointed as the President of the Republic of Fiji.

HON. SPEAKER.- Thank you, Honourable Prime Minister for your nomination.

I now call upon the Honourable Leader of the Opposition for his nomination. You have the floor, Sir.

HON. L.D. TABUYA.- Mr. Speaker, Sir, pursuant to Section 84(2) of the Constitution of the Republic of Fiji, it is my great honour to hereby:

Nominate the *Gone Marama Bale na Roko Tui Dreketi*, Ro Teimumu Vuikaba Kepa to be appointed as the President of the Republic of Fiji.

HON. SPEAKER.- Thank you, Honourable Whip, on behalf of the Honourable Leader of the Opposition.

Honourable Members, there being more than one nomination, we shall now proceed with the casting of votes by ballot. Each Member will receive a ballot paper on which the Member may write the name of the person proposed for whom the Member wishes to vote and fold the paper so that the name written on it cannot be seen by any other person.

**ACKNOWLEDGEMENT OF THE APPOINTMENT OF THE
PRESIDENT OF THE REPUBLIC OF FIJI**

HON. SPEAKER.- Honourable Members, I now call on the Chamber Attendants to give out

the ballot papers.

(Ballot papers distributed to Honourable Members)

Honourable Members, the Chamber Attendants will now come around to collect the ballot papers for counting at the Table by the Secretary-General. You can proceed.

(Ballot papers collected by Chamber Attendants)

Honourable Members pursuant to Standing Order 136(4), I now call on the representative on behalf of the Honourable Prime Minister and the representative on behalf of the Honourable Leader of the Opposition, to act as Scrutineers and to observe the count at the Table. Scrutineers, please, proceed to the Table.

(Honourable Maharaj and Honourable Tabuya, as scrutineers observed the count at the Table)

Honourable Members the results of the ballot are as follows:

Ratu Wiliame Katonivere	-	28
Ro Teimumu Kepa	-	23

Honourable Members, pursuant to Section 84(3) of the Constitution of the Republic of Fiji, I now declare Ratu Wiliame Katonivere, having received the votes of more than half of all Members present, appointed as President Elect of the Republic of Fiji.

(Acclamation)

Honourable Members in accordance with Standing Order 136(7), the ballot papers will now be destroyed and I now call on the Scrutineers to observe the process at the Table. Scrutineers, please, proceed to the Table so we can deal with this.

(Honourable Maharaj and Honourable Tabuya, as Scrutineers, observed the ballot papers being destroyed)

Honourable Members, at this juncture, I wish to convey, on behalf of Parliament, a warmest congratulation to Ratu Wiliame Katonivere, the new President Elect of the Republic of Fiji. On your behalf, I wish him the very best tenure as custodian of the Office of the President. I also take this opportunity to thank you, Honourable Members, for your participation in this very important constitutional process.

Honourable Members on that note, we will take a break and we will resume to deal with the rest of the Order Paper after morning tea. We adjourn.

The Parliament adjourned at 10.39 a.m.

The Parliament resumed at 11.13 a.m.

HON. SPEAKER.- I now call upon the Attorney-General and Minister of Economy, Civil Service, Communications and Housing and Community Development, to move his motion. You have the floor, Sir.

FJI INSTITUTE OF CHARTERED ACCOUNTANTS BILL 2021

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

That the -

- (a) Fiji Institute of Chartered Accountants Bill 2021 be considered by Parliament without delay;
- (b) Bill must pass through one stage at a single sitting of Parliament;
- (c) Bill must be immediately referred to the Standing Committee on Justice, Law and Human Rights;
- (d) Standing Committee must report on the Bill at the next sitting of Parliament; and
- (e) Upon presentation of the report on the Bill by the Standing Committee, the Bill must be debated and voted upon by Parliament at the next sitting of Parliament, but that one hour be given to debate the Bill with the Right of Reply given to me as the Member moving this motion.

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

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, just by way of introduction, the Fiji Institute of Accountants Act of 1971 was amended in May 1982 and in June 1997. The changes in the business environment and the developments within the accounting profession in the past 50 years have highlighted the need to review the Fiji Institute of Accountants Act and replacing the new legislation to align with today's legislation, practises and indeed international practises.

The Fiji Institute of Chartered Accountants Bill 2021, therefore, seeks to address the requirement of today's accounting profession in terms of registration and regulation and updates the categories and requirements for membership to the Fiji Institute of Accountants now referred to as the Fiji Institute of Chartered Accountants.

The Bill also seeks amongst other things to remove obsolete provisions from the law, such as the provision of licenced accountants, given that this term is no longer used. Instead, those who wish to be members of the Institute are registered according to their qualifications that correspond to the current categories for membership. There are chartered accountants, chartered accountants in public practice, chartered accountants in limited public practice, associate accountants, accounting technicians and fellows, and which in turn will entitle them to provide their accounting services accordingly.

Mr. Speaker, Sir, we have been working on this Bill for over two years and have had numerous consultations with the Fiji Institute of Accountants. In fact, Sir, we have had last minute consultations with them. There is a need to very quickly expedite the processing of this new Bill, given the lengthy discussions and consultations we have had. With the inclusion of the new categories of membership to the Institute, more persons will be able to practise in the accounting profession and will then be able to provide accounting services to more remote areas in Fiji; whether it is Korovou, Taveuni, Sigatoka, Tavua, Rakiraki, Rotuma, Kadavu or wherever the case may be.

At the moment, Mr. Speaker, Sir, there is a huge oligarchic situation where only the big four or five can do everything. Most of the accountants, for example, there are a lot of people who are referred to as bookkeepers, who are good bookkeepers, they cannot go and sign off on accounts. They are very good at it, this particular new law allows them to practice, allow small businesses to go and for example get their accounts or cash flows done.

The Fiji Development Bank (FDB) at the moment, Mr. Speaker, Sir, is inundated with applications from people who want to take advantage of the \$200 million loan concessional facility. It takes ages to do that because FDB on its own has to verify the cash flows and the accounts of the people who are submitting their applications. If you had accountants who are able to practise on their own, they would be able to verify these accounts and they would be able to sign off on these accounts, which means that FDB and other banks can rely on them because there will be professional responsibility. It is democratising, in fact, the accounting profession is providing services to ordinary Fijians who could pay probably pay a \$200 fee to get their cash flows and accounts done.

We are creating a level playing field and also Mr. Speaker, Sir, creating the right business and employment opportunities. It will also mean that Micro-Small and Medium Enterprises (MSMEs) as I said, will be able to more readily and inexpensively access professional accounting services. Therefore, we can mainstream more MSMEs into the financial system, therefore, giving them access to credit more readily.

The reason, Mr. Speaker, Sir, as we have talked with the accounting profession, in fact I just spoke to the President again this morning and they are very excited about this particular Bill being tabled in Parliament because they do want these reforms done fairly quickly. As an adjunct to this, Mr. Speaker, Sir, if you recall in the Budget, we had announced the BAF, a new organisation called the Business Assistance Fiji, where a lot of accountants can earn fees through BAF and where they can provide services to many small businesses. There are many people, for example, in the rural areas, landowning units wanting to get cash flows done, people who are farmers, et cetera, and they will be able to provide them with affordable services and thus, that is why this Bill is being presented today.

I urge Honourable Members to vote for this motion, so it can go to the Committee and the Fiji Institute of Accountants can come and make submissions to them and we will then be able to debate this Bill in the next sitting of Parliament.

HON. SPEAKER.- Honourable Members, the floor is now open for debate on the motion. At the end of the debate, we will have the Right of Reply from the mover of the motion.

Honourable Members, I give the floor to the Honourable Professor Prasad. You have the floor.

HON. PROFESSOR B.C. PRASAD.- I will not mind, Mr. Speaker, Sir, if Honourable Nawaikula went first but thank you, nonetheless.

Mr. Speaker, Sir, I know the Honourable Attorney-General talks about the content of the Bill and uses that to justify the urgency of Bill through Standing Order 51. As you know, we have always supported Bills where we felt it was urgent and needed to be approved, but just looking at the way these Bills come into Parliament, we just got the message last night that there is a Bill which is coming. We did not know what the Bill was and, of course, in response to one of the Members, the Honourable Attorney-General responded and when he talks about the content of the Bill, yes, I do not have a particular issue. Legislation always needs to be changed and improved on. He is giving the example of what might be needed by accountants to support what has been done by the Fiji Development Bank to help businesses, and that is all fine. Why are we rushing this Bill?

This is a very substantial Bill. The fact that it is going back to the Committee, yes, that is fine. It goes back to the Committee until the next parliamentary session, but the next parliamentary session, as you know, would be the opening of the new Parliament. I am not sure if the Parliament is going to be prorogued soon and if the Committees will actually be able to sit and deliberate on this Bill. The use and abuse of Standing Order 51 can be debated for a long time.

Most Parliaments use urgency provisions to look at Bills that need to be approved but we just want to make sure, Mr. Speaker, Sir, and reiterate our point that it appears that Government is sometimes drunk with some kind of legislative power. It is ironic that the Honourable Attorney-General talked about democratisation of the accounting profession, but what we have seen in this country is the opposite.

You look at all the professions, you want to control the lawyers, you want to control the accountants, you want to control the doctors, the nurses, the unions, you want to control all of them. It is ironic that he is talking about democratisation in this particular case of the Bill. We do not want monopolies, we do not want people to monopolise a particular profession, that is fine but we need more time. There is much more to this Bill, it is not supposed to be about control. So, Mr. Speaker, Sir, we oppose this abuse of Standing Order 51 in bringing Bills. It is also designed and we have seen that in the past, to reduce the time. In fact, when we have the debate, it will be just one hour, even after the Committee looks at it.

I have said this before, Mr. Speaker, that when we bring in new laws, it is not just what Parliament approves, I think we need a good debate in Parliament as well so that the people actually understand the implications or otherwise of the law, and the acceptability of a particular law depends on how much it is being debated. If we restrict time, and we have done that in many cases, Standing Order 51 has been used to sneak in laws that ultimately people find is quite damaging to the interest of some of those people which it is supposed to be looking after. So, we oppose the use of Standing Order 51 and we suggest that the Bill be referred to the appropriate Committee and we have a proper debate, not just a one-hour debate.

(Honourable Member interjects)

HON. PROFESSOR B.C. PRASAD.- You do not understand the meaning of Standing Order 51.

(Honourable Member interjects)

HON. PROFESSOR B.C. PRASAD.- We should have a proper debate in Parliament.

HON. SPEAKER.- I now give the floor to the Honourable Nawaikula. You have the floor, Sir.

HON. N. NAWAIKULA.- Mr. Speaker, Sir, the only reason why we are opposing the motion is because it is coming in under Standing Order 51. It is a good Bill. The law needs to be reviewed but it needs to be done in the usual process, not Standing Order 51.

Mr. Speaker, Standing Order 51 allows the Government to deny the constitutional and democratic right of every citizen to be part of the lawmaking process and it has been abused over and over again. The inclusiveness of that lawmaking process is clearly set out in Chapter 7, the introduction of the Bill, then it goes to the first reading, second reading that reference to the special committee.

The abuse of Standing Order 51, as we have known, through our experience is that, about 90 percent of the Bills now are coming under Standing Order 51 and it varies. Sometimes they table the Bill on Monday, debate it on Wednesday or Thursday and it is passed. At other times, like this one, they table the Bill and they give it to the Standing Committee to work only within one session and then it comes back to be debated for one hour.

That is not the usual process, and that is not what the Standing Order says. The Standing Order clearly says how you table the Bill and allow the democratic and constitutional right of every citizen to be part of that lawmaking and it is covered from Standing Orders 83 to 87. The Government should be serious; do we need that? It has been redundant for a long time. If you are serious, just take it away because 90 percent of the Bills are now coming under Standing Order 51.

HON. GOVERNMENT MEMBER.- It is allowed for.

HON. N. NAWAIKULA.- It is allowed for, for special reasons. The special reason is that, only in emergency; only during the debates where you have ancillary bills. It is not the usual process. The usual process is provided for in the Standing Orders. Do we want that to be part of the value of democracy? Do we want to live the value of democracy and to live the constitutional rights, or to be a dictatorship?

It is primarily a dictatorship where they are abusing even the Standing Orders. They are abusing, even their rights in Parliament to go with their own way, to be dictatorial in everything they do. That is the reason why we are opposing this.

HON. SPEAKER.- Honourable Usamate, do you wish to take the floor?

HON. J. USAMATE.- Mr. Speaker, Sir, I was not thinking of talking but I am thinking, let us get something clear. How democracy operates in this country - you vote your elected members into Parliament. The group that has the most number of members in Parliament, they have the votes and they can then run their agendas through Parliament. The other part of this democracy is that, we have the Standing Orders that are the rules of the game. If we are playing rugby, we use rugby rules. You cannot use softball rules when you are playing rugby.

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

HON. J. USAMATE.- So there is nothing here about erosion of democracy. Democracy under the Westminster system is defined by this. Every time the Honourable Member stands up and says there has been some sort of erosion of democracy. Absolute hogwash! This is how it is defined.

Now, the Honourable Member goes on and on about Standing Order 51 but at the same time, you look at the process that we are using here. A Bill has been debated and discussed by those who are the experts in this field for two years. For two years there has been discussions, not by lay-people like ourselves but people who understand and that Bill will be brought into Parliament and then it will go to the Standing Committee. They will also have an opportunity to talk about this. So, let us get something very clear, consultations have been extensive. The way that we do democracy in this country is defined by the Standing Orders and that is precisely what we are doing.

HON. SPEAKER.- Thank you. Honourable Bulitavu, you have the floor.

HON. M.D. BULITAVU.- Thank you, Mr. Speaker, Sir. I rise to give a short contribution to the Bill that is before the House. I will speak from the perspective of the Standing Committee. One of the benefits of having the Explanatory Notes in the Bills when they come to the Committee and also the executive stakeholders' consultation report that will be there that is presented to Cabinet, it helps and guides the Committee in identifying the submitters that are to make submissions. Given that the Committee has limited time, also under restriction of COVID-19 and also per policy by Parliament, Mr. Speaker, Sir, where the Committee is limited to movement around but we did on virtual. The notes that accompany these are really helpful and some of the checks that the Committee do from the Explanatory Notes, as explained by the Honourable Attorney-General, given that this particular Bill from the rural

community, I would say, most of those that are applying for the \$10,000 grant FDB loan and all other grants, they have difficulties in meeting the requirements, especially in getting the loan requirements like getting a cash flow, financials or getting their financials done.

Mr. Speaker, Sir, this particular Bill to me, enlarges the pool of those who are qualified accountants that could render their services to them and this will assist them greatly in their application. It will also remove the backlog that is there in the banks and also the other thing too, sometimes when there is only a monopoly of accountants in a particular town or city, they control all these businesses and their fees are very high. This will be equal to all and also provide an equal playing field for everyone.

Sir, from the Committees perspective, it comes to the Committee, I think the Committee will have ample time although we have prorogation for a month but the Bill, I think the mover of the motion will then move a time; adequate time might be given to the Committee to do its work and most of the work has been done. As I have said, the other work that the Committee will do from the tentative plan, it will sit down to look at the various areas of interest in the salient features of the Bill which the Committee will have to link up with the stakeholders and also the drafters of the Bill on some of the various issues arising. The Committee might seek further clarification for recommendations and drafting which I see from the Committee's perspective, just like the last Bill that we had done, the Climate Change Bill, it was before the executive government too for the last two years and this one too. So, it is really helpful in this time of COVID-19, especially when we do parliamentary work as Committee Members scrutinising a Bill.

HON. SPEAKER.- Thank you, Honourable Bulitavu. Honourable Members, there being no other Member wishing to take the floor, I give the floor to the Honourable Attorney-General to speak in reply. You have the floor.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. There are a number of issues that have been raised by the other side. Just by way of background, to clarify some of the information, the Secretary-General to Parliament raised, in fact, a flying minute yesterday evening after we notified her of our desire to table this Bill and it was sent to all the Business Committee members.

I would like to, perhaps, Mr. Speaker, Sir, for the advantage of everyone, read out the responses. Honourable Professor Prasad as he has just stated, he said, "This is at the height of dictatorship treating Members of the Business Committee as rubberstamps, expecting us to approve"

HON. L.D. TABUYA.- A Point of Order, Mr. Speaker. I am objecting on the basis that the dealings and what is discussed in the Business Committee is confidential, it should not be shared publicly.

HON. GOVERNMENT MEMBER.- What is your Point of Order? Which Standing Order?

HON. L.D. TABUYA.- It is not relevant for this proceedings and it should be held confidential. It should be a place, Mr. Speaker, where we are able to speak freely without the information being brought to the House and in public. If he could respect the sanctity of the Business Committee, it works both ways.

They wish to use the Business Committee for different purposes. For this one, Mr. Speaker, we need to protect the sanctity of the Business Committee and not share the information in order to further an argument from the Government side. Mr. Speaker, we appreciate if you could make a ruling on that.

HON. SPEAKER.- Thank you, Honourable Member. Honourable Attorney-General, you have heard the Point of Order, but you have the floor.

HON. A. SAYED-KHAIYUM.- Thank you, Sir. Honourable Members in NFP have always put up stuff in the Business Committee, this is in the sanctity of Parliament, not on social media.

Mr. Speaker, Sir, if I could read what Honourable Professor Prasad said, who actually has no objection (he is shaking his head in agreement):

“This is at the height of dictatorship treating Members of the Business Committee as rubberstamps, expecting us to approve something that is a blatant abuse of Parliamentary process and makes a mockery of democracy. The NFP rejects and condemns this façade (that is fine).”

Then Honourable Tabuya (and I think now I am kind of realising why she does not want me to read this) said and I quote,

“Good evening Saki, can we be informed of these Bills? Will they be debated and passed tomorrow also? Can these queries be answered before we make a decision on this flying minute, please?”

So I responded, similar to what I have just said, if I could, Mr. Speaker, answer some of the questions.

“Honourable Tabuya, thank you for asking. In short, we intend to table the Fiji Institute of Chartered Accountants Bill 2021. This will be the only Bill that we intend to table tomorrow. It will be tabled under Standing Order 51 to be referred to the appropriate Committee and for the Bill to be debated and voted upon at the next sitting of Parliament.

The Bill has been formulated after over two years of consultations with the Fiji Institute of Accountants and its members who, in turn, have responded to public needs. In fact, we would have tabled the Bill earlier but the Institute needed more time. Given the fact that already so much consultations have taken place and the fact that micro and small businesses need expeditious access to affordable and professional accounting services, especially in light of the \$200 million concession loan facility as announced in the Budget, we are tabling the Bill through Standing Order 51.

Members of Parliament and practising accountants have highlighted that more accountants need to be given the opportunity to set up their own practices, as opposed to the current oligarchic situation. This proposed law facilitates this objective. In fact, the Bill seeks to democratise the accounting profession and modernise it. We assure that right-thinking lawmakers would support such an initiative which has been arrived at through a highly consultative and rational process. We hope the above summary suffices.”

That was last night. This morning at 5.28 a.m., Honourable Tabuya says and I quote:

“Dear Honourable Attorney-General,

Thank you. Your explanation is noted, SODELPA approves of the flying minute.”

Mr. Speaker, Sir, obviously, I was somewhat shocked that Honourable Nawaikula obviously is objecting to this, but I just wanted to highlight some of the key issues in respect to this Bill and respond to it.

Honourable Professor Prasad said, I was a bit confused because he thought it was a good law and then he said that we want to control the accountants and lawyers. Mr. Speaker, Sir, there is no element of control here. If anything, Mr. Speaker, Sir, if he equates bringing in new international best practices and

giving more accountants the ability to set up their own practices in their own businesses, if he equates that to control, then I am guilty of it. There is nothing here that says Government is going to control the accountants, nothing here!

HON. GOVERNMENT MEMBER.- Hear, hear!

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, the legal profession too, we have set up an Independent Legal Services Commission like Australia, the State of Queensland, the State of New South Wales, where individual citizens can make and lodge complaints with an independent body. We know, Honourable Nawaikula would know this and other practising lawyers would know that we have had lawyers for decades in Fiji that have abused the fiduciary relationship that they have with their clients. Trust monies have gone missing. We have had two senior lawyers who were debarred for life after the Independent Legal Services Commission came into effect. No one complained about that. They are saying that is controlled, I am saying that is actually adherence to international standard. That is actually protecting ordinary Fijians from having their rights abused, by having a much better transparent system in place, where you do not have peers review complaints against their fellow members.

Mr. Speaker, Sir, again in the same way, I love the fact that they use this word “dictatorship” so readily. I do not think they actually understand but I know they rely a lot on *Google*. Dictatorship says, “rule, control or leadership by one person of total power with the absence without effective constitution limitations.” This Constitution provides a number of limitations which no one from this side has actually breached. That is what dictatorship means. Dictatorship means that there is no independent judiciary, no independent executive and no independent legislature. They use it like they are buying Chinese lollies from the shop, just like lollies, just use it whenever they feel like it.

(Honourable Member interjects)

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, the problem is, you rely too much on Richard, that is your problem. The person has got a chip on you shoulder, that is your problem, unfortunately.

(Honourable Member interjects)

HON. A. SAYED-KHAIYUM.- No, actually.

Mr. Speaker, Sir, I have an email here from the current President of the Fiji Institute of Accountants, Pravinesh Singh, who is a senior member of FNPF management. Honourable Bultavu highlighted this, the Committee will be seized of all these documents. In this email which is sent at 5.42 p.m. on 15th October states and I quote:

“I would like to provide background information on the review of the Fiji Institution of Accountants Act 1971 of the past years to the current situation. The Committee that started extended meetings during 2004, 2005 and 2006 to review a considerable number of proposals for possible amendments to the Act.”

Mr. Speaker, Sir, then in 2015, the Act and Rules Committee re-examined the amendments that had been proposed in 2006 and recommended to Council a number of additional amendments, this has been going on. In 2017, officials from the Office of the Solicitor-General reviewed the proposed amendments and clarified issues regarding changes to the Act and a draft Bill was supplied to the Institute early in July 2017. Since 2017 this process started. It has been going on and, Mr. Speaker, Sir, this is the result of it. They then in a kind of desperation said, “Oh, only one hour is given.”

Mr. Speaker, Sir, with the concurrence of the Honourable Prime Minister, we are happy to debate it for more than an hour, no problem, but let us debate it in the next sitting of Parliament. We are quite happy to remove the one hour. Mr. Speaker, Sir, as you have previously also allowed, should there be a lot of interest in a particular piece of law, you have given the extension of time. We are quite happy to do that, but we do not want to deny two groups of people fundamentally.

There are a lot of young accountants and also accountants who have been in practice for a long period of time who, at the current moment, because of the existing law cannot set up their own practices, they just simply cannot. They cannot provide those services, they cannot sign off on accounts because the way the existing law was drafted was a very closed shop. In the same way a number of other professions in Fiji are run by a very closed shop, even the pharmacies.

At the moment, there is a group of practising pharmacists who will actually tell you that if you want to open a pharmacy say, in Korovou, they will tell you whether you can go and open a pharmacy in Korovou or not. They dictate the rules. If I want to open a pharmacy in Rotuma or Vunidawa, they will tell me whether I can open it or not, and usually there is a conflict of interest. We are trying to bring about and liberalise the economy and liberalise the professions to bring better service to people.

HON. GOVERNMENT MEMBER.- Hear, hear!

HON. A SAYED-KHAIYUM.- Mr. Speaker, Sir, this new law will ensure all these young accountants or accountants who have been, what we call in Fiji “book keepers”. They may be very good book keepers, working for some provincial council, working for some hardware store wherever. They, at the moment, cannot go and set up their own practice. This will allow them to set up their own practice, this will allow them to set up their own businesses. It will also affect the second group of people.

Some person wants to start a new business or has started a new business. Now they will be making some money. They want to now go and get \$20,000 from FDB or wherever else it is. They do not know how to do their accounts. They will not have an accountant. They cannot afford to go and pay PricewaterhouseCoopers. They cannot afford to go and pay Ernst & Young or BDO or any of the big firms to sign off on it. That is why so many people are held back.

The Co-operatives cannot afford it. This will mean that these accountants, through the professional guidance that will be in this particular Bill and standards expected of them, will be able to sign off on those accounts, will be accounts that are signed off that FDB or whoever else or other banks can accept because they know, if I put my name to it, I have a particular standard to adhere to. The FDB will be able to rely on it. It will not take so long to process applications and that is the point. The FDB, at the moment, has stopped accepting applications because they have to go and verify every single financial that has been given to them themselves. If they had an accountant that could sign off on it, they would rely on that. It will check off the audit. In fact, the consultations for this Bill was also held with the Office of the Auditor-General.

The email, I did not read it because it was a very long one. They have also consulted the Office of the Auditor-General. So, Mr. Speaker, Sir, it affects two groups of people and these are ordinary Fijians who we want them to have access to these types of services. Let us take it to the people. By you opposing and delaying it, you are actually denying them access. He is saying that I am only talking about the contents, they are interested in the process.

Mr. Speaker, Sir, again, I said this the last time, for them consultation means only when it comes to Parliament. They are completely forgetting the fact that he is the President of the Institute of Accountants who has actually highlighted this started about four years ago. The process, the consultations started four years ago and it is a big win. In fact, I got a message from the President saying this is great

news for our members because a lot of people will now join. They will become fellows, that will have what we call “paralegal equivalents”.

So, what it does, Mr. Speaker, Sir, the urgency is there. If I accept, if there was only three months of consultations and we brought it to Parliament and said, “Let’s do it in the next sitting of Parliament, one hour debate,” I accept, it is too rushed. But here you have four years of consultations with the very people whose professions will be affected and new people being allowed, and they still object to it. They said, “process”; *areh*, the process started outside. This is not the only place where you actually do consultations.

Mr. Speaker, Sir, again the provision is there in the Standing Orders to follow the process which we have followed. They talk about process, the process is laid out which we followed. If we did not follow the process and tried to table something then obviously we are not following the process. We are following the process. So, logically, it does not make sense for them to say we are not following the process. Logically, it does not make sense for them to say no consultations.

In fact, this morning when I spoke to the President of the Institute of Accountants, I said to him, “Please, make sure when the Committee sits, you people go in and make your representation of what you have been doing for the past four years.” We encourage them to come before the Committee. Unfortunately, Mr. Speaker, Sir, this is the kind of conundrum that the Opposition is in.

Honourable Aseri Radrodro, I know in previous occasions has, in fact, mentioned the very thing that this Bill facilitates and he is shaking his head in agreement because there are many people who have actually missed out from setting up their own businesses and he knows very well being in that profession. So many people could provide the services overnight with the passing of this Bill and we have been empowering ordinary Fijians.

Mr. Speaker, Sir, I would please the Honourable Members to vote for this motion. I also urge the Committee to look at the documentation that also will be provided to the Committee. There is a lot of background to it, there is a lot of work being done regarding it. I would please also urge Honourable Members to put it into wider context that how this will be a very empowering and enabling legislation that this Parliament could actually very proudly say to ordinary Fijians that they have passed this new law to make their lives a lot more easier.

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

Question put.

Motion agreed to.

[Fiji Institute of Chartered Accountants Bill 2021 referred to the Standing Committee on Justice, Law and Human Rights under Standing Order 51 and reports back at the next sitting of Parliament]

INCREASE IN GOVERNMENT GUARANTEE – FIJI AIRWAYS

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, for the purpose of Section 145(1) of the Fijian Constitution and pursuant to Standing Order 131, I move:

That Parliament approves –

- (a) the increased Government guarantee to Fiji Airways borrowings by increasing the existing local approved guarantee from FJ\$191.1 million to FJ\$241.1 million and the offshore borrowings from US\$117.1 million to US\$142.1 million, with the total guarantee ceiling increasing from FJ\$455 million to FJ\$561.4 million valid until the guaranteed facilities are discharged or fully settled; and
- (b) that Fiji Airways be exempted from paying a guarantee fee.

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

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, I have a quite a bit of detail as this is the second time we will be providing the guarantee to Fiji Airways.

By way of background, with the recent issue of new shares, the Fijian Government is the majority shareholder of Fiji Airways, now holding 74.56 percent of the entire issued share capital. Other shareholdings in Fiji Airways is as follows:

- (1) Qantas Airways Limited - 24.04 percent;
- (2) Air New Zealand Limited - 1 percent;
- (3) Government of Kiribati - 0.14 percent;
- (4) Government of Tonga - 0.14 percent;
- (5) Government of Samoa - 0.06 percent; and
- (6) Government of Nauru - 0.05 percent.

Mr. Speaker, Sir, on 25th May, 2020, Parliament approved a motion to guarantee Fiji Airways borrowings consisting of a mix of domestic borrowings up to FJ\$191.1 million and offshore borrowings up to US\$117.1 million with a total limit of approximately FJ\$455 million valid for three years, effective from 30th May, 2020 to 30th May, 2023. Parliament also approved that Fiji Airways be exempted from paying a guarantee fee.

Subsequently, Mr. Speaker, Sir, on 27th May, 2021, Parliament approved a motion to amend the Parliamentary approval of FJ\$455 million Government guarantee to Fiji Airways to read and I quote:

“Parliament to approve that Government guarantee Fiji Airways borrowings consisting of a mix of domestic borrowings of up to FJ\$191.1 million and offshore borrowings up to US\$117.1 million with a total limit of approximately FJ\$455 million valid until the guaranteed facilities are discharged by the lender or fully settled.”

Also, Sir, on 27th May, 2021, the motion approved by Parliament included approval to pay a one-off fee of 15 percent on the FJ\$455 million Government guarantee limit provided to Fiji Airways.

Mr. Speaker, Sir, on 9th August, 2021, Fiji Airways had an extraordinary general meeting where it notified shareholders of the intent to raise equity of FJ\$200 million to raise cash to support itself through the COVID-19 pandemic period. The Fijian Government had a pro-rata entitlement of 24,170,428 shares at FJ\$4.22 which amounted to FJ\$102 million. This pro-rata entitlement was based on the existing shareholding percentage of the holdings of the different shareholders.

The Fijian Government subscribed for the 24.2 million shares by utilising the one-off fee owed by Fiji Airways as part of its contribution for those shares while the remaining FJ\$7.6 million was paid

for in cash. As you know that that is one of the budgetary allocations we had. This increased the Government overall shareholding from 51 percent to 74.56 percent.

Mr. Speaker, Sir, since the declaration of the COVID-19 pandemic in March 2020, Fiji Airways, of course, has been relentlessly working to ensure that it survives the pandemic and thrives once its international passenger service is resumed. The key priorities that have been stringently undertaken by Fiji Airways are as follows:

- (1) Like all the other airlines throughout the world, maintaining solvency for the duration of COVID-19 pandemic and beyond which encompasses maintaining adequate cash resources and positive shareholder equity.
- (2) Cash preservation and undertaking financing actions. The key cash preservation and financing actions already implemented by Fiji Airways, Mr. Speaker, Sir, include:
 - (i) suspension of all non-critical projects;
 - (ii) placement of all aircrafts into a storage programme;
 - (iii) downsizing the company's workforce to suit the operational requirements;
 - (iv) reduction in salaries of all remaining employees, ranging from 20 percent to 50 percent depending on days worked;
 - (v) operation of dedicated freight services;
 - (vi) operation of special repatriation and charter flights;
 - (vii) deferral of aircraft lease rentals and existing loan capital repayments;
 - (viii) re-profiling of debt existing prior to the COVID-19 pandemic (some of their loans have got extension of seven years); and
 - (ix) new loan facilities amounting to FJ\$362.9 million.

Mr. Speaker, Sir, these actions have reduced Fiji Airways' recurrent monthly fixed costs from FJ\$39 million to FJ\$25 million per month, a savings of about FJ\$14 million. This is not an uncommon position that has been taken by airlines throughout the world. As you know, closer to home, airlines like Air New Zealand had close to a billion dollars put into Air New Zealand by the taxpayers of New Zealand.

We, of course, chose the other path, which is providing guarantees as opposed to providing direct cash contribution to the airline. Many other airlines throughout the world, in fact, have had Government assistance where they have given them funding directly or loans have been guaranteed and, of course, many have gone out to the market. Some, of course, have closed down or have reduced significantly their operations.

Mr. Speaker, Sir, as we have highlighted previously, the recovery of the tourism industry in Fiji is hugely dependent on our ability to ensure Fiji Airways is actually operational. Fiji Airways, obviously, plays a vital role in the tourism sector in restoring of jobs for two thousands of unemployed Fijians as a result of COVID-19.

Mr. Speaker, Sir, as announced by Fiji Airways following the announcement by the Honourable Prime Minister on 10th October, they will start scheduled flights from 1st December, 2021, and we will actually start accepting tourists under various health protocol provisions from 1st December, 2021.

Mr. Speaker, Sir, I received, just this morning also some of the booking statistics that Fiji Airways and also some of the other hotel industry stakeholders have been receiving. I am sure many Members have already seen in the Australian media, front page of *The Australian*, et cetera, how the Australians are preferring to come to Fiji as opposed to going to other States in Australia. In fact, after the announcement was made and when the bookings increased, on some days Fiji Airways was receiving

about 1,500 bookings on a daily basis. Queensland has opened up its borders to other Australians to come and holiday there because they see Fiji as a competition.

Mr. Speaker, Sir, you would have seen in the local media, of course, depending on which one you read, about all the positive news that is coming out as a result of the bookings. Already, Sir, there are about 48,000 passengers are booked to fly to Fiji. Some of them are coming in early December, a lot of them are coming just before Christmas and a whole lot of them are coming post-Christmas.

Mr. Speaker, Sir, it is a great recovery that we are seeing and fingers crossed, God-willing that it will come to fruition. The point I wish to make is that, when the Honourable Prime Minister announced the changes to the travel-safe corridors from travel-safe countries, our ability to be able to say that tourists can come to Fiji from 1st of December would have been hugely undermined if we did not have a national carrier because as we saw that Qantas announced after the Honourable Prime Minister's announcement, that they will come in the third week of December or middle of December. Jet Airways said that they will come in the third week of December. Virgin Airways announced a few weeks later in December.

Our ability as a nation to be able to dictate and facilitate travel is only possible if we have a national carrier. The Honourable Prime Minister says that on 1st December tourists can come. The Fiji Airways national carrier says that their flights are commencing scheduled flights on 1st December. Imagine if we did not have a carrier, we would be subject to the whims and fancies and financial considerations of foreign airlines. On 1st December, we would have been sitting here twiddling our thumbs asking when the planes are going to fly, and Qantas would say, "Yes, alright mate, we will come around on 23rd December." That is what they will say and these are the airfares, that is what they will do.

This is giving control to ourselves as a sovereign nation and this is why I have said so many times, in fact I sit here in anguish when I hear the Opposition have a go at Fiji Airways. They do not look at the big picture, as a result of the announcement, I was in the Western Division over the past four or five days. We are seeing that hotels are re-employing people - we are seeing gardeners coming and cleaning the gardens in the hotels, chefs being brought back, people who are excited on the streets in Nadi so they can sell their coconuts to the tourists, ladies selling their handicrafts are getting all excited, they are borrowing money now to build up their stock pile so they can sell their handicraft to the tourists. Some of them, of course, have a business that is based on, not tourists but the hotel workers who work in hotels - when they come out from the hotels, they buy stuff from them. The ladies selling boiled *ivi* or the lady selling the *mithai* or whatever it is, the entire excitement and the entire industry is built around that, and that is what we need to understand.

Fiji Airways is now recruiting more flight attendants, more of the engineers are coming back to work - more people are being recruited all under the COVID- safe measures. The other side always talks about the fact that Fiji Airways has been given two international ratings, as the Honourable Prime Minister highlighted. It has a subsidiary company in the aviation academy. We are getting interest from American companies to book space in our 737 MAX Simulators because there are only 16 or 17 in the world. These MAXs are now flying - one of the favourite aeroplanes of the Honourable Prime Minister. Mr. Speaker, Sir, the fact of the matter is, the entire industry is built around that. We need to look at the big picture.

One of Tourism Fiji's booking partners in Australia has 22,600 bookings for 22,000 room nights in four days and there is more promotion, of course, still to come and we have provided the funding.

Mr. Speaker, Sir, Government guarantee update, of course, which I am obliged under law to bring to Parliament's attention. As at 31st July, 2021, Fiji Airways had a guaranteed utilised balance of FJ\$21.7

million. Fiji Airways has fully utilised its local guaranteed borrowings of FJ\$191.1 million and utilised US\$116.6 million of its offshore borrowings with a marginal unutilised sum of US\$0.5 million.

The facilities, Mr. Speaker, domestic borrowings are with FNPF, FDB, RBF, Export Finance Facility, ANZ Bank and Bred Bank. Offshore borrowings at DA Capital, Avalon, GCash, KfW, which is a German bank and ADB. The proposed increase to Fiji Airways Government guarantee, as part of its additional contingency financing actions, Fiji Airways targets the pursuit partial re-financing with the Fiji Airways Aviation Academy by FJ\$50 million. This would involve raising finance using the unencumbered aviation academy assets comprising the building and secondly, full flight simulators which is asset-based finance. Fiji Airways in discussion with the Asian Development Bank, to provide a US\$25 million asset-based loan with a 10-year term to the Academy Division based on the following security requirements.

Mr. Speaker, Sir, the breakdown as proposed is HFC Bank, Reserve Bank of Fiji which is under the Disaster Rehabilitation Containment Facility, 15-year term, FJ\$30 million. The Fiji Development Bank, Reserve Bank of Fiji, again, under Fiji Import Substitution and Export Finance Facility, term of 15 years, FJ\$20 million. The ADB, US\$25 million, secured loan facility funding for the Fiji Aviation Academy, a 10-year loan of US\$25 million which, in current exchange terms, is FJ\$56.4 million.

Mr. Speaker, Sir, in light of these, Fiji Airways requested an additional US\$25 million Government guarantee for its offshore borrowings from ADB and an additional FJ\$50 million for its local borrowings. Taking into account exchange rate fluctuations, the total proposed increase in Government guarantee for Fiji Airways amounts to FJ\$106.4 million. This financing is critically essential to ensure that Fiji Airways is well financed effectively to resume operations and spearhead Fiji's economic recovery.

Mr. Speaker, Sir, I encourage all Honourable Members of Parliament to support this particular motion. This is obviously now being a game changer, whilst the share price is about a little over \$4, if god-willing, with the pandemic now behind us or not being a pandemic in the way that it was, Sir, we can actually ensure that Fiji Airways will continue to grow, tourists will continue to come, the share value with Fiji Airways, of course, will increase and will continue to bring jobs into the Fijian economy. Therefore, Mr. Speaker, Sir, I just want Honourable Members to support this motion.

HON. SPEAKER.- I thank the Honourable Attorney-General. Honourable Members, the floor is now open for debate.

HON. RATU N.T. LALABALAVU.- Mr. Speaker, Sir, I rise to contribute to the debate on the motion tabled by the learned Attorney-General and Minister of Economy, that is, to increase the Government guarantee on Fiji Airways borrowing and details of that particular increase in the borrowing and the guarantee as well. Also, that Fiji Airways be exempted from paying of a guarantee fee.

Sir, before commenting on the substantive motion, I would like to make the following points. Sir, this august House, as usual, has been kind of hijacked by the Government to fast-track these two similar motions (and the one following), especially to do with the Fiji Development Bank and for different entities as well.

Sir, from the outset, we on this side of the House fully understand the impact these guarantees will have on the economy and as stated by the learned Attorney-General especially on the airline industry as well. Having said that, we are also concerned with the inconsistencies that they tend to apply to this situation, especially on the application of guarantee policies in terms of paying of the guarantee fee.

I would like to dwell a bit more on that in the hope that we are providing constructive criticism here, Mr. Speaker, Sir and we understand the good intentions but at the same time, it will be remiss of us as loyal Opposition, not to undertake our proper duty in carrying out this very consistent way of looking at the way the Government has badly managed or the airline has badly managed its financial plans, et cetera because of the number of guarantees by the same airline industry that has been brought forward to the House for endorsement. Sir, we are not here to simply rubber stamp motions put forward by the Government of the day but rather we would like to examine and give value-addition on the subject.

Sir, if I now turn to the substantive matter that is before the House, there are two issues that need further clarification and clarity. First, the guarantee facility is again open-ended with no specific timeframe and secondly, the exemption from the payment of guarantee fee. To fully appreciate these two critical and important issues, Sir, it is necessary to revisit some background information and salient features of the Fiji Airways guarantee, as highlighted by the learned Attorney-General. On 25th May, 2020, this august House approved the guarantee to Fiji Airways borrowing comprising a mix of domestic borrowing and offshore borrowing with a total limit of approximately FJ\$455 million, valid for a period of three years from 30th May, 2020 and more importantly, Fiji Airways be exempted from the paying of a guarantee fee. Yet the law, Sir, requires a guarantee fee to be paid by all entities for whom Parliament approves a Government guarantee. Again, on 27th May, this august House approved an open-ended guarantee facility for Fiji Airways until such time it is fully settled without any time limitation and Fiji Airways to pay fees of 15 percent of the FJ\$455 million guarantee.

Sir, concerns were raised by Members of this side of the House that there is no time limit on this guarantee, which means the Government will continue to carry this great risk. Government should consider other practical options, Sir, taking into account the crisis the nation faces due to the COVID-19 pandemic. There are clear signals, we will continue to have short-term supply chain problems and most importantly the price of crude oil, Sir. It will continue to rise which will put a lot of pressure on production resulting in price increases that will lead to an increase in the inflation rate.

Sir, we have seen the return of leased planes, so the claim that leased planes cannot be returned was plainly untrue. Despite the fact that people own 51 percent shares in Fiji Airways, the people have not been given the opportunity to review its annual reports because they are not easily accessible. They are not on the airline website and only available in Suva from the company's office on payment of their fee. If the airline reports were easily accessible then the people could have a better feel of the medium and long-term prospects for the company to appreciate the implications of an additional \$106.4 million to the existing open guarantee of \$4.55 million. Total contingency liability for Government is surely unprecedented in Fiji's history.

Sir, if these two guarantees are approved by this august House, it means that our contingent liability will increase from \$1.1 billion to \$1.286 billion which is an increase of about approximately \$186.4 million. This means, our total contingency liability will be hovering around approximately 12 percent of GDP, Sir. The latest report in the Ministry of Economy for 2020-2021 Financial Year released in September 2021 clearly suggests that the major risk associated with our contingency liability is with Fiji Airways and the Fiji Development Bank. Yet, despite the risk, Government continues to facilitate additional guarantees to the two institutions.

Again, Sir, the IMF Article 4 Staff Mission Report issued on 7th October, 2021 clearly suggests that the economy will continue to contract with accompanying rise in public debt to nearly 90 percent of GDP and the risk to the outlook are skewed and to the downside. Contingent liabilities have also surged during the pandemic as Government's extended guarantees to State enterprises. Sir, there is no room to manoeuvre or fiscal space to cushion against such risk.

On a positive note, Sir, despite the direct support from our generous neighbours Australia, New Zealand and the European Union of over \$250 million which should, at least, provide fiscal space to cushion against the impact of the pandemic through targeted investment to support growth and employment opportunity. Instead, Government have decided to give out almost \$200 million to drive consumption. There is no doubt, Sir, this guarantee will put more stress on our economy and will be very difficult to recover.

I believe that in the short-term, Government should consider other options and other necessary measures.

(Honourable Members interject)

HON. RATU N.T. LALABALAVU.- That is for your to find out.

(Honourable Members interject)

HON. RATU N.T. LALABALAVU.- We are telling you, go find the necessary measures to support Fiji Airways.

With regard to the waiver of the guarantee fee, Sir, when this House approved the open ended guarantee on 27th May, 2021, it also required that Fiji Airways pay a one-of guarantee fee of 15 percent of the total guarantee which is around \$68.5 million. Can the Honourable Minister inform this House whether this fee has been paid to the Government? The 15 percent fee charge is inconsistent with what is normally charged to guarantee loans to other state-owned enterprises or entities. There must be consistency, Sir, rather than favouring any particular entity. I regret, Sir, that we are not in a position to support the motion.

HON. SPEAKER.- I thank the Honourable Leader of the Opposition. I give the floor to the Honourable Professor Prasad, you have the floor.

HON. PROFESSOR B.C. PRASAD.- Thank you, Mr. Speaker. At the outset, I will state the position of the National Federation Party and, indeed, support the Honourable Leader of the Opposition that we reject this motion and we will not support it. The FijiFirst Government can brand us as playing politics, which they always do for being unpatriotic but let me put Fiji Airways issue in the context.

I know the Honourable Attorney-General only wants to talk about the context of the pandemic and what is happening to airlines, we all know that. But, before the pandemic, Mr. Speaker, Sir, like the economy, the profits that were showed by Fiji Airways included subsidies from the Government, from the taxpayers, not only the \$18 million on the Singapore route for three years, but also domestic subsidies to the subsidiary Fiji Link. I remember in a previous Parliament sitting, I did say to the Honourable Attorney-General, “What is your objective - to run an airline that you may not be able to afford or to bring a million tourists in this country?” I remember saying that in 2016 or 2017.

Mr. Speaker, Sir, this is a Government, look at their track record. They have destroyed the sugar industry, they have destroyed the dairy industry, they talked about mahogany, they talked about pine yet there is nothing to show because we were putting all our eggs in one basket, which is the tourism industry. The tourism industry is not an industry as if it only flourished because these people came into power. No, a lot of investments were made for the tourism industry and where it is now.

Mr. Speaker, Sir, does this motion and the one after this that we will consider, actually looks at Fiji's debt level in terms of our declining GDP? We need to seriously think, we all want tourists to come back, we all want our other sectors to grow, we all want our economy to bounce back but, Mr. Speaker,

Sir, we have to be realistic. We have to understand that for us to get back to the pre-COVID GDP is going to take a lot of hard work and a lot of time. That is why we have to be very careful with respect to

HON. GOVERNMENT MEMBER.- That is what we are doing.

HON. PROFESSOR B.C. PRASAD.- You do not know what you are talking about.

The Government debt report released lately shows that we have a combined debt of about 97 percent of GDP if we take direct domestic and overseas borrowings as well as contingent liabilities into account. I have seen detailed empirical studies which actually talks about Fiji's debt sustainability on the basis of international standards and it is quite precarious. The Honourable Leader of the Opposition did talk about the IMF warning.

With this guarantee and the one to follow, Government is pushing the nation into financial doldrums in some ways, and almost 100 percent debt to GDP at the end of current financial year by adding another \$186 million to contingent liabilities. Of course, Mr. Speaker, Sir, this will not be the last of the guarantees before the elections, not to mention the \$3.5 billion of Government debt owed to FNPF in short and long term bonds. I noticed that Government is going for long term bonds.

This Government, for the last 15 years, has treated FNPF like a cash cow. Instead of protecting and promoting social security, it has eroded the Fund's core objective by drastically reducing pension, destroying tripartism on the Board and by taking control of the Fund and it is actually milking it dry. Now, we might say that they are now milking dry the Fiji citizens, imposing upon every men, women and children a debt of over \$10,000 per Fijian. These are interesting ways to look at our debt burden. This could be their painful legacy after the next elections.

Mr. Speaker, the sad and unmistakable reality is that, the increased guarantee before us has no consideration whatsoever for our human resource; hundreds of workers terminated from their jobs without notice 17 months ago on 25th May, 2020. It is a motion, in my view, which is utilising the crockery, not to cook up a storm of a meal but one that actually smells like a dead rat which is totally non-transparent.

(Honourable Members interject)

HON. SPEAKER.- Order, order!

HON. PROFESSOR B.C. PRASAD.- Richard Naidu, Mr. Speaker, does not write my speeches. He needs to understand that.

(Honourable Members interject)

HON. PROFESSOR B.C. PRASAD.- I do not read speeches like you, Honourable Adimaitoga. I write my own speeches. I can actually speak without my notes.

(Honourable Members interject)

HON. PROFESSOR B.C. PRASAD.- Mr. Speaker, I can actually speak without these notes. She should understand that.

HON. SPEAKER.- Order!

HON. PROFESSOR B.C. PRASAD.- Mr. Speaker, it is almost like the same kind of cooking that they did when they talked about the unprecedented growth, the Bainimarama boom and when they could not cook the Bureau of Statistics' poverty data, they actually sacked the Chief Statistician. The international bodies have now written to the Honourable Prime Minister asking him to respect the integrity and authority of the Bureau of Statistics. I am not sure whether the Honourable Prime Minister is going to respond to that.

The plight of the workers, Mr. Speaker, part of a long history of locals who built the airline and its reputation were actually kicked in the gutter by those running the airline? We all know that Government endorsed this action claiming it was an act of God, necessitated by COVID which you got Parliament to legislate but the truth is, Government hid behind the pandemic to kick innocent, loyal, hardworking and honest workers in their guts. .

(Honourable A. Sayed-Khaiyum interjects)

HON. PROFESSOR B.C. PRASAD.- It is my language.

HON. A. SAYED-KHAIYUM.- It is not your language.

HON. PROFESSOR B.C. PRASAD.- Like you read the speeches written by some people as well.

(Honourable Member interjects)

HON. PROFESSOR B.C. PRASAD.- Let me also say this, Mr. Speaker, (this is all out in the news) when 400 cabin crew flight attendants took legal action and while Fiji Airways is now recruiting more staff, they are saying, "Oh, we cannot recruit you because you have a case in the court, so you withdraw that." I mean, they are forcing the workers to withdraw their case which they have a legal right to do so.

So, Mr. Speaker, the Fiji Airways staff were made redundant without notice, actually a few hours after we, in this Parliament approved the \$455 million guarantee for the airline to obtain loans. Not a cent, Mr. Speaker, of that loan that we guaranteed, many of them did not get redundancy payments. Whatever they got was not fair and many of them lost their livelihood. I remember going to the VotCity in Nadi. It was a sight looking at all these airline workers who had lost jobs. I do not know whether any of the Ministers went there to actually check and sympathise. I remember going with Honourable Qereqeretabua and Honourable Tikoduadua and we actually felt for the workers, Mr. Speaker, the pain and suffering that they went through.

Secondly, Mr. Speaker, I do not think we have had any transparency and accountability in the way Fiji Airways' affairs has been presented to us. In fact, the Honourable Attorney-General has consistently refused to bring in the annual report and have it presented in Parliament. We have said this many times, Mr. Speaker, and let me just put this in the context of a bigger issue.

As I said in the last session of Parliament or the one before that, I actually think that on average, if you look at the budget, the Government can do its own homework and reject this but on average, I think, Mr. Speaker, we have been wasting \$500 million a year between 2005 and 2020 in wastage, pilferage, mismanagement and you look at many of the promises that this Government made. Many of those cronies of the FijiFirst Party and some of them are donors of this FijiFirst Party...

(Honourable Members interject)

HON. PROFESSOR B.C. PRASAD.- ... actually benefitted from that.

(Honourable Members interject)

HON. SPEAKER.- Order, order!

HON. PROFESSOR B.C. PRASAD.- We need to

(Honourable Members interject)

HON. PROFESSOR B.C. PRASAD.- You know that. All of you know that.

HON. SPEAKER.- Order!

HON. PROFESSOR B.C. PRASAD.- All of you know that. The silent 25, you know that.

(Honourable Members interject)

HON. SPEAKER.- Order!

HON. PROFESSOR B.C. PRASAD.- This is why, Mr. Speaker, Sir, when we look at guarantees of this nature, it should not be camouflaged in the motions and what the Honourable Attorney-General is trying to do. We have to look at where we are in terms of our airline and I have seen reports, Mr. Speaker, Sir, done by some reputable valuers, and this is like in 2019. I want to quote directly what they said:

“In our opinion, a fair market value of the Air Pacific business is in the range of \$484 million to \$545 million as at December, 2019. The mid-point range is \$540 million.

In our opinion, a fair market value of 100 percent of the shares in Air Pacific is in the range of \$428 million to \$496 million as at 31st December, 2019. The mid-point range is \$462 million. Further, in our opinion the fair market value of the government shareholding is in the range of \$207 million to \$240 million as at 31st December, 2019. The mid-point range is \$224 million.”

So, Mr. Speaker, Sir, if you look at this valuation, Air Pacific trading as Fiji Airways is almost in a similar situation like the Fiji Sugar Corporation where if you look at the liabilities and the assets, you are insolvent in that sense.

The Fiji Development Bank through the Reserve Bank of Fiji provided \$75 million under the May 2020 Parliamentary guarantee as part of the \$455 million guaranteed by Parliament. However, Mr. Speaker, Sir, Fiji Airways asked for further funding and submitted a loan application of \$100 million well after the guarantee sum was approved as per terms of the motion tabled by Honourable Attorney-General and Minister of Economy on 25th May, 2020.

We know that the Fiji Development Bank actually wrote to the Reserve Bank of Fiji and the Governor, of course, responded to it, Mr. Speaker, Sir, and let me just read this for our record and I quote:

“Reference is made to a letter dated 8th June, 2020 advising of an application to the FDB by Air Pacific Limited trading as Fiji Airways for a loan facility of \$100 million under the ISEFF (Import Substitution and Export Finance Facility). We note that this follows the approval by Parliament for the issue of \$75 million Government guarantee to secure the requested funding through the FDB.

We therefore respond to the queries raised in your letter as follows:

- (a) Under Section 24 of the Banking Act 1995 and the related Banking Supervision Policy Statement No. 2 on Large Credit Exposures, we advise that the requested loan facility would be exempt from the 25 percent single exposure limit noting that a \$75 million Government guarantee is being issued for the facility. However, the balance of \$25 million must adhere to the limits under Section 24 for Unsecured Exposures to connected counterparties.”

Sir, what I want to ask the Honourable Attorney-General is, why did he not tell us this when he brought another motion in the last Parliament for us to extend the time limit of the guarantee? This is what we are saying, Mr. Speaker, that we need more transparency and accountability in terms of what Fiji Airways is doing.

HON. GOVERNMENT MEMBER.- You are going around in circles, that’s enough.

HON. PROFESSOR B.C. PRASAD.- To you, it might sound I am running in circles, but these are very important questions.

HON. GOVERNMENT MEMBERS.- You are.

HON. PROFESSOR B.C. PRASAD.- These are important questions that the Honourable Attorney-General must answer.

So, Mr. Speaker, it is very clear that Fiji Airways borrowed another \$25 million under RBF Disaster Rehabilitation and Containment Facility (DRCF) in July 2020. It was given a lifeline by RBF, or to bend the terms of the guarantee, to borrow an unsecured amount later to be added as a loan. The RBF facilitated this extra borrowing by sending out a form to Fiji Airways under its Disaster Rehabilitation and Containment Facility. So, why did not the Minister inform us? If that was the case, he should have informed Parliament when he moved that motion.

Mr. Speaker, Sir, we have to look at all these things in proper context. We have a Government which has continued to pile up debt, which has continued to increase the contingent liabilities and ...

(Honourable Member interjects)

HON. PROFESSOR B.C. PRASAD.- You did not understand the context before COVID-19. Go back to the context before COVID-19.

Therefore, Mr. Speaker, we cannot support this motion. The Government is not coming out very clearly as to what its plan is. It is all right to put out the booking numbers. Of course, everyone wants to get out and of course, we welcome tourists back to Fiji. But it is not taking away the situation of Fiji Airways and how the Government dealt with it before the pandemic and now what they are going to do in the future.

Mr. Speaker, Sir, there are a lot of questions and as I have stated, we do not believe anything that comes out from this Government in terms of the numbers because they have been cooking the numbers. They have been cooking the numbers before and when they cannot cook, they sack the guy who has done the numbers; that is what they have done. That is why, Mr. Speaker, we cannot support this motion.

(Honourable Member interjects)

HON. PROFESSOR B.C. PRASAD.- You are not the Speaker!

HON. SPEAKER.- Order, order! I now give the floor to the Honourable Nawaikula.

HON. N. NAWAIKULA.- Mr. Speaker, Sir, at the outset, let me say that we are opposing this motion, not because of the tourism industry but we disagree with the way that the Government and the executives of this company mismanaged money and this company or to use Honourable Professor Prasad's words, "wastage of money, pilferage of money, mismanagement of money."

HON. J. USAMATE.- Who stole the money?

HON. N. NAWAIKULA.- The Honourable Attorney-General stated, let me just correct this statement first. The recovery of Tourism Fiji depends on Fiji Airways. Totally wrong! I can tell you, wind up this company now, other airlines will come in, so it is wrong for them to say that the recovery of Tourism Fiji depends on Fiji Airways. Totally wrong! It is their ego. It is a national carrier. If the national carrier is not surviving, is not viable, what is the use of maintaining it. We have been giving money to the national carrier from the budget - \$455 million you borrowed and the company is not flying. The company is just sitting down. Some planes have been returned and they lie to us.

The Chief Executive of this company lied to us that the planes cannot be returned, but he has returned and you look at what they did to the workers. They said it was an act of God and for that reason, they terminated the workers. Why do you not tell the owners of this airways, Waqavuka Holdings, that it is an act of God, take back your planes because an act of God. Why should you use it to the workers and not to the owners of these planes who are Waqavuka Holdings, so that is totally wrong.

Another statement that was made by the Honourable Attorney-General, he said our ability to dictate travel depends on Fiji Airways. No! It depends on the market but that illustrates the problem that we have. The Honourable Attorney-General is a good salesman, good market salesman but he is a bad manager and we have experienced it. That is why the economy of this nation has been down to its knees. He can sell, sell, sell ideas and this is another one. This is another one of his ego trips and he is taking us all down to the conundrum because of that and we are all suffering because of it.

Mr. Speaker, what is happening here? This company (Fiji Airways) does not care for the human rights of its workers. It terminated 750 employees without a condition as to allow them to come back. He is coming to this House to ask for our favour. This is the House for those 750 families you terminated, this is their House and we are obliged to protect their interest. This company whose CEO lied to us and said we cannot return the planes, is coming to us now. This company that does not table its annual reports here so that we all know how it is performing, is now coming back to this House to ask for our favour. Now, ask yourselves, does he deserve our assistance? No! And you know that - \$455 million.

(Honourable Members interject)

HON. N. NAWAIKULA.- Mr. Speaker, this company that is not viable, technically bankrupt should be wound up and that is the only reason why they are coming back for a guarantee because the company is not viable. It cannot service its debt and the reasons are clear. The planes are not flying, 750 workers have been laid off and it is coming to us to help.

HON. MEMBER - You do not want to help?

HON. N. NAWAIKULA.- Should we? Should we help them?

HON. MEMBERS.- Yes!

HON. N. NAWAIKULA.- It does not deserve – it does not deserve it. If you think about the 750 families who are out there (not like you because you are in employment) - 750 families who are paying for their debts, families who are paying for their mortgages. There are far better priorities for us to look at, Mr. Speaker. That is my point.

The first point that I wish to point out is - can we afford? We are now hovering on about \$9 billion debt. Can we afford to guarantee further? Sir, \$455 million, they went away and took a debt with a company that is not operating, now they are coming back to us with another \$106 million. We could have used \$106 million on other priorities, like education, health, maternity extension - \$35 million. We were promised that some years ago and that could have been better spent on that – education.

The veterinary hospital at Koronivia is still sitting there. Education is far more a priority. The materials for the FNU at Labasa are rotting, Mr. Speaker. If you go to Lautoka (I just came back from Lautoka), \$35 million was promised to us for the High Court. The swimming pools are not being done and this is not a joke. You go to the Police Station in Lautoka, what do you see? Barricaded but no work. These are far more priorities...

HON. A. SAYED-KHAIYUM.- They are working.

HON. N. NAWAIKULA.- Law and order, education - all these things which would have been better spent from this money. I am saying here \$9 billion - can we afford that?

We need to look at that, Mr. Speaker, if I can address you in relation to the Government's obligation in relation to Government guarantees and loan. Now, clearly to me as a layman this is a lot of money, this is putting us at a greater risk and we should look at it with maturity. We are already being guided, the Standing Order has already told us what to do in relation to this aspect. If I could read Standing Orders 131(2) and I quote:

“Where directed by resolution of Parliament, the Minister responsible for Finance must present to the Parliament information concerning any particular loan or guarantee given by the Government, including all information necessary to show –

- (a) the extent of the total indebtedness of the Government by way of principal and accumulated interest (actual or potential);
- (b) the use made or to be made of the proceeds of the loan of the purpose of the guarantee; and
- (c) if a loan, the provisions made for servicing or repayment of the loan”

Now, if we can understand the risk and if we know that there is already \$9 billion there, the mature thing to do for the Government was to follow this process so that we can get second opinion from the accountants to tell us whether we can afford to do this or not. That is my point, Mr. Speaker, and Government has not done that, why? Because it wants us to agree on something that may be a mistake according to the advice of the people who know, namely the accountants. So on that point, Mr. Speaker, we disagree.

There are other priorities like education, health - Rotuma Hospital (\$8 million) - where is it now? What has happened? It is still sitting there. The \$35 million Ba Hospital is yet to be opened. These are priority areas and it would have been better to apply this \$106 million to the things that are more important to us rather than to a company that is already sinking, that is not flying and that has 750 workers terminated. That is my point.

Mr. Speaker, if I could just end by saying this – please, we should look at this with maturity and we should not be driven by the ego of one person, the Honourable Minister of Economy. This is

something that has been personal to him (it is a baby to him) and he is dragging the nation down to be a national issue in relation to this. We are not supporting this Bill.

HON. SPEAKER.- Thank you, Honourable Member. I give the floor to the Honourable Minister for Commerce, Trade, Tourism and Transport.

HON. F.S. KOYA.- Thank you, Mr. Speaker, Sir. At the outset, let me just say that I rise in support of the motion that is before the House, Sir.

Mr. Speaker, Sir, when I stood before this House some months ago, I actually spoke about how our national airline was not just a national symbol of pride, it was actually the mainstay of the Fijian tourism industry.

HON. GOVERNMENT MEMBER.- Hear, hear!

HON. F.S. KOYA.- Sir, they seem to forget that. Today that could not be truer. We should not wind it up - you cannot treat it like a toy, you cannot.

Let me put it into perspective, Sir, and in quite a simple perspective so that even they can understand it. Mr. Speaker, Sir, pre-COVID the tourism industry was worth 40 percent of our GDP. In fact, a third of those tourism earnings can be attributed to Fiji Airways, who carried up to 70 percent of our visitors, which is over 600,000 visitors. What is he talking about, about trying to wind up the airline? It is ridiculous the kind of comments that are actually being made from that side of the House with respect to our national airline.

It is extremely sad, Mr. Speaker, Sir, that we have to each time stand up and defend our national airline, each time we have to remind the Opposition that it is very important that we actually protect and we keep, Honourable Nawaikula, our national airline. Sir, our national airline is also an employer. It is an employer of specialised skillset. The Opposition is not able to fully embrace this concept of national solidarity. I think they need some kind of reality check.

I think some Honourable Members who have just spoken this morning are living under some rock and they suddenly climbed out and decided to make statements. They have forgotten completely, and I am not sure where the rock is, whether it is Dreketi or somewhere else, but they climbed out of this rock and they have forgotten what the world has gone through in the last two years. Everyone should know that. Airlines all around the world have been affected, governments around the world have been affected, but no, let us not put into perspective. It has to be put into perspective.

Mr. Speaker, Sir, in early 2020, international borders closed and all international travels stopped. What that meant, I think everyone should know. When this happens, the first business, especially for us, that gets affected, surprise, surprise, is the airline industry. When international borders closed due to the pandemic, Fiji Airways' bottom line had been affected because they do not fly any planes, they do not earn any money. But when they do not earn money, they need support, this is our airline.

Mr. Speaker, Sir, that is actually what the Fijian Government is doing. It is as simple as that. We are supporting Fiji Airways to ensure that we are ready to hit the sky with all our ability on 1st December, 2021. When the borders open, Fiji Airways will be our connection to the world. Those in Opposition who actually slate Fiji Airways all the time and say it is a failure on entity and why is the Government pouring money into it, they need to listen very carefully.

When the Honourable Prime Minister announced that we would open our borders on 1st December, bookings for Fiji Airways increased from seven to over a thousand on the Monday; just in

one day after the announcement. Almost 90 percent of the bookings for Fiji Airways flights and holiday packages were by Australians and that is close to 12,000 packages alone that were booked. If you look at the numbers and you put it in its totality from the day of the announcement, Fiji Airways has over 26,000 bookings in the last 11 days. This is the popularity of Fiji and this is why we need to support our airline. This is bookings from those wanting to visit their friends and relatives also, who want to come back to Fiji, and these are done through travel agents and hotels.

Prior to the announcement, Mr. Speaker, Sir, there were 10,000 bookings already for December and January and we are actually looking at close to 50,000 bookings with Fiji Airways. Of course, that is revenue for Fiji Airways, but that is also revenue for hotels, that is also revenue for the economy, that is also income for the families that are part of the tourism industry. That is why we have full confidence and full faith in our national airline.

We are getting close to capacity bookings up to January 2022. A couple of the few island resorts in the Yasawa's are completely booked already in advance up to January 2022. How are they going to get here, Sir? Fiji Airways. We have a huge media buzz and the Honourable Attorney-General just pointed out this morning again. The *Sydney Morning Herald* reported Fiji amongst the most popular destination for Australians and we want to welcome them back to our shores. We have teams at the Ministry of Health and the Ministry of Commerce, Trade and Tourism working on a daily basis in terms of the protocols and how easy we can make it for them to get here, whether it is a visiting relatives or it is actually a tourist.

Mr. Speaker, Sir, some of us in this House also want to fly the flag for Qantas and I am sure we will hear from him, but this is our airline. We want to be able to take advantage of the influx in travelling, we want this income to remain in Fiji, Mr. Speaker, Sir. Those who are employed by Fiji Airways also benefit, their family benefits, every sector that is tied to tourism and aviation benefits, the economy benefits and the world over benefits. I cannot see why they cannot realise this. World over, the airlines are actually fighting for survival.

Recently, most of you would have heard that the national airline of India, Air India got sold to the Tata Group, India's largest conglomerate. Our efforts so far, Mr. Speaker, have saved our airline. We still own our airline. If it was the Opposition's decision, they would have been gone and disposed off a long time ago.

Mr. Speaker, Sir, a number of countries have continued to support their national airlines. Air New Zealand in September 2021 requested a further NZ\$85 million from its debt facility from the New Zealand Government. This brings their total borrowing up to NZ\$435 million. With NZ\$1.07 billion still available, if Air New Zealand needs it. This is the level of support given by the New Zealand Government to its airline.

The Australian Government has provided approximately AUS\$600 billion in support to Virgin and Rex Airlines, while support to Qantas, Mr. Speaker, is expected to reach around AUS\$2 billion by the end of the year. The support to Qantas by the Australian Government is actually without any stake in the company. Please, remember that.

Mr. Speaker, Sir, most recent data from IATA actually highlights how support from governments around the world has actually continued for airlines. They live in this myopic world and they do not read and realise what is actually going on around the world, Sir.

By the end of September 2021, Government aid totalled US\$243 billion and this has been support in the form of capital injections, loans, deferring of payments, taxes and reducing tax liabilities. I could go on sharing all of these statistics, Sir, on what the world is doing but I do not think it will make the

Opposition realise what it is. I do not think the Opposition will ever realise how much pride we feel on this side of the House with respect to our national airline, Sir.

Supporting Fiji Airways is essential in the long term recovery. It is for jobs and it is for maintaining strong foreign reserves. It is for building resilience and we see the success of Fiji Airways and its ability to fly, Sir, again as a success of our entire nation.

Mr. Speaker, Sir, I wanted to just quickly pass on some positive facts also before I take my seat. With respect to Fiji Airways, I think, Honourable Professor Prasad really needs to go and check. He made some comments which are completely false, absurd and bordering on stupidity, Sir.

As far as Fiji Airways is concerned, the positive value of Fiji Airways share is \$16 per share and a positive equity of FJ\$506 million which literally just means that our assets exceed.

(Hon. Professor B.C. Prasad interjects)

HON. F.S. KOYA.- You had your go, Honourable Professor Prasad.

(Honourable Members interject)

HON. F.S. KOYA.- Listen, listen!

HON. SPEAKER.- Order, order!

You have the floor, Honourable Minister.

HON. F.S. KOYA.- He does not like it when he is wrong, Sir.

HON. PROFESSOR B.C. PRASAD.- Yes, when you are lying.

HON. F.S. KOYA.- No, I am not lying. I do not lie and I do not twist the truth.

Our assets, Mr. Speaker, Sir, exceed liabilities by this FJ\$506 million.

HON. GOVERNMENT MEMBERS.- Hear, hear!

HON. F.S. KOYA.- To say we are insolvent is actually absurd and stupid as I would say, Sir. Mr. Speaker, Sir, I support this motion wholeheartedly.

HON. SPEAKER.- I thank the Honourable Minister. Honourable Kuridrani, you have the floor.

HON. I KURIDRANI.- Mr. Speaker, I have noticed that this Government has not learnt a lesson. They still continue to engage in stupidity economics. Let us be realistic. None of these people have seen the Annual Report of Fiji Airways. I have been a Member of this House for three years, I have never seen the Annual Report of Fiji Airways tabled in this House. None of them understand the financial position of Fiji Airways.

Everyone here, none of us know the financial status of the Fiji Airways. So, I ask their faithfulness. They will support this motion but none of them have any understanding of the financial position of the Fiji Airways. So, are they faithful in making a decision here for the people that will affect the people? Are they faithful to support a company that we do not have any understanding of its financial position? I think that is stupidity. That is why I said this, continue to engage in stupidity economics, Mr.

Speaker, Sir. None of them will understand the financial position of the Fiji Airways. How will the Fiji Airways service its debt? None of us know.

(Honourable Member interjects)

HON. SPEAKER.- Order!

HON. I. KURIDRANI.- In principle, Sir, when you appraise a project, you need to analyse its financial statements. You need to know the capability of the company to service its borrowing. Here we do not know whether the Fiji Airways can service its borrowings because we have not seen, we have not analysed its financial statements, its annual reports. So, they are not faithful. Only the Minister of Economy knows it, why is he not telling us? Why is he not tabling the annual report?

For a good manager, if one of his departments has failed to provide a six-monthly or monthly report, that should ring a bell, that should indicate that something is wrong. Have they investigated? No. That is why people are suffering, 750 people were terminated because only one person knows about the financial position of the Fiji Airways. Sir, I do not support this motion.

HON. SPEAKER.- I thank the Honourable Member. I give the floor to the Honourable Minister for Infrastructure, Meteorological Services, Lands and Mineral Resources. You have the floor.

HON. J. USAMATE.- Thank you, Mr. Speaker, Sir. I think today we have listened to a lot of speeches that I might say are unpatriotic. They are speeches that are designed to put a political twist on something that is happening now that is absolutely essential and I say, “shame to all of you that have looked at this airline that it is doing its best for this country and try to put a political twist on it.” This is a time when all countries around the world are on their knees....

(Honourable Members interject)

HON. SPEAKER.- Order!

HON. J. USAMATE.- Every single country in the world is on its knees. Every single airline is on its knees.

(Honourable Members interject)

HON. J. USAMATE.- I think it behoves all of us to make sure that as we stand in this Parliament, we do not only think about the elections that is happening next year but we think about what is needed today.

(Honourable Members interject)

HON. J. USAMATE.- That is what we have to think about.

HON. N. NAWAIKULA.- Annual Report.

HON. J. USAMATE.- That is what we have to think about.

(Honourable Member interjects)

HON. J. USAMATE.- I do not need to fully look at the Annual Report to know how important Fiji Airways is. I look at the growth of tourism....

(Honourable Member interjects)

HON. SPEAKER.- Order!

HON. J. USAMATE.- I look at the need to make sure that jobs start again when the plane starts flying.

(Honourable Members interject)

HON. SPEAKER.- Order!

HON. J. USAMATE.- When I see that, I see the importance of Fiji Airways and I say, “shame on you all.”

(Honourable Member interjects)

HON. J. USAMATE.- Shame on you for putting that political twist on these things. I think that is absolutely critical for us.

As I have said, I think two weeks ago they were talking about the likelihood of the US defaulting on its loan. I think it was loans of up to a trillion dollars, but that is what every country in the world is doing. Every country has had to borrow money in order to grow its economy. My colleague, the Honourable Nawaikula, said that we need to spend this money on hospitals, police stations, et cetera. We need to put our money into things that will generate income.

(Honourable Members interject)

HON. J. USAMATE.- We need to put our money not just on buying the fish but buying fishing nets so people can fish. When we put the support behind Fiji Airways, that is what we do. We are helping people to fish, not just spend on expenses and I think it is absolutely shame.

It is a shame that we actually looking at this, please take out politics, think about what we are doing. We need the tourism sector to be revived and when we give this guarantee, it does not mean that we are giving them money. It is just that they have that assurance when they go out for money, they know that the government will support it. In this Government, the Ministry of Economy, we put our trust in the board and the management team to make sure that Fiji Airways will be able to flourish in the future. That is what we need to do. Please, stop thinking about the elections, it will come.

(Laughter)

We all know that 40 percent of our GDP comes from tourism and Fiji Airways is right behind that. We, as a country need to support it and I hope that all of you do this. Please, no more biting little plastic aeroplanes, let us all support it. Let us all support it so that the tourism sector can survive and this country can move forward.

HON. SPEAKER.- I thank the Honourable Minister. I give the floor to the Honourable Tuisawau, you have the floor.

HON. RO F. TUISAWAU.- Mr. Speaker, Sir, from the outset, they have been saying that we do not support Fiji Airways. Of course, we support our national airline. As emphasised by the Honourable Leader of the Opposition, we support the national airline, we support the tourism industry. I have worked in the airline industry. I worked for ATS and Airports Fiji Limited so I know the value. I have worked

there as a Manager and I also was a Director. I have heard some of them say, “We do not value tourism, we do not value the national airline.” Those are the words of the Honourable Minister for Infrastructure, Meteorological Services, Lands and Mineral Resources. That is all hogwash. It is just misleading the public from the real situation.

The real situation we are raising is concerns about the financial management of the nation and also of Fiji Airways; that is our main concern. A lot of those issues have been raised by the Honourable Leader of the Opposition and I would like to emphasise that again in terms of the overall Government debt. The debt classified, and I quote, “Fiji Airways, FSC and FDB as high risk entities.” They are being categorised like that and that is our concern. The Report states the impact of COVID-19 which has pushed Fiji Airways into a high risk zone, Sir, which is what we are trying to emphasise here, and the data has already been shared by the Honourable Members. Again, I quote, “it has been classified as high risk entity given its serious liquidity and profitability challenges.” That is the reality of the situation we are facing.

In terms of debt, the Honourable Minister of Economy has stated that Fiji’s deficit in the 2021-2022 financial year was projected at 16.2 percent of GDP and debt expected to rise to \$9 billion or 91.6 percent. Sir, that is moving to 100 percent and that is our overall concern when we look at the overall national picture in terms of financial management. These guarantees, from our perspective, will worsen the situation.

The *World Bank East Asian Pacific Fault 2021 Economic Update* again mentions the risk of debt distress has heightened. When we talk about debt distress, it means where a country is unable to fulfil its financial obligations and debt restructuring is needed, financially distress can also refer to an organisation with an unstable capital structure, company debt load is too high and difficult to re-finance.

HON. A. SAYED-KHAIYUM.- Where are you reading from?

HON. RO F. TUISAWAU.- This is from definitions of debt distress. So that is what we are trying to emphasise here.

We are not against the tourism industry or Fiji Airways. It is just emphasising the point that we are trying to make that there needs to be prudent financial management in terms of what we are facing today because you are asking us to increase debt guarantees by another \$50 million from what you originally asked.

The other issue, Sir, we would like to emphasise again, with regards to the treatment of Fiji Airways staff. Let me state in terms of the 400 flight attendants who were terminated by the company, there was no work for them. But one Mr. Penfold promised, “Your past service will be taken into account on any future vacancies.” My understanding of that was that, when there are vacancies, those staff would be given the first choice, but that has not been followed up on and that promise or undertaking has been breached.

In terms of recruitment, Sir, before they did not consider Body Mass Index (BMI) measurements, et cetera, but now they are bringing all that into place. Again, this needs to be looked at and this is a breach of human rights and not only that, most probably section 77 of the Employment Relations Act and the 2013 Constitution which emphasises the rights of individual human rights. We on this side of the House believe that Fiji Airways continues to act in bad faith despite the rhetoric that it has employed staff and no effort has been made to re-engage. This has been emphasised by some of our Members, and we would like to reiterate that their rights need to be respected as enshrined in the Bill of Rights, Freedom of Expression, Right to Equality, Economic Participation, et cetera.

Sir, I know that Honourable Members on the other side of the House have made a lot of effort in trying to bring back our tourism industry in the recovery effort but then I think we need to be realistic about the financial situation. When we are emphasising that, the recovery needs to be also realistic assessment of the situation as we have mentioned and there has been too much massaging, too much feel good as we are moving forward publicly, without revealing the true nature of the situation in terms of government finances, particularly debt and the situation we are facing in terms of the guarantee we are being asked to approve.

The situation regarding Waqavuka, Sir, we have raised this various times in the House. The repayments, how much repayments have been done, what is the real situation about repayments and we have heard today some details about Fiji Airways. It would have been good to provide that beforehand but we are just hearing it today. It is positive that there has been a reduction in repayments but we would like to know the real situation regarding the lease details, aircraft repayments, et cetera, so that we are not surprised in the future and that we are given information on which to base our decisions on.

Finally, Sir, I would like to request in terms of prudent financial management, we hear that the Government will be sending a team to COP26 and maybe they will be using one of the Fiji Airways aircrafts. Again, this is where prudent financial management comes in, the need to reprioritise, maybe the whole government expenditure and operations needs to be looked at and rationalised better rather than coming to this House to ask for more guarantees.

Another area of concern, Sir, we know that the guarantees here will enable Fiji Airways to access further loans in terms of, maybe from other institutions, they have mentioned RBF, FDB and there is an issue we have mentioned before of conflict of interest where the Fiji Airways CEO is also the FDB Chairman. So we wonder how that situation is being attended to.

Again, Sir, we understand the importance of tourism, Fiji Airways and also, of course, the livelihoods of our people but we are concerned about the whole financial management aspect in terms of national finances and also in terms of, within Fiji Airways and how it is being managed.

HON. SPEAKER.- I thank the Honourable Member. I give the floor to the Honourable Minister for Education, Heritage and Arts and Local Government. You have the floor.

HON. P.D. KUMAR.- Thank you, Mr. Speaker, Sir. I rise to respond to the motion. It is no secret that airlines all over the world are fighting for survival, and I would like to quote from the *OECD Report 2021 on State Support to the Air Transport Sector*. This report reveals how countries around the world is supporting its national airline. In the United States the loans totalling equivalent to EUR\$32 billion have been made available to airlines. In Germany, a relatively complex support system has been established to assist the airline industry. The combined value of the loan elements for these support packages is estimated to be EUR\$9.8 billion.

Similarly, Mr. Speaker, Sir, the governments of France and Netherlands have made large loans and loan guarantees available to Air France - KLM. In the case of France, a loan of EUR\$4 billion and a State guarantee of an additional EUR\$3 billion were disbursed in May.

The Netherlands made a treasury loan of EUR\$1 billion and a revolving credit facility of EUR\$2.4 billion and the list goes on, Mr. Speaker, Sir. It is a clear indication that our airline needs support and we have to provide this support. If we do not, our tourism sector is affected and obviously our livelihood is affected, our economy is affected and then what do we do? We have to revive our airline and we need to pump this money into it but of course it is a guarantee and we need to support that, Mr. Speaker, Sir.

There is an indication, again based on the global travel forecast that the airline industry will recover, it may not recover immediately but the recovery will be there. I think we need to go by that based on the various research that was undertaken by various international organisations. I urge the Honourable Members to support this motion because this is our livelihood. We need to keep our airline going.

HON. SPEAKER.- Thank you, Honourable Minister. Honourable Gavoka, you have the floor.

HON. V.R. GAVOKA.- Thank you, Mr. Speaker. Much has been said by Honourable Members from this side of the House. We all want to see the revival of our tourism industry and we also value our national airline.

Too often, Mr. Speaker, we are lectured on how important it is but let us also remember that it was formed sometime back in the early 1950s with people then, who realised the importance of aviation to Fiji and that we should own our own airline. Please, try not to do much lecturing to us on the importance of the national airline.

Mr. Speaker, a concern that I have is that, what is the fall-back position? The Report, Mr. Speaker, coming out of the UK and Singapore is that COVID-19 is again spiralling out of control. This is now, as we speak here today, so my fear, Mr. Speaker, is that this expectation that we have with the opening of the borders in December, what if the phenomenon that is now occurring in the UK and Singapore becomes global again and borders are again closed? What fall-back position do we have?

I am one that come from the heartland of tourism, I am looking forward to the opening of the borders but when I see this development happening in the two countries (UK and Singapore), that belief that they had conquered COVID-19 or decided to leave COVID-19, now that they are expressing some deep reservations on the position they took, it could impact on our neighbours Australia and New Zealand in the immediate future. I am wondering about this, Mr. Speaker, if we have a fall-back position because if things turn for the worse again and the borders close, what do we have in terms of keeping our national airline operational or surviving?

I like what I hear from the Honourable Minister for Education about the efforts by other governments to keep their airlines viable but I think Government needs to engage across the board and also include us in the Opposition on what is the limit to the guarantee we can give. At the way we are going, we will be debating this again next year and if nothing has happened to Fiji Airways in terms of revenue to enable it to service its debts, we will be asked to guarantee a bigger debt than what we have today. So, it hinges on the ability of the airline to start realising revenue immediately, but I factor in that concern, that the global situation can get worse given what is happening in the UK and Singapore today.

Mr. Speaker, Sir, I would like to ask the Government to consider this - what is the fall back position? We cannot continue to guarantee this type of loan to our airline if it is not operational. What is the other option? What is going to be the global position over airlines all over the world on how to keep the airlines going? Australia cannot continue to pour billions into Qantas or any of its airlines. We need to really change the dialogue on this. What if the borders close again and we have another 12 months of border closure? What will happen? We are expressing our concern here, Mr. Speaker, Sir, on this note, that we just cannot continue to provide guarantees. I would really ask the Government to come up with other options, have a broader dialogue. They are going to Scotland - maybe while they are there they can check with other countries as to what extent are they going to go to, to support their airlines if the borders continue to close?

As a third world country, we cannot do it forever, and our concern with the guarantee in May was that the guarantee is into perpetuity. There is no time limit on it and that was why we opposed it in May.

I hate to throw cold water into this because I am expecting the hotels in my province to open for people to go back to work but there is this development - that COVID-19 is spiralling out of control in two key areas and could close the borders again and we have to come up with a fall-back position. Mr. Speaker, Sir, that is where my concern is. That is one of the reasons we are opposing this, that we do not have other options to bring to the table to help us keep our airline viable.

Mr. Speaker, Sir, just before I close, I was horrified by the statement by the Honourable Minister for Infrastructure, Meteorological Services, Lands and Mineral Resources initially, when he said that FijiFirst won the elections and they can do whatever they want to do.

HON. MEMBERS.- No!

HON. V.R. GAVOKA.- We can just lie down and they will walk over us.

HON. SPEAKER.- Order, order!

HON. V.R. GAVOKA.- Mr. Speaker, Sir, can I ask FijiFirst to re-look at what we mean by parliamentary democracy and it is not only what they come up with. When you got voted by the people, the people said, you are to form government, but you do things in the democratic way. You do not say that you won the election and whatever you want, will happen. That is exactly what Honourable Minister for Infrastructure, Meteorological Services, Lands and Mineral Resources was suggesting. That is one of the reasons we know that people are saying that it is time for change and time to kick out FijiFirst.

HON. SPEAKER.- I give the floor to the Honourable Qionibaravi.

HON. ADI L. QIONIBARAVI.- Thank you, Mr. Speaker, Sir, for the opportunity to address this august House on the motion before it.

At the outset, I would like to acknowledge the sacrifice and commitment of long suffering and struggling people of Fiji over the last seven months of the deadly second wave of COVID-19. I also wish to acknowledge the continuing sacrifices of the Ministry of Health from the Honourable Minister, the Permanent Secretary, senior officials, other Ministries and agencies including the members of the RFMF and the Fiji Police for their efforts in the last few months. I also wish to thank the religious organisations for their messages to their flocks who have charitable arms directly feeding the needs of the people of Fiji. In addition, the NGOs who have also been greatly assisting our people who are struggling through food assistance and other social needs to fill the gaps where the Government is unable to assist. I say, *vinaka vakalevu* to all these organisations.

Mr. Speaker, Sir, during this term of Parliament, the august House has on two previous occasions considered additional guarantees for Air Pacific Limited, trading as Fiji Airways, first in May 2020 and in May 2021. Parliament is again being requested to approve an increase of Government guarantee as outlined in the motion. Whilst the guarantees do not require the guarantor to pay any cash outflow at all, there is still a contingent liability that the guarantor would need to recognise and continue to assess whether or not this contingent liability may become an actual liability.

The fact that lenders, mostly external, can still accept a guarantee from the Fiji Government shows that they have assessed in their own way that the Fiji Government is a credible guarantor and is able to service the loan in the event of default by its customer. However, the recent assessment of Fiji's economy by the International Monetary Fund officials on 27th September to 8th October, 2021 and the extent of its debt level is indeed a worry.

With borders re-opening, it is critically important that the national airline gets its house in order to be able to pick up on the demand. However, they must integrate within their financial management framework, if it has not already done so, on mitigating factors that may arise in the future, Mr. Speaker, Sir. I remember that in the May 2021 debate on additional guarantee, the Honourable Attorney-General and Minister for Finance responding to the suggestions that surplus air planes be returned to the suppliers, we were given the answer that the planes could not be returned. However, some weeks later, additional planes landed in Fiji and a number of planes were returned. The people of Fiji are raising questions on Government's ability to administer our economy.

Whilst Fiji and the rest of the world heads into a herd community, we hope that the current vaccines are sufficient to tackle the new COVID-19 variant that may resurface down the line. In fact, the plan of action will address such situations so that our people do not necessarily have to die because of our inability to plan well in advance for such eminent disasters. Fiji Airways must also look into ways of diversifying their businesses further to help ease the market pressure that it most certainly over relies on. People of Fiji ought to be applauded and provided more clarity, transparency and access to information on Fiji Airways, which our Government has continued to service in terms of Government guarantees.

Fiji Airways, whilst still a private company, is largely owned by the Government of Fiji. As a private company, Fiji Airways is not required by law to publish its annual reports or financial statements to the public, however, annual reports are required to be lodged with the Registrar of Companies where information can be sourced through a search, for a fee. In comparison Qantas and Air New Zealand, both these companies are public-listed companies and as a result must publish their annual reports to the relevant stock exchanges in Australia and New Zealand.

Mr. Speaker, Sir, while we welcome the opening of the border and the return to work for employees in tourism sector, including employees of Fiji Airways, we are concerned with the manner and form which the Government is administering our finance, in particular the status of the national debts, including the contingent liability and the continuous loan of funds from the FNPF.

The sheer fact that Fiji Airways is requesting for an additional guarantor of Fiji Government may mean that they are unable in their own right, based on their financial performance and position, to secure an additional loan. This would probably mean that their respective lenders have assessed and deemed that whatever collateral or security that the airline has offered, is not merely enough to obtain the additional funding, Mr. Speaker, Sir. This could also be an indicator that these respective banks do not believe that the company is able to service its debts independently and as such, may have requested them to obtain additional securities such as Government guarantee to reduce or mitigate the risk assessment criteria for these banks. The reason for additional funding needs to be specified, Mr. Speaker, Sir, whether these are for operational or capital expenditure needs.

The unavailability of its annual reports do not allow for proper analysis, Mr. Speaker, Sir, on the latest financial performance and positions of the company. There are questions to be raised, given that the airline is seeking additional guarantee, can the Government hold the company transparent and in the best interest, strongly recommend the release of the annual company reports, Mr. Speaker, Sir? Has the airline considered other means to raise capital? It seems like the airline is looking at debt financing - has it ever considered equity financing? Obviously, the Honourable Attorney-General has said that the Government has increased the shareholding in Fiji Airways after the August 2021 Special General Meeting. Having done that, still Fiji Airways is requesting more funds. With those words, Mr. Speaker, Sir, I cannot support the motion before the House.

HON. SPEAKER.- I thank the Honourable Member. Honourable Attorney-General, you have the floor to speak in reply.

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. There are a number of matters that I think requires a response to provide clarification to Members of the Opposition. Some of it of course are repetitive and others were unique in their contributions themselves.

If I could perhaps deal with some of the more rudimentary comments that had been made from the other side and perhaps by way of information, Honourable Tuisawau, I refer you to Dun & Bradstreet Corporation, an international credit company. If you go to their website you will find all the details and data enlisting for all the financial companies which includes Waqavuka. It is all there, transparent so please go to Dun and Bradstreet Corporation and you can get that information over there.

Honourable Professor Prasad again continues to amaze me with his lack of understanding about the bond market, et cetera. He said that Government has been using FNPF as a cash cow. Mr. Speaker, Sir, if I could refer the Honourable Member to the Annual Report of FNPF and I would like to quote from that where the FNPF has in fact acknowledged that the purchases of bonds by Government for investment purposes has been most beneficial and I quote:

“Government bonds has been the backbone of FNPF investments for many years. It has provided steady returns annually enabling the Fund to pay out positive interest to its members. Bond investment is indeed an important strategic success story for the Fund. We trust this extract from our 2020 FNPF Annual Report and provide further clarity” and they go into details.

Mr. Speaker, Sir, just to demonstrate unfortunately the ignorance of Honourable Professor Prasad, when you have a pandemic that grips the world, you have superannuation funds that collects money and in order for superannuation of one fund to survive, they need to make more money from that money. That is how you actually increase the value of the superannuation funds.

Now if hotels are shut down, airlines are shut down and no one is investing, where do you still make money from? It is a symbiotic relationship between a superannuation fund, an investment fund and the Government. The Government obviously, revenue has been slashed into half, they need to raise revenue and you have the fund that actually wants to make money so we raise bonds. They buy the bonds, they get paid interest rates. That is how the Fund stays afloat. That is how the Fund’s members actually get an increase in the value of their Fund contribution and here is Government being able to access funds that it requires.

It is a very fundamental issue and unfortunately the Opposition contribution as far as the analysis of bond issuance is concerned, they always view it only one way. They think, “oh, Government has taken FNPF money” but they do not actually tell members of the public that when the Government buys FNPF bonds, the value of the FNPF superannuation fund actually goes up because Government obviously pays more than what it borrows. So, that is how you are getting huge interest rates on your funds, on your pensioners. That is what happens, it is very basic but the narrative, Mr. Speaker, Sir, that the Opposition has spun is, if Government is just taking free money. Well, no actually. The Fund is actually benefitting from it and if we look globally that is what people do. That is what governments are doing. The Reserve Bank of Australia issued bonds to the Australian government to actually financially assist it when they are paying out huge amounts of unemployment benefits and the interest rate was, I think 0.01 percent so funds could get into the economy. It is very fundamental. So, they need to actually change the narrative regarding that, Mr. Speaker, Sir.

Mr. Speaker, Sir, the other point that I want to highlight which I think addresses many of the Members of the Opposition’s issues, ADB has already lent money to Fiji Airways which we guaranteed the last time. Sir, ADB is not some joker organisation that is found in the corner of some street in Philippines. It is actually owned by governments, it is owned by the Europeans, it is owned by Asian

countries, the major shareholder is Japan, that is why the President of ADB is always Japanese. That is the arrangement.

Now, ADB for the first time, has actually lent money to an airline in the Pacific; the first time.

HON. GOVERNMENT MEMBER.- Hear, hear!

HON. A. SAYED-KHAIYUM.- Sir, ADB has made Fiji Airways jumped through so many hoops and loops. The BNP Paribas, Honourable Professor Prasad is being intellectually actually not affront. He is quoting some value from 2019. I presented to Parliament on previous occasions and mentioned about how BNP Paribas, a French-based company, internationally recognised has done the work for ADB in terms of the valuation.

They have something like 24 different types of cash projections for Fiji Airways. I have highlighted this before. What if Fiji Airways flies in March? What if it flies in April, December, whatever it is? What if there are only seven flights to Singapore, only five flights to LA, different scenarios? All have been worked out. After all of that has been done then ADB has come and lent them money. It is not a joke. These are third party validation. We have people in the Opposition reading some obscure report here just to fit their narrative. That is the problem. Half of them have spoken about a matter that is before the courts. I can refer them to the Standing Orders. If you look at Standing Order 45(4), this is during Question time, it says and I quote, “not contain references to a case pending adjudication by a court.” They know that but they bring it in.

Honourable Professor Prasad’s lawyers who have represented him personally are Munro Leys. Mr. John Apted is a partner in Munro Leys, who has carriage of this case.

(Honourable Member interjects)

HON. SPEAKER.- Order!

HON. A. SAYED-KHAIYUM.- Let us call a spade a spade. They do not even know when conflict of interest hits them in the face.

(Honourable Member interjects)

HON. SPEAKER.- Order!

HON. A. SAYED-KHAIYUM.- He talked about that, Mr. Speaker, Sir. The other Members have done the same too. They know it is *sub judice* yet they bring it up in Parliament. This is the quality of contribution, Mr. Speaker, Sir.

HON. PROFESSOR B.C. PRASAD.- A Point of Order, Sir. I want to correct the Honourable Attorney-General. I did not refer the case in the court. All I said was, Fiji Airways in hiring or rehiring is telling the workers that they need to withdraw the case. That is not referring to the case in the court.

HON. SPEAKER.- Honourable Attorney-General, you have the floor.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, that is trying to be cute. The point of the matter is, that if you are going to talk about the principles that are being adjudicated in a court of law and say, “I did not refer to the case”, but you are actually referring to those principles in the subject matter, obviously you are discussing the case. That is what you call intellectual dishonesty.

Mr. Speaker, Sir, the other point that I want to highlight, Honourable Ratu Naiqama Lalabalavu talked about the risk with Fiji Airways and Fiji Development Bank in one of the IMF Reports. If you actually read the IMF Report without being selective in it, the IMF Report actually talks about the fact, how it is necessary to actually borrow at this point in time. They recognise the fact that Government revenues have been halved, they actually make all those references. Of course, any report would highlight where the greatest risks would lie. Risks are faced by companies everyday; government have risks. One could argue that we have many risks existing for decades, we were only dependent on sugar and then sugar and tourism and they were the only two contributing factors to the economy. We are trying to spread our risk. Just because there is a risk, it does not mean that the risk cannot be undertaken. Anyone who is in business and managing finance would know that.

Honourable Kuridrani went on about the report not being tabled in Parliament. Literally, the Fiji Airways Annual Report is across the road. They, on the floor of this Parliament have referred to so many documents that have never been tabled in Parliament, yet they talk about it, they go and research it, they go and bring it up from wherever. They cannot take a step towards Suvavou House and spend whatever it is, a few dollars to get the report. The last annual report was filed for the financial year of 2019, the 2021 will be made available in December of this year and yet, they stand here and talk about it.

Honourable Nawaikula will talk about ILO 169, but it has never been tabled in Parliament but he refers to it, he cites it.

(Honourable Member interjects)

HON. A. SAYED=KHAIYUM.- See, this is the logic. But ILO has not been tabled, yet we refer to it. That is all I am saying. It is a very simple and logical point.

Mr. Speaker, Sir, Honourable Ratu Naiqama Lalabalavu mentioned about the \$200 million consumption; of course. Is he objecting that those people who have been unemployed should not get unemployment benefit? Is he objecting to the fact that those women who used to sell handicraft, the references I used before, to tourists should not get the \$360 – is he saying that? Is he saying that we should not give it to those people who had other businesses that were related to the tourism sector should not be given that? Of course, they should be. Informal sector also, for the first time.

HON. GOVERNMENT MEMBER.- Hear, hear!

HON. A. SAYED-KHAIYUM.- Of course, it has led to consumption. We have had so many people say to us, actually it has been good for business, small shops, and people are spending money. So when people come and spend money, the shopkeeper may say, “I want to hire two more people to meet my demand.” What is wrong with that? When already consumption is mutant, dampened, economic activity is dampened. If we are able to spur that, that is the objective of any government. Look at throughout the OECD countries, USA, Europe, Australia and New Zealand, they try and keep the economy moving because you cannot get into inertia.

Honourable Gavoka talked about what are the risks – what if? We all are asking what if. But I cannot sit here, the Honourable Prime Minister cannot sit there, we as a Government cannot sit here and go, what if and it leads to inertia. One cannot have inertia, one cannot become stagnant, one has to take risks – one has to. They are calculated risks. Singapore did that but they have a contingency in place. How do we mitigate those risks?

Someone mentioned, “Oh, the CEO lied that they could no return planes”. He never said that. He talked about at that point in time, what planes could be returned and what could not be returned. In the beginning, there were two that were returned, later on when the term came up, they had made

arrangements, they returned it earlier. That is what they have done because the MAX's have now come on board, the MAX's are now flying.

Mr. Speaker, Sir, the other point that I also wanted to talk about, the guarantee fee. Honourable Ratu Naiqama Lalabalavu mentioned that we have gone against some regulation. Actually, if we check the regulation, there is no regulation specifically on that. It is actually a guarantee fee policy – it is a policy. Obviously, we have seen that certain companies or entities when we actually do give a guarantee, we have different rates for that. The Fiji Airways one was a one-off fee. Look at the motion. Honourable Qionibaravi related to this, she said, “I wonder what happened? Was there any equity issuance?” I mentioned that in my introduction. Honourable Ratu Naiqama Lalabalavu said, “Have they paid the fee?” I said that in my introduction.

The \$95-odd million, we have used that, when they wanted to issue new equity, we have purchased more shares, that is why our shareholding is now in excess of 70 percent. None of the other shareholders have contributed a single cent. None of the other shareholders! Qantas, that owned 46 percent to 47 percent, has not come to the party and said Fiji Airways, you have not been flying or limited flying, we will contribute this much as a shareholder. Air New Zealand, no one else. Why exactly? It is because at the end of the day, Qantas' primary concern is Qantas, not Fiji Airways. Read the article! Qantas just sold a piece of land at Mascot Airport for \$804 million to some Middle-Eastern company forming a consortium with some other Australian companies and Qantas is then leasing part of it back because they need the *paisa*, they need the cash, they need the money in hand now. That is what is happening with Qantas. So obviously, Qantas is not going to come and buy shares in Fiji Airways, inject funds, nothing to do with all the shareholding. They have maintained their shareholding. They look after themselves first then they think about anyone else. We have to look after ourselves first then we think about others. We do not even have a shareholding in Qantas. That is the reality.

HON. V.R. GAVOKA.- *Oilei!*

HON. A. SAYED-KHAIYUM.- It is not *oilei!* It is *oilei* in terms of what you say. It is *oilei* in what you say because no one from the Opposition has given an alternative option. No one! No alternative option.

Mr. Speaker, Sir, the other point that I wanted to make, Honourable Professor Prasad again laboured this point a lot. He says Fiji Link has been given subsidy.

HON. SPEAKER.- Order!

HON. A. SAYED-KHAIYUM.- Fiji Link has not been given a subsidy. Fiji Link like Northern Air, he knows this very well.

HON. PROFESSOR B.C. PRASAD.- It is a subsidy.

HON. A. SAYED-KHAIYUM.- *Areh!* Fiji Link, Northern Airways, any other airline that flies domestically can tender for flying on what we call “uneconomical routes” like Lau, Kadavu and Rotuma. In the same way, we do with Government Shipping Services (GSS). GSS is the same thing. When private companies go there, we subsidise.

HON. PROFESSOR B.C. PRASAD.- Taxpayers are paying.

HON. A. SAYED-KHAIYUM.- Taxpayers have been paying this since the past 20 years to 30 years. It has been going on but you see the problem is, Mr. Speaker, Sir, the Honourable Professor Prasad just singles out Fiji Link.

HON. PROFESSOR B.C. PRASAD.- No!

HON. A. SAYED-KHAIYUM.- You did say Fiji Link. You did not mention Northern Air, the owner used to be a former candidate of your party. That is a fact. Captain Sen was a former member, one of your candidates. So, you see Mr. Speaker, Sir, again there is a very disjointed opinion in that respect. They talked about the fact that Fiji Airways terminated the services of these people. Air New Zealand fired 4,000 staff. They did not mention that. They are trying to make as if Fiji Airways is the only airline in the world that has done this. Only airline in the world. He brought in the CEO that did not follow the law, it has got nothing to do with this.

Mr. Speaker, Sir, it is very interesting, now that they have opened up the door, is that in all of these, some of the crew that actually took this action against, a lot of them who have now reapplied for jobs. We have been told by Fiji Airways who are literally crying because they were bullied into joining these people in the action, because they were bullied by some of the union officials, saying, “if you do not come, we will fix you up”; a lot of the younger ones. If you look at the crew that the Honourable Prime Minister went to the Aviation Academy ...

(Honourable Member interjects)

HON. A. SAYED-KHAIYUM.- Of course, they have already told Fiji Airways that. A lot of them actually have come back. They have applied for jobs.

You need to understand the dynamics behind this, and in all of this, they only talk about the staff at Fiji Airways. They have not spoken, Mr. Speaker, about the staff at the hotels. If the airline does not fly, the hotel workers will not have a job. The lady who comes out from the Coral Coast to perform *meke* at the Warwick Fiji or Tambua Sands Beach Resort et cetera, she will not actually be able to perform the *meke*. Now she can come and perform the *meke*. She actually has a job. The fire dancers who actually do that, they actually have a job, Mr. Speaker, Sir. I would like to actually respond to this and it is a very kind of mono-focus approach to this whole debate. On this side of the House, we have spoken about the actual macro picture, what is the implication of running your airline?

Mr. Speaker, Sir, the other point that I also wanted to highlight, Honourable Nawaikula said “tourism will survive without Fiji Airways”. What an amazing statement to make, he is still saying “yes”. We open the borders on 1st December, Qantas will decide to come on the third week of December, all our hotel workers will be sitting there twiddling their thumbs waiting for the airline to come. Then Qantas will say “Look, we’re going to charge now, return a \$1,000 because we do not have any competition”, that is what is going to happen. In the meantime, Mr. Speaker, Sir, countries like Bali in Indonesia, Phuket in Thailand, they are offering left, right and centre whatever gimmicks they are offering to be able to get a share of the market. They do not understand that, Mr. Speaker, Sir.

Mr. Speaker, Sir, the other matter that I wanted to also highlight

(Honourable Members interject)

HON. A. SAYED-KHAIYUM.- I think it is critically important and I wanted to read this particular statement, Sir. When the Honourable Prime Minister went to open the Aviation Academy last Thursday evening, part of his speech, this is what he said:

“The first flight carrying out our first crate of vaccines was piloted by Captain Samuela Tavanavanua, he was assisted by First Officer Penitiko Yauvoli, and Second Officer Aminiasi Kunagado, all of whom completed their certification at this Academy in the weeks before that flight. Had we not had this Academy open, they would have had to do their in-service training

overseas, costing time that we simply did not have to spare throughout the pandemic and that we should not have to spare in the future. Instead, our Fijian pilots made use of this Academy to keep themselves air-worthy and as a direct result, deliver vaccines that have kept their fellow Fijians out of harm's way."

Mr. Speaker, Sir, they kept on and saying "Oh, these aircrafts were all sitting on the ground, nothing happening". Let me tell you what has happened since this pandemic. Mr. Speaker, Sir, 355 repatriation flights have taken place by Fiji Airways in this period.

Mr. Speaker, Sir, in the full year, they have repatriated over 46,000 Fijians whether those who went for medical treatment, the rugby players returning, Fijians coming from the Middle-East in Afghanistan, from Africa wherever, they brought them home.

From April, 2020 to July, 2021, Fiji Airways flew almost 13,000 tonnes of Fijian exports like seafood, agriculture produce, kava, turmeric, garments and other products. They have flown 285 tonnes of essential life-saving medical supplies used by Government: the COVID-19 test kits, consumables, ventilators, GeneXpert machines, fever tents, testing equipment, medicines - Fiji Airways. They want us not to have the airline. Can you imagine if we did not have an airline and if you all have these airlines that are flying all over the place doing their own thing would have to wait, the Honourable Minister would have to wait, "Let us go and charter a plane to get this test, even though it may not be full, let us get it", "Oh, my gosh, they're going to charge us \$5 million to do it", that is what the markets want us to do. That is precisely what they are saying in the space that we should be in.

Mr. Speaker, Sir, just very quickly I know I am very close to my time. I wanted to very quickly highlight, I have just received the bookings, Honourable Koya had just passed me the information from the Tourism Fiji where hotels now like the Warwick Fiji, Intercontinental Hotel, Outrigger Fiji, Shangri-La Fijian Resort, et cetera, are reaching almost full capacity up to January. God-willing, Mr. Speaker, Sir, we do not have any kind of explosion or outbreak. We all want these hotel rooms to be filled, we all want all the hotel workers to go back to work, we want their pockets to be filled with money, we want them to get paid the salary. From a Government perspective, we want to collect more VAT from the tourists, we want to collect the reduced ECAL and other spendings that they will engage in. That will increase our revenue.

Mr. Speaker, Sir, therefore we have to take these undertakings to ensure we have robustness in the economy, it starts moving. People are excited like I highlighted. We want the cruise ships to go down to the Yasawas, all the islands, those people who have not had any activity for them to do the handicraft, *meke*, et cetera.

Mr. Speaker, Sir, the reality of the matter is, it is critically important to be able to ensure that we provide this funding to our national carrier. The guarantee for the funding, we need this guarantee. Some Honourable Members from the other side when they spoke, I got this impression that they think that when we say "guarantee", we are actually giving them cash. We are not, it is a guarantee.

(Honourable Member interjects)

HON. A. SAYED-KHAIYUM.- Talk to some of your Members.

When we actually give a guarantee, it means that whoever is lending them the money have the comfort of knowing, in the event, the outside event of Fiji Airways defaulting on the loan, the Government will step in and pay that loan.

What we are saying, Mr. Speaker, Sir, the reality of the matter is, that there is no other alternative. If you want to think long-term, if you want to ensure that we keep the tourism dollar spent, there are countries like in the West Indies, there have been studies done where they have what they call - a full open sky policy. Within six months, Jamaica and all these various other countries, their national airlines folded up. So what actually happened when the tourist comes to the country, and in West Indies it is actually a worse situation because most of the hotels are foreign-owned, most of the food comes from overseas so the retention in every dollar spent by a tourist, what is retained by the country is about one cent or two cents. Eventually, all the other money goes out.

We want to retain as much of the tourism dollar in Fiji, so you need your national carrier. You need for example, the RBF, is doing a project with the hotels before the pandemic to encourage our chefs to use Fijian food, Fijian produce. We have to ensure that we have a substantial number of hotels that are Fijian-owned. FNPF has invested in the hotel sector, so these are the things that ensures that the retention of the dollar remains in Fiji.

As part of that, Mr. Speaker, Sir, we have to ensure that we keep our national airline afloat. If the airline completely has no hope of flying, that is a different scenario altogether; absolutely no money, nothing else can be done. We have to deal with it as a country then. But at this point in time, what we want to do and there is good obviously appetite by our lenders, by ADB (that has come for the first time) to be able to lend to this company which we guarantee to keep it afloat and by the grace of God in December, they will start earning a lot of revenue and so will we as a country, as a Government and as people, will get more and more employment.

Mr. Speaker, Sir, with those words, I would like to encourage Members of Parliament to support this motion.

HON. SPEAKER.- I thank the Honourable Attorney-General for his Reply.

Honourable Members will now vote.

Question put.

Motion agreed to.

HON. SPEAKER.- Thank you. Honourable Members, we will move on. I now call upon the Honourable Attorney-General and the Minister of Economy, Civil Service, Communications, Housing and Community Development to move his motion.

INCREASE IN GOVERNMENT GUARANTEE - FIJI DEVELOPMENT BANK

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. For the purpose of Section 145(1) of the Fijian Constitution and pursuant to Standing Order 131, I move:

That Parliament approves:

- (a) the increased Government guarantee from \$170 million to \$250 million for the 12-month period from 1st March, 2021 to 28th February, 2022 (Guarantee Period) for the Fiji Development Bank borrowings through the issuance of short and long-term bonds, promissory notes, term deposits, other short term borrowings and any Reserve Bank of Fiji financing facility;
- (b) the increased Government guarantee from \$170 million to \$250 million for the 12-month

- period from 1st March, 2021 to 28th February, 2022 (Guarantee Period) for the Fiji Development Bank borrowings through the issuance of short and long-term bonds, promissory notes, term deposits, other short term borrowings and any Reserve Bank of Fiji financing facility; and
- (c) that a guarantee fee of 0.075 percent be applied on the cumulative utilised guarantee credit.

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

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

HON. A. SAYED-KHAIYUM.- Thank you, Mr. Speaker, Sir. On 26th May, 2021, Parliament approved that Government guarantee a sum of \$170 million for the 12-month period from 1st March, 2021 to 28th March, 2022 for the banks borrowings, in other words, the FDB borrowings through the issuance of short and long-term bonds, promissory notes, term deposits and other short term borrowings and any RBF financing facility; a guarantee fee of 0.075 percent on the cumulative utilised credit guarantee was also approved.

By way of background, the Fijian Government in its National Budget in July 2021 announced the COVID-19 recovery credit guarantee scheme to provide working capital support for businesses to sustain themselves during the COVID-19 pandemic. It is a limited and tiered guarantee targeting Micro, Small, Medium Enterprises (MSMEs). Under this scheme, the RBF provides funding to the bank (when I say “bank”, I mean FDB), other commercial banks and credit institutions at an interest rate of 0.25 percent with a maximum lending rate fixed at 3.99 percent.

To further assist businesses with rehabilitation efforts, the banks including FDB had agreed to no additional fees and charges and interest only payments for the first two years. Government will in turn subsidise the interest payments for the first two years. If I get a loan as a business, once the loan is approved, I do not do any principal payments to the bank, the interest payments will be done on my behalf by the Fijian Government for two years. So essentially we are giving them two years to stand on their feet, start generating revenue, the economy hopefully gets up bouncing back the way it was, then in the third year then they start doing their repayments. And the banks, Mr. Speaker, Sir, have also agreed to waive all fees and charges.

Mr. Speaker, Sir, the facility provided through the FDB is aimed to provide relief and assistance to businesses by helping them maintain the business operations, support employment, of course, and maintain the livelihood of many Fijians during the pandemic. So far, the bank has approved a total of 3,263 loans to customers with the value of \$50.9 million as of 14th September, 2021. This includes 1,946 loans in the micro category, 906 loans in the small category, 291 loans in the medium category and 120 loans in the large category.

Mr. Speaker, Sir, various business sectors have applied and three main sectors that make up the 78 percent of the approved loans are the wholesale retail, transport and professional business services. The remaining 22 percent are loans to the agriculture sector, building and construction sector and the manufacturing sector. These are, of course, Mr. Speaker, Sir, as we say colloquially are engines of growth that the bank is confident that we will be able to bounce back really quickly as borders are opening, of course, are imminent as we said from 1st December.

In addition to the above approval, Mr. Speaker, Sir, as I have just highlighted, a total of 8,114 applications with a total value of \$139.1 million have been received and are currently being processed.

It does not mean all of them will get approved. The bank has forecast with a total of \$100 million outlays under the COVID-19 credit guarantees scheme as at 28th February, 2022.

The banks total outlay forecast as at 28th February, 2022 amounts to \$397.7 million. The banks total inflow forecast for 2021 amounts to \$147.7 million which indicates that an additional \$80 million is required to finance the total outlay of \$397.7 million. This will cater for the scheme as the existing Government guarantee of around \$170 million is not sufficient to cover for the new borrowings under the scheme.

Mr. Speaker, Sir, the additional \$80 million Government guarantee request from the bank aims to continue the facilitation of the scheme by lending to essential sectors of the economy particularly resource-based sectors including agriculture, mining and quarrying, manufacturing, transport, building and construction, MSMEs, wholesale retail, hotels and private individuals that are affected by the pandemic. Of course, hotels some of them are coming in to do some refurbishment work which FDB, of course, is facilitating. It will, of course, assist in the development of the Fijian economy through lending that will result in increased employment of more and more Fijians and similar economic activity.

Mr. Speaker, Sir, the FDB's outstanding liabilities guaranteed by Government as at 30th September, 2021 amounts to \$341.8 million of which bonds are \$162.2 million or 48 percent, term deposits \$96.2 million or 28 percent and RBF import substitution export finance facility amounts to \$83.4 million or 24 percent.

Mr. Speaker, Sir, the Government guarantee provided by the Fijian Government for the past six years now extending FDB's liabilities as at 30th September, 2021 is \$170 million and outstanding liabilities is \$121.9 million. I have highlighted already the contingent liability exposure to Government in the previous motion. The banks current average lending rate and cost of borrowing as at 30th September, 2021 are 6.13 percent and 2.44 percent respectively.

The increase in Government guarantee, Mr. Speaker. Sir, will enable the bank to continue to effectively deliver a variety of Governments socio-economic and lending policies that continue to directly benefit and impact many Fijians and of course Fijian businesses in the economy.

Mr. Speaker, Sir, I urge Members of Parliament to support this motion. Just by way of reference, I like to also highlight that this facility that we made available through the RBF Guarantee Scheme where they lend to banks at 0.25 percent, Westpac and ANZ has not taken up on this. It is very interesting. Again these two banks have the largest share of the market yet they have not participated in it. BRED Bank has, BSP has, HFC has, actually Bank of Baroda has not also participate in it too and the bulk of the lending, in fact, under the scheme, Mr. Speaker, Sir, has been provided by FDB. So, FDB obviously does not want to carry the entire bulk of this \$200 million because you have exposure issues. They also want to be able to carry out what we may call "normal lending" apart from this space to those who are willing to pay high interest rates but want to expand their businesses too.

That is the reason, Mr. Speaker, Sir, why we are asking for this additional guarantee for FDB to be able to allow FDB to continue to lend to appropriate businesses and individuals but of course, Mr. Speaker, Sir, this does not mean that FDB will utilise the full \$80 million - it may or it may not but we need to give it that headroom, if you like, to ensure that they can go out and participate in the market on an equal footing.

HON. SPEAKER.- I now give the floor to the Honourable Nawaikula. You have the floor.

HON. N. NAWAIKULA.- Thank you, Mr. Speaker, Sir. The position from this side of the House is that we are opposing this motion.

Mr. Speaker, Sir, there has been a lot of publicity on the new CEO who has all these expertise shifted from ANZ to FDB and this is the first of its milestone - to come to the House and ask for a guarantee of an additional \$80 million. Where are all his experts? Why can he not do it on his own? So, that is the first question that we want to ask, if you ask for a reason. There are also very serious questions about this bank and we had pointed out before, Mr. Speaker, Sir, that it has shifted away from its core role.

It started originally to assist farmers in the agricultural area and we have been asking for figures because we suspect that a lot of investors who are now coming to Fiji are using this bank as their investment bank. It is no longer Fiji Development Bank, it is an investor's bank. The last time I gave the example of Vatulele Resort where it loaned about \$14 million from FDB then it transferred again to another local bank, BRED Bank. I pointed out the fact that these are people coming from overseas, using the facilities that were required for local people and that is serious.

Another point we want to raise here, the fact that, its dealings with the MSMEs. Even the CEO has raised the question that it is not a banking practice, it was also a point that was raised by an auditor's report previously and that is serious, because this is a bank that is now accredited to fund or to access funds from the climate change. The climate finance will not be happy to know that this is a bank that is acting in a very risky way dealing with MSMEs. They should note that, Mr. Speaker, Sir.

My point is that, those being the case, it was necessary for this side of the House to come here and seek this approval using Standing Order 131(2) and not 131(1). Under Standing Order 131(1) it can come straight here and ask for our votes. Standing Order 131(2) allows or makes it a necessity for the other side of the government to seek advice first. Most importantly seek the advice of the accountants to give them a fair idea to advise us whether it is viable, whether it is good for the government to cover all those areas. If it comes under Standing Order 131(2), these are the things that we will be told by them if the loan or the provision for sourcing of the repayment of the loan, and the progress made and the payment for it.

A motion for the purpose of Standing Order 131(2) is debateable and may be passed but it is necessary in our view that it allows us to form a mature opinion on whether this House should support a request for a guarantee. Mr. Speaker, Sir, it is also interesting to note that whilst the Fiji Airways guarantee exempts it from paying a fee, the FDB in terms of this motion is required to pay a fee of 0.075 percent of the cumulative utilised guarantee credit. Again, it is interesting to know the rationale because otherwise there is an inconsistency where some entities have been given a special preference while others are not. So, basically Mr. Speaker, Sir, we are considering to increase the guarantee by \$80 million for the period March 2021 to 28th February 2022.

Mr. Speaker, Sir, there is no doubt that the Fiji Development Bank plays a pivotal role in our socio-economic development but the FDB's main objective is to improve the socio-economic status of our people by making the right development investment and financing, that is to say, financially and economically stable. We might add to that, to keep its core role. This noble objective is very important for us today, Mr. Speaker, as we try to recover from the deadly second wave of the COVID-19 pandemic. Since FDB is subsidised by the Government, it can take bold steps to venture into risk areas to ensure our food security, and particularly at this time.

Mr. Speaker, I mention "food security" because the latest Household Income and Expenditure Survey (HIES) Report produced in 2019 to 2020 before the pandemic hit, shows very seriously that 30 percent of our population are already living and struggling below the poverty line. Today, it is estimated that almost 60 percent of our population are either below the poverty line or are facing daily hardships. Therefore, there are opportunities for FDB to provide support for our people through financing small and micro enterprises but with accountability. Having said that, I sincerely hope that these funds will be

applied in accordance with its core role. The guarantee for FDB should not be used to allow Fiji Airways to access this funding window to finance its operations like it did the last time; took the loan from Reserve Bank and we covered that.

Sir, another question that comes to mind this afternoon is whether FDB has the capacity to implement and fully utilise the additional \$80 million to support its core focal sectors, as I said earlier, or this is just an opening of another window for Fiji Airways to have access to easily available funds when other financial institutions are reluctant to support it because of the high risk associated with Fiji Airways. Mr. Speaker, Sir, it is common knowledge that the CEO of Fiji Airways is also Chairman of the FDB Board, again there will always be a conflict of interest. Again Sir, I would like to reiterate that and echo the sentiments of the finding of the IMF Article IV Staff Mission to Fiji of the high risk associated with the guarantee to FDB, Fiji Airways and other State entities. That was a concern expressly stated by them.

HON. CDR S.T. KOROILAVESAU.- You are misleading.

HON. N. NAWAIKULA.- It is expressly stated and you should take it seriously.

As I have said earlier, Sir, on the notion to increase the Fiji Airways guarantee, if two guarantees are approved by this august House today, it means that our contingency liability will increase from \$1.1 billion to \$1.286 billion, that is, an increase of \$186.4 million. This means that our total contingency liability will be hovering around 12 percent of the GDP. The latest report by the Ministry of Economy for the 2020-2021 financial year released in September 2021 suggests that the major risk associated with our contingency liability is with Fiji Airways, FDB and other State entities, yet despite the risk, the Government continues to facilitate additional guarantees to the two main institutions.

Again, Mr. Speaker, Sir, the IMF Article for Staff Mission Report issued on 7th October, 2021 clearly suggests that the economy will continue to contract with accompanying rise in public debt to nearly 90 percent of GDP and the risk to the outlook are skewed and down-sided and I quote, “contingent liabilities have also surged during the pandemic as Government extend guarantees to state enterprises.” Basically, Sir, there is no more room to manoeuvre or as we talk about the fiscal space, to cushion against future risks, so much so that the Bainimarama boom and the claims for unprecedented boom which were never there. In view of this, Sir, we are not in a position to support this motion.

HON. SPEAKER.- I thank the Honourable Member for his statement. I give the floor to the Honourable Minister for Commerce, Trade, Tourism and Transport.

HON. F. S. KOYA.- Mr. Speaker, Sir, I rise to contribute and support the motion moved by the Honourable Attorney-General. As we all know, one of the key objectives of our Fiji Development Bank is to improve the socio-economic status of people and making the right development investments and financing and staying financially and economically sustainable.

This particular bank, Mr. Speaker, Sir, has continued to play a pivotal role in the development of the Fijian economy and simply put, the FDB is the bank for our Fijian micro, small and medium enterprises, contrary to what may be believed on the other side of the House. It continues to fulfil its mandate in providing finance for businesses and to stimulate growth, Mr. Speaker, in the economy and they have over the years prioritised some of our resource-based sectors such as rural agriculture and I am sure the Minister for Agriculture will attest to that.

In this regard, it has become the Fijian Government’s natural partner, Mr. Speaker, when it comes to revenue generation projects or to elevate Fijians out of hardships which have actually been caused by natural disasters or external shocks such as global financial meltdowns or pandemics.

In our 2020-2021 National Budget, Mr. Speaker, we announced the Government COVID Recovery Credit Guarantee Scheme and the FDB, they actually ran with this programme. This has actually been mentioned earlier on by Honourable Attorney-General. They received approximately 14,000 applications and approved about \$51 million in loans. These loans, Mr. Speaker, will enable our MSMEs that have been affected by the crisis to recover and also to play a crucial role in readjusting and resetting our Fijian economy and out of these 14,000-odd applications, Mr. Speaker, 99.9 percent of the applications were actually received digitally. The bank has engaged its in-house expertise also to develop an online portal and through the online portal, this allowed these MSMEs to apply for these loan safely and from the comfort of their homes.

The FDB, Mr. Speaker, Sir, has actually broken the norm and MSMEs that are not digitally-savvy or do not have access to undertake these activities, they have actually gone to the bank physically. The FDB has achieved a feat, Mr. Speaker, Sir, as again mentioned by the Honourable Attorney-General that no other commercial bank has been able to do. Sir, FDB is actually a bank for the grassroots people and the community and makes them a natural partner for the Fijian Government and when it comes to supporting our MSMEs in rural communities. They have actually worked very well with the Ministry, Sir, because we look after our MSMEs and businesses have been able to expand their commercial ventures, et cetera, and it was through facility upgrades and mechanisation, et cetera.

On numerous occasions, Sir, my Ministry has also been able to access finance for MSMEs with promising business proposals, so in 2014 alone, they came on board with the Micro and Small Business Grant Programme. This was one of the first of its kind and this was for our Fijian entrepreneurs and gave them a foundation to excel in the world of business.

Mr. Speaker, Sir, they have assisted also with our NDP Programme and our Public-Private Partnership. Through the NDP, the Ministry also provided equity funding to successful MSMEs so they could access loans from commercial banks and yes, from FDB, so the Ministry has also paid out about \$320,000 for more than 50 entrepreneurs so they can access these loans to start or expand their businesses. The increase in guarantee, Mr. Speaker, from \$170 million to \$250 million will allow FDB to raise more capital by accessing these funds through borrowing of short and long term bonds and promissory notes and term deposits and other short-term borrowings and RBF Financing Facility. This flexibility to access more funding means they can expand their portfolio and fill the financing gaps that we are actually talking about with respect to our MSMEs.

The MSMEs have long been neglected, Mr. Speaker, by the commercial banks and we are not ashamed to say that, Sir because of this financing gap that government had to step in with various programmes and strategies and initiatives and as I alluded to earlier, the FDB will work more with MSMEs in a targeted and commercially viable manner. The bigger picture, Mr. Speaker, is the empowerment of all Fijians and it is a graduation of micro and small businesses to the next level. That is what we are actually talking about here. It is about the improvement of livelihoods, of grassroots communities paving the way for job creation, wealth and improvement in standard of living.

Whilst the pandemic has been around, Mr. Speaker, Sir, people have actually gotten very creative in terms of the kinds of business that they want to do. We have been asking everybody to ensure that we diversify and do not put so much reliance on just one particular industry which is the tourism industry. Our support for the motion will increase investor confidence by making the banks instrument attractive to entrepreneurs, to further enable reduction in the perceive risk associate with FDB's borrowings which ultimately reduced the cost of finance.

The country is actually on the road to some economic recovery, Mr. Speaker, we all know that we can all see that and every financial and economic decision made must ensure that we close the gap that has been created in the economy by the pandemic. I think that what should be at the forefront and the

focus of everyone's mind. This ensure us also that Fiji is always in the state of readiness and I think that also is a very important aspect. This support, Mr. Speaker, will most definitely boost the FDB to assist more SMEs to bounce back and navigate through this new norm that we have.

I want to remind the Honourable Opposition Members, Mr. Speaker, Sir, that FDB is operating at a very high standard which any institution is meant to operate by when serving the Fijian people, contrary to what Honourable Naiwaikula may believe.

The FDB Board and Management have taken bold steps to bring FDB out of the era of mismanagement and short sightedness. Today, the bank stands on par with esteem financial institution, Sir, stands us in good stats, Fijians have more faith in the FDB and now more so than ever Opposition must not project this guarantee as some kind of sinister motive, and pouring score on the new CEO does not go well, Sir. He has been appointed and he sits there on merit. The Government is investing in the future of the nation, the future of the Fijians in rural communities and we should all get behind it, Sir. Fijians with available resources but limited source of financing and FDB is the answer and this would just help what we are actually talking about. I reiterate my support for the motion and request the House to support this motion, Sir.

HON. SPEAKER.- I thank the Honourable Minister. I now give the floor to the Honourable Bulitavu.

HON. M.D. BULITAVU.- Thank you, Mr. Speaker, Sir. I rise to give a short contribution to the motion that is before the House and that is the guarantee for Fiji Development Bank. I will only talk about FDB and their role in the current pandemic that we have and also the vital role that they play in terms of the MSME, SMEs and the Northern Development Programme which are very important programmes, especially in revitalising our economy. Right now, it will assist in creating those economic spin in the rural areas and I stand to testify this because this is one of the big areas in the Northern Division right now.

The FDB offices are full everyday and even phones are always busy, those that even in the rural areas who are applying for various allocations that were announced by Government in the recent budget, they are running around to get all those requirements as alluded to by the Honourable Minister for Trade. These are some of the benefits and the key role that FDB plays in the community.

In farming, we talk about ginger farming, we talk about *yaqona* farming, we talk about cassava farming, we talk about all other products now that are coming in, Mr. Speaker, Sir. I think there is a clear signage between the Bill that was introduced this morning by the Honourable Attorney-General in terms of the Fiji Institute of Chartered Accountants and how that Bill will also assist in trying to create an equal level playing field for the accountants and a pool of accountants that will be there for these applicants in the rural community who want to pursue small businesses and moving into medium and small enterprises. I think this particular guarantee should be supported.

The FDB as a community bank, as a rural bank, it helps the community not only the cane farmers but all other farmers in the community and other small businesses that are running such as taxi drivers, taxi owners and other informal sectors and other formal sectors in the rural economy who need financial and the only finance that can be given is through FDB through the grants. I think we should be thankful.

One thing that we always must think about, Sir, given that we are in a pandemic and as I have said and emphasised before, I think if we work together as a nation in terms of trying to get our country back on track, to reset our economy and our nation, and see the plea by both sides of the House and all politicians in terms of the vaccination, the herd immunity and how all that plan is coming into fusion and

how the relaxation now has slowly unfolded given that the economy needs to run after we recover or after everything becomes normal.

This is a very important thing that needs to be supported by any national leader when it comes down to putting your country first and also patriotism. It is about the people and it is about how they survive and creating the environment and the atmosphere that they need to survive even during the challenging time that we have.

HON. SPEAKER.- I thank the Honourable Member for his contribution to the debate. I give the floor to the Honourable Qionibaravi. You have the floor.

HON. ADI L. QIONIBARAVI.- Mr. Speaker, Sir, thank you for the opportunity to address the motion before the House. The Parliament is being asked again to vary the terms of the guarantee that was approved on May 2020.

The guarantee by Government for the purposes of FDB will be beneficial to the extent that the capital raised by FDB through the various means mentioned in the motion are invested in activities that stimulate growth in the economy and ensure that it continues to service the focused sectors more than the non-focused sectors.

Whilst there is high liquidity in the market, according to the Honourable Attorney-General and Minister of Economy, FDB should accordingly ensure that it lends responsibly. It is imperative that FDB tightens its lending policies to ensure that it is able to recover loans that it lends out.

As highlighted by the Honourable Attorney-General and Minister for Finance in his contribution to the House on 26th May, 2021, the function of FDB is to facilitate and stimulate the promotion and development of national resources, transportation and other industries and enterprises in Fiji. The bank shall give special consideration and priority to the economic development of the rural and agricultural sectors of the economy in Fiji.

However, whilst the Honourable Minister of Economy and Attorney-General on 26th May, 2021 highlighted that the agricultural sector makes up 62.22 percent of the total loan accounts and where the total focused sector represented 81.6 percent of the total number of loans, the total actual value of the loan to these sectors only make up approximately 41.19 percent of the total loan. This simply means that once there were more loans given out to the focused sectors, the loan value is less than the total loan values given to the non-focused areas.

What is more interesting, is that, there are only a total of 885 loan accounts that make up the non-focused account, but do account for more than 58 percent of the total loan portfolio. The total loan profits as at 30th June, 2020 has dropped by over 70 percent from 2019. The lack of availability of relevant financial information of the banks performance in 2020 and 2021 is concerning given the drastic drop in the profits of the bank. This information needs to be made available to enable interpretation of information.

A few questions, how will the additional funds raised by the FDB be used to ensure that it is channelled towards the focused sector to ensure the prioritising of the needs of the focused sectors. What are the main drivers for the reduction in profit in 2020 by more than 70 percent? The bank's allowance for ECAL continues to grow from 2018 to 2019. What was this amount for 2020? How can the Government satisfy itself to ensure that there will not be many bad loans issued by the bank to the point that the bank cannot recover these loans? The bank has not released or published its 2020 or 2021 reports on its website as it normally does. The Honourable Attorney-General was able to give figures from 30th June, 2020. The question is, has that report been finalised? If so, why have they not being publicised?

Mr. Speaker, Sir, as the Honourable Leader of the Opposition has said, we are now in a precarious state of national debt and the guarantees before the House for FDB will consequently increase Government's contingent liability. I would like to conclude with those few words that I do not support the motion before the House.

HON. SPEAKER.- I thank the Honourable Member, and I give the floor to the Honourable Qereqeretabua.

HON. L.S. QEREQERETABUA.- Thank you, Mr. Speaker, Sir. The problem with this motion is that, it seems like the Honourable Minister comes to this House thinking that the people of Fiji are the ATMs for the Government's bad ideas. It is just no sense of decency and no sense of respect for the current hardships being faced by the people of Fiji for the last 19 months from COVID-19. The Government just kicks their bosses and by that I mean, the taxpayers and the voters of Fiji in the teeth every time they need a blank cheque to be signed and then they have the audacity to think that is their privilege and right to walk all over us.

The audaciousness and arrogance will be increased as they traipse all over the rural and sub-rural areas with the promised infrastructure still absent and with their gleaming pearly whites to show voters how good they are before 2022, while they sit here and vote in more *dinau* that the people will pay for without actually enjoying it on a day-to-day basis like being able to put more food in their shopping baskets. Today we should only be dealing with the appointment of His Excellency, the President. That moment is now lost with ambush tactics at the Business Committee level on Government motions that none of us knew about until last night. Then of course, the ambush on the Bill to do with the Fiji Institute of Chartered Accountants. Everything seems to be thought about in a frenzy and then bamboozled through this august House as if the Opposition is here merely as ornaments to show that Parliament is convening. Never mind that all the matters of substance that we debate are voted by acclamation.

Mr. Speaker, Sir, the Government solution to an already dire economic outlook even as clearly spelt out by the IMF and global ratings agencies is to drown the country in more *dinau*. Any housewife could teach the Honourable Minister of Economy, "Don't spend more than you earn, save for a rainy day." Instead, the people of Fiji are being given \$360 and access to their pension funds to save themselves, while millions are pilfered away to save Fiji Airways.

HON. A. SAYED-KHAIYUM.- Pilfered where?

HON. L.S. QEREQERETABUA.- The FDB has not even bothered to table a 2020 Annual Report, surely one should have thought that a new CEO taking over and his Board would make institutional governance and accountability a priority, clearly not as we see by this motion.

The FDB suddenly paused its COVID-19 Recovery Credit Guarantee Scheme. Surely, they will be making excuses to the public that 60 percent of those who applied have been dealt with, but 40 percent are probably waiting for today's bail out. Even then, this House has not been given any clear data about those 60 percent applications and the envisaged results of being given public funds. How will we even know about the true financial situation is if FDB refuses to be accountable to this House?

There appears to be a dangerous and a systemic collusion as detailed by the Honourable Professor Prasad's response to the Fiji Airways motion earlier, Mr. Speaker, Sir, by the FDB and the RBF. It is almost criminal. I would urge the Office of the Auditor-General to look carefully at what is going on and specifically, the correspondence and reports that Honourable Professor Prasad referred to.

In fact, let us talk about another insidious trend of corporate capture, where one Australian commercial bank seems to have this revolving door of very senior management straight into senior

government roles, not to mention the involvement at the council level of a national university. Is this proper? What does the RBF have to say about this as the regulator of commercial banks in Fiji in terms of transparency and good governance?

Mr. Speaker, Sir, on 26th May this year, this House was asked to approve a motion for the FDB for \$170 million. Five months later, the people of Fiji, by us their elected representatives, are being asked to top up that guarantee by about \$80 million to run up till that same period, that is 28th February next year. It is really difficult for me to understand how the Government thinks that continuously punishing the people in this way will help them get back into power. We, on this side of the House, will be working hard to remove that at the ballot box but, please, Honourable Members on the other side, take our advice because we are embarrassed for you. Stop shackling the taxpayers with more *dinau* on the whimsical notion that the opening of the borders will miraculously save us from economic doom.

We know what the bulk of these funds will be used for. Like in 2018, there will be a freebee bonanza aided by the

(Honourable Minister interjects)

HON. L.S. QEREQERETABUA.- Yes, Honourable Minister, and there is contingent liability which is a risk.

Anyway, there will be a freebee bonanza aided by the FDB to buy ticks, may be more \$1,000 water tanks, street lights, rubbish bins, *Walesi* decoders, Wi-Fi, you name it, and we actually say to the people, Mr. Speaker, take it with both hands because it is your taxes anyway that is paying for these things, just as you paid for all of us to be sitting here but, people of Fiji, please, be aware, nothing is free.

When the LTA and the Police book you for what you believe are frivolous reasons, you are paying for the *dinau* guarantees. When goods at the supermarket cost more and you put less in your basket, you are paying for the *dinau* guarantees. When the price of getting a birth certificate at the Registration Office increases, you are paying for the *dinau* guarantees. When the hospitals, roads, schools, bridges, markets and horses or mares (as the Honourable Reddy says), do not get upgraded, they do not get developed and they do not get supplied, you are paying for these *dinau* guarantees.

And then what happens? When the Honourable Minister of Economy brings his new six noughts budget next year in February - more *dinau*? The question we must ask is: these guarantees are taken to institutions with money to then finance, which institution is most likely to be fleeced this time: FNPF again, Home Finance?

Mr. Speaker, we cannot support this motion and you cannot be a banker with worth your salt if as the head of the organisation, you cannot have the decency to detail to the people through this House how they will benefit through a robust due diligence approach.

HON. SPEAKER.- I thank the Honourable Member. I now give the floor to the Honourable Minister of Economy for your reply.

HON. A. SAYED. KHAIYUM.- Thank you, Mr. Speaker, Sir. Mr. Speaker, Sir, I really shudder whenever Honourable Qereqeretabua speaks because I have known Honourable Qereqeretabua for quite some time - a number of years, and the level of sarcasm that is now in her speech is very uncharacteristic of her. That is why every time when she speaks, I say to her, “why did Richard write your speech because Richard Naidu speaks like that and she is not listening to me because she knows I speak the truth?”

Mr. Speaker, Sir, the other fact that I wanted to make is that, her lack of understanding of basic economics is actually quite stupendous, it is really quite amazing that here you have one of the three Members of NFP and you would think her leader who is also a Professor in Economics would have taught her the basics.

She talks about - no more *dinau*, live within your means. Let us go and tell that to the people who are living below the poverty line. Let us go and tell that to the disabled person who cannot earn a living and say - you live within your means. Let us go and tell that to a rural pregnant woman who cannot actually get access to food - you live within your means. Let us go and tell the person who has become unemployed through no fault of his or her own because COVID-19 has struck the world - you go and live within your means. That is precisely what she is saying, Mr. Speaker, Sir, because the Government has stepped into the space where people do not have access or the ability to live within their means because there is absolutely no means.

We have stepped in and provided them with the means. Even if it has meant borrowing money, we want to pay unemployment benefit, even if it means borrowing money, we want to connect people to water, electricity, provide free education, continue with social welfare benefits, medical assistance and roads. That is what you call, Mr. Speaker, Sir, governing our country, not the slipshod political opportunism saying no more *dinau*. We will go and borrow money if we have to provide those services.

(Honourable Government Members interject)

HON. A. SAYED-KHAIYUM.- We are borrowing money to pay for people's electricity for the first six months, completely 100 percent if they pay, if they use 100 units or less. We are doing that, Mr. Speaker, Sir.

(Honourable Members interject)

HON. SPEAKER.- Order!

HON. A. SAYED-KHAIYUM.- We are providing free birth certificates, market vendors do not have to pay fees for the next whole year.

I met a group of people near Navutu Roundabout in the weekend, they were selling fish. They were from Tavarau between Lautoka and Ba, saying, "thank you very much, we do not have to pay for the fishing licence, we were able to catch fish and earn a living for ourselves" - basic things. Absolutely no understanding of the fact that the revenue has been shot to pieces.

Mr. Speaker, Sir, Honourable Qereqeretabua encapsulates the entire narrative and thinking of the Opposition. I would say that some of the people in SODELPA actually think a bit better than her and NFP.

(Honourable Member interjects)

HON. A. SAYED-KHAIYUM.- I will tell you why, well, you are saying no, you are in the same league as them. Oh my God!

(Laughter)

Mr. Speaker, Sir, the point of the matter is this, she is saying - no more *dinau*. The very people who she is saying needs to be not be given *dinau* to, call us on an hourly basis saying - can you help us, my loan with FDB has been rejected; can you help us, because I have got a small business and FDB is

taking a few weeks to process my loan? They want the *dinau*. They want the loan so their businesses can stay afloat.

(Honourable Members interject)

HON. SPEAKER.- Order!

HON. A. SAYED-KHAIYUM.- The farmer wants to continue with his business. I just highlighted earlier on about how Fiji Airways has been taking agricultural produce out. We have people, for example, who are growing turmeric and we have people who are growing more *dalo*. I was with a group of people from a landowning unit in Nadi. They actually want a tractor because seven families have got together, pulled their land together, they have started exporting cassava and *dalo* to Sydney. Guess what? Sir, FDB is working with the Ministry of Agriculture, they are giving one-third, two-thirds being given by way of a loan through FDB. They are the people who want the loan, they are the people we are going to assist because there are enormous opportunities.

Now they talk about agriculture, I think Honourable Qionibaravi talked about the value of the loans to agriculture is quite low. Yes, you know the fundamental reason? Sir, FDB is the only credit institution that actually lends for agricultural purposes.

(Honourable Members interject)

HON. A. SAYED-KHAIYUM.- The Westpac, ANZ, Bank of Baroda, BSP, BRED Bank even HFC Bank do not lend money for the agriculture sector unless you have a 99-year lease or you have freehold land. This is why the rate of mechanisation in the agriculture in Fiji is way behind because we are paying for a legacy that you could lease iTaukei land, State land for tourism, industrial, residential, commercial purposes up to 99 years but agriculture - 30 years. Where was the priority of those leaders? If we had agriculture land available for 99 years, people would have mechanised. They would have been able to go to commercial banks on their loans, borrow money, use the land as collateral and be able to have a modern day farm.

Under the Bainimarama Government, you now can lease land for 99 years but obviously people's mindset is still there, that is the reason why. We used to have crop liens, I worked for BSP. It was a legacy of NBF, you had a crop lien through the sugarcane sector, that is the extent in one year, two years crop lien, that is all. This is why they go here, they stand here, they pontificate. Honourable Nawaikula - agriculture, *areh* but look at the tenure that is available.

Sir, FDB cannot go and give someone for agriculture purposes half a million dollars if there is no collateral. Then you will say that FDB is taking a high risk loan. You need collateral otherwise you will be like going back to the good old NBF days, no collateral but get a loan. They loaned, that bank shut down.

I remember the Honourable Prime Minister after 2007 when he was the Minister for Finance, the FDB board came along and said - look, when we go out to the market to borrow money, we have to pay high interest rates because our balance sheet is shredded to pieces. Why? There are so many non-performing loans. Can you please write off these loans because these people have taken off, no collateral? How are we going to get back the money? He had to do that. The balance sheet then improved.

The balance sheet has to be good so people will lend you money; giving money at the right price. They do not understand that. Sir, FDB under Laisenia Qarase lent money to the elites of this country to buy Class A Shares in Fijian Holdings. He lent money to rich people in this country to buy Class A Shares in Fijian Holdings where the dividends paid to Class A Shares were higher than the dividends paid

to Class B Shares. Honourable Ratu Naiqama Lalabalavu knows that because Provincial Councils held Class B Shares, individual elites held Class A Shares. This man changed it; Bainimarama changed it.

HON. GOVERNMENT MEMBERS.- Hear, hear!

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, the Honourable Nawaikula talked about how the portfolio of FDB was very skewed; there was so much money lent to the tourism sector and various other sectors. Guess what? In 2007 when the Bainimarama Government came in, we discovered that FDB had lent money in the Marriott project and the investor from New Zealand who hardly contributed any money but used his so-called intellectual property contributions valued at \$80 million to \$90 million, FDB and FNPF carried the bulk of the loan. That investor, a few years later ended up in prison in New Zealand. This is the kind of investors we had; FDB funded that. Sir, FDB no longer does those kind of shoddy deals. That is what happened.

Honourable Nawaikula also does not understand that FDB does not accept deposits. The way that banks make money, if you have a commercial bank, all of us go and deposit our money in it, then they use that deposit money and lend to other people and they make money. Development banks by their very nature do not do that. That is why development banks throughout the world are either funded by government directly or government guaranteed. Sometimes development banks will actually lend to commercial interest at a higher interest rate. They may charge 8 percent to 12 percent so they can cross-subsidise the farmer who they may have lent to at 3 percent - it is called cross-subsidisation of interest rates. So you have to have that kind of portfolio in your mix. It is fundamental finance, fundamental banking. Honourable Nawaikula needs to understand that.

Mr. Speaker, Sir, he talked about green climate fund. If he did his research like he does with ILO 169, he will find out that the green climate fund funds projects. In order for you to be a facilitator of the green climate fund, you have to go through an audit check and FDB had to go through that check and currently FDB's capacity of accessing funds from the green climate fund is limited to only \$10 million. There is one project - the Fiji Photovoltaic Project in Bureta, Ovalau; it is a joint venture with the Koreans. Essentially photovoltaic means you have the solar thing on top, and you grow agriculture underneath that. Mr. Speaker, Sir, he thinks like *carte blanche*, like they can take money from green climate fund; no, it is done through various individual projects.

There is also an issue raised as to why was the fees charged to FDB but not to Fiji Airways. That is obvious. Sir, FDB is continuing with its normal business, Fiji Airways is not. It has got muted business and we have done this in the past for other organisations. That is why there is no guarantee fee.

Mr. Speaker, Sir, the other issue that is being highlighted has been the IMF Report. They are being very selective in that. Let me just reiterate that the IMF observed the fact that Government actually has borrowed was a necessity in the current climate. They have highlighted debt to GDP ratio projected back to debt to GDP ratio will be 90 percent.

Now, Mr. Speaker, Sir, I have just got the debt to GDP ratios of other countries. New Zealand, for example, in 2018 was 28 percent debt to GDP ratio. Within a span of three years, debt to GDP ratio has gone up to 52 percent. Japan's debt to GDP ratio is 256 percent, USA - 133 percent, Canada - 109 percent. Let us talk about the smaller countries.

(Honourable Member interjects)

HON. A. SAYED-KHAIYUM.- Maldives - 137 percent tourism economy; Bahamas - 102 percent; Mauritius - 101 percent and Seychelles - 81 percent.

Mr. Speaker, Sir, I am not saying that we should always hover around 90 percent. What I am trying to point out, it is an exception, it is an aberration, it has become an aberration because of COVID-19 and Fiji is no exception in that regard. Aberrations are taking place all over the world.

Honourable Qereqeretabua made fun of the fact that we are going to open up the borders, that somehow or the other we are going to la la land. We are going actually into a real world where we are taking risks and we need to carry out those risks because for ordinary Fijians we have to do it. We have to do that, Mr. Speaker, Sir. This is the hard-core reality.

Honourable Nawaikula said, “Oh, he went to court house, he is not there, something is not there.” He did not highlight what is now there, that was not stated, was not there. What has actually happened in the meantime? How many people have been assisted? So, Mr. Speaker, Sir, unfortunately the Opposition has gone off in a different tangent.

Last but not least, the point that I would like to make, they said, “Oh, when you go to the supermarket, when you are paying an increased price, remember it is you paying it and taxpayers, et cetera.” Government has reduced tariff. We are one of the very few countries in the world with reduced VAT from 12 percent to 9 percent, ECAL - 10 percent to 5 percent, no more STT, birth certificates are free, et cetera.

If they were really to contribute to this economic debate, read the articles that are coming out on a daily basis, I think one of the newspapers published it. The cost of freight globally is going up. It has got nothing to do with the Fijian Government. It has got nothing to do with the Prime Minister, it has got nothing to do with anyone of you, anyone of us in this Chamber. The prices of freight and global fuel are going up, completely out of our control. So if you really want to be honest, Mr. Speaker, Sir, in your contribution to these debates, they need to understand what is actually happening globally.

Mr. Speaker, Sir, the last point that I would like to make is the word “pilfering”. Pilfering actually means stealing things, small little things here and there. Absolutely no evidence of theft. Where is the theft? FDB is not accountable, someone said. You have their annual report, the Committee goes and meets them. Where is the non-accountability of it? They talked about conflict of interest. No one dared to even ask a question when that decision was made, was the chair actually in the meeting, they did not ask that. They highlighted, “Oh, ANZ has a revolving door.” There is no revolving door.

Tessa Price is the Chair of FNU. I thought they would be proud that we have the chair of an international university, who is a female, secondly that this person brings the commercial nous to it, brings the Australian and New Zealand connections, we are trying to create an international university. That is what they are saying.

Saud Minam, Honourable Aseri Radrodoro went on his little racist rant on social media about it. He does bring experience. Honourable Nawaikula said, “Oh, why can he not do it on his own?” *Areh*, it is a development bank. You want to make FDB a full commercial bank, I am sure you can run it as a full commercial bank. You see all of these sort of nonsensical comments to try and undermine a motion that is being done for the benefit of ordinary Fijians to spur economic growth, that is the objective. Unfortunately they cannot extricate themselves from that narrative and it will also mean that they will oppose this motion. I would like the ordinary Fijians who have applied for loans at FDB, people who want to spur up their businesses, to understand that the SODELPA and the NFP are objecting to them increasing their opportunities to participate in the economic well-being of this country.

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

Question put.

Motion agreed to.

ADJOURNMENT

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

That Parliament adjourns until Monday, 22nd November, 2021, at 10.00 a.m.

HON. A.A. MAHARAJ.- Mr. Speaker, Sir, I second the motion.

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

Question put.

Motion agreed to.

HON. SPEAKER.- Honourable Members, I thank you all for your participation in this important and special Sitting of Parliament to appoint the future President of the Republic of Fiji. As I had alluded to earlier, the House wishes the future President the very best wishes in his tenure as President of the Republic of Fiji.

Honourable Members, at this juncture, I wish to advise that Parliament will stand prorogued from Monday, 25th October, 2021 until the State Opening of Parliament for the final session of the second term of Parliament. The State Opening will take place on Monday, 22nd November, 2021 at 10.00 a.m. and this will be officiated by the new President of the Republic of Fiji.

Honourable Members, whilst you are all aware that prorogation marks the formal end of the parliamentary session which includes the suspension of parliamentary business, including Parliament Sittings and Parliament Committee proceedings on Bills, Motions and Reports, please take note that pursuant to resolution of Parliament today, the Standing Committee on Justice Law and Human Rights will be the only exception. You have work to do, and I will see that you carry out that work. The Standing Committee will continue to undertake its Committee mandate so as to comply with the resolution of Parliament.

Honourable Members, I thank you all again for the work that you have undertaken during this session of Parliament and I now declare Parliament adjourned *sine die* until Monday, 22nd November, 2021 at 10.00 a.m.

The Parliament adjourned at 3.05 p.m.