

# PARLIAMENT OF THE REPUBLIC OF FIJI



## PARLIAMENTARY DEBATES

### DAILY HANSARD

**MONDAY, 4<sup>TH</sup> APRIL, 2022**

[CORRECTED COPY]

# CONTENTS

	<u>Pages</u>
Minutes ... ..	930
Communications from the Speaker ... ..	930-931
(1) Welcome	
(2) Chamber Seating Arrangement	
(3) Chamber - Voting	
(4) PAC Publications – Parliament of India	
Presentation of Papers & Certain Documents ... ..	931
Presentation of Reports of Committees ... ..	931-937
(1) Review Report – FHEC August 2016-July 2017	
(2) Consolidated Review Report - FPCL 2018 & 2019 Annual Reports	
(3) Review Report - FNSC 2019-July 2020 Annual Report	
(4) Review Report of the Investment Fiji Bill 2022	
VAT (Amendment) (No.2) Bill 2022 ... ..	937-940,943-945
Customs Tariff (Amendment) (No.2) Bill 2022 ... ..	940-942,945-946
Questions ... ..	947-965
<u>Oral Questions</u>	
(1) Participation of Serving Inmates in Sports Tournaments (Q/No. 51/2022)	
(2) African Swine Fever (Q/No. 52/2022)	
(3) Status of McGusty Building – Lautoka Hospital (Q/No. 53/2022)	
(4) Subject-Area Teachers – Upgrading of Qualification (Q/No. 54/2022)	
(5) Succession Planning to Address Leadership Needs (Q/No. 55/2022)	
(6) Budgetary Allocation – Emergency Water Supplies (Q/No. 56/2022)	
(7) Status of Review of MSMECGS by RBF (Q/No. 57/2022)	
(8) Impact of Russia-Ukraine War on Fijian Economy (Q/No. 58/2022)	
<u>Written Questions</u>	
(9) Loans and Direct Budget Support – COVID-19 Pandemic (Q/No. 59/2022)	
(10) Reconstruction of Levuka Wharf (Q/No. 60/2022)	

**MONDAY, 4TH APRIL, 2022**

The Parliament met at 10.02 a.m. pursuant to notice.

MR. 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. 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. Faiyaz Siddiq Koya, Minister for Commerce, Trade, Tourism and Transport

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. Alvick Avhikrit Maharaj, Assistant Minister for Employment, Productivity,  
Industrial Relations, Youth and Sports

Hon. Vijay Nath, Assistant Minister for Infrastructure, Transport, Disaster Management  
and Meteorological Services

Hon. Alipate Tuicolo Nagata, Assistant Minister for Employment, Productivity, Industrial  
Relations, Youth and Sports

Hon. Jale Sigarara, Assistant Minister for Agriculture and Maritime Development

Hon. Viam Pillay, Assistant Minister for Environment and Rural Development

Hon. Selai Adimaitoga, Assistant Minister for iTaukei Affairs

Hon. George Vegnathan, Assistant Minister for Sugar Industry

Hon. Dr. Salik Ram Govind

Hon. Virendra Lal

Hon. Joseph Nitya Nand

Hon. Sanjay Salend Kirpal

Hon. Sachida Nand

Hon. Rohit Ritesh Sharma

Hon. Howard Robin Politini

Hon. Ratu Naiqama Tawake Lalabalavu

Hon. Viliame Rogoibulu Gavoka

Hon. Ro Teimumu Vuikaba Kepa

Hon. Niko Nawaikula

Hon. Aseri Masivou Radrodoro

Hon. Mosese Drecala Bulitavu

Hon. Anare Jale

Hon. Mitieli Bulanauca  
Hon. Mikaele Rokosova Leawere  
Hon. Ratu Suliano Matanitobua  
Hon. Tanya Waqanika  
Hon. Jese Saukuru  
Hon. Ratu Tevita Navurelevu  
Hon. Dr. Ratu Atonio Rabici Lalabalavu  
Hon. Simione Rokomalo Rasova  
Hon. Peceli Waqairatu Vosanibola  
Hon. Ro Filipe Tuisawau  
Hon. Inosi Kuridrani  
Hon. Jone Atonio Rabici Seniloli  
Hon. Lenora Salusalu Qereqeretabua  
Hon. Lt. Col. Pio Tikoduadua

Absent

Hon. Prof. Biman Chand Prasad  
Hon. Adi Litia Qionibaravi  
Hon. Salote Vuibureta Radrodro

**MINUTES**

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

That the Minutes of the sitting of Parliament held on Friday, 25<sup>th</sup> March, 2022 as previously circulated, be taken as read and be confirmed.

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

Question put

Motion agreed to.

**COMMUNICATIONS FROM THE SPEAKER**

Welcome

I welcome all honourable Members to today's sitting. I also welcome those joining us in the public gallery and those watching the live broadcast of the proceedings. Thank you for your continued interest in the workings of your Parliament.

Chamber – Seating Arrangement

Honourable Members, whilst we have reverted to the normal seating arrangement, the additional four seats at the back will not be used this week, but will definitely be occupied at the May Sitting of Parliament. The reason being that, the IT Unit is awaiting some audio components which need to be installed. We are adamant that we will receive this well before the next sitting. It makes the sitting look cosier than before when it was spread out.

### Chamber - Voting

Honourable Members, for the purposes of voting, however, those present in the Chamber will vote electronically and those connecting virtually will vote by acclamation. I will advise all those connecting virtually when the time comes. It is a bit intricate, but I am sure we can manage it.

### Public Accounts Committee Publications - Parliament of India

Honourable Members, at this juncture, I wish to advise that we have received two Public Accounts Committee publications from the Parliament of India. The publications were in commemoration of the centenary celebrations. Copies of the publications are available in the Library for those Members who wish to peruse them.

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

MR. SPEAKER.- The following Reports were tabled by the Ministers responsible in accordance with Standing Order 38(1) and referred to the relevant Standing Committees for deliberation in accordance with Standing Order 38(2):

#### Standing Committee on Public Accounts

Mid-Year Fiscal Statement for 1<sup>st</sup> August, 2021 to 31<sup>st</sup> January, 2022.

MR. SPEAKER.- Honourable Members, please take note that the honourable Attorney-General has tabled the Mid-Year Fiscal Statement as previously announced for the previous Fiscal Statement. This is being circulated for your information only.

#### Standing Committee on Natural Resources

- (1) Water Authority of Fiji 2017 Annual Report; and
- (2) Ministry of Lands and Mineral Resources 2014 Annual Report.

#### Standing Committee on Social Affairs

2016-2018 Annual Report for Fiji Roads Authority.

### **PRESENTATION OF REPORTS OF COMMITTEES**

#### Review Report - Fiji Higher Education Commission August 2016 to July 2017

HON. V. PILLAY.- Mr. Speaker, Sir, I am pleased to present the Report of the Standing Committee on Social Affairs on the Annual Review of the Fiji Higher Education Commission for the period August 2016 to July 2017.

This Review was undertaken in accordance with Standing Order 109(2)(b) which mandates the Committee to look into issues relating to health, education, social service, labour, culture and media. The Committee first met to deliberate in March of this year and formulated questions pertaining to the Annual Report which was sent to the Commission for its response.

Upon receipt of all relevant information on the Committee's queries, the Committee compiled its findings and subsequently endorsed its Report in March. Some pertinent findings of the Committee emanating from the scrutiny process were as follows:

1. Review of the Fiji National Qualification Framework 2017 to ensure that it remains on par with that of other international qualification frameworks.
2. Progressive work on creating a Higher Education Commission System to enable access by higher education institutions to upload learned data and other necessary data for higher education. This will subsequently facilitate data integration on to the Fiji Education Management Information System (FEMIS).
3. Review of the Commission's Human Resources System and the Processes were carried out in 2017 by KPMG. This review was undertaken to strengthen the Commission's HR Functions, including its Performance Assessment System.

At this juncture, I wish to thank the Director of Fiji Higher Education Commission, Dr. Rohit Kishore, and his staff for their timely assistance in this review process. I also extend my gratitude to my Committee colleagues, namely: honourable George Vegnathan - Deputy Chairperson, honourable Alipate Nagata, honourable Salote Radrodoro and honourable Dr. Ratu Atonio Lalabalavu, for their contributions during the Committee's deliberation.

On behalf of the Standing Committee on Social Affairs, I commend this Report to Parliament and I request all honourable Members of this august House to take note of the Report.

(Report handed to the Secretary-General)

HON. V. PILLAY.- Mr. Speaker Sir, pursuant to Standing Order 121(5), I hereby move:

A motion without notice that a debate on the contents of the Report is initiated at a future sitting date.

HON. G. VEGNATHAN.- Mr. Speaker, Sir, I second the motion.

MR. SPEAKER.- Parliament will now vote.

Question put.

Motion agreed to.

#### Consolidated Review Report – Fiji Ports Corporation Limited 2018 & 2019 Annual Reports

HON. V. PILLAY.- Mr. Speaker, Sir, I am pleased to present the Report of the Standing Committee on Social Affairs on the annual review of the Fiji Ports Corporation Limited (FPCL) for 2018 & 2019. This review was undertaken in accordance with Standing Order 109(2)(b), which mandates the Committee to look into issues related to health, education, social services, labour, culture and media.

The Committee first met to deliberate in March of this year and formulated questions pertaining to the Annual Reports which were sent to FPCL for its response. Upon receipt of all relevant information on the Committee's queries, the Committee compiled its findings and subsequently endorsed its Report in March. Some of the pertinent issues emanating from the scrutiny of FPCL's Annual Reports include:

- Plans to rehabilitate ports and wharves, further develop the Lautoka and Levuka Ports and review regulatory requirements and responsibilities for declared and non-declared ports and

- wharves, in line with FPCL's 5-Year Strategic Plan 2019-2023;
- Dividend totalling more than \$16 million paid to FPCL shareholders for the 2019 financial year;
  - Launching of 2019-2023 Green Port Master Plan and Sustainability Guidelines for Procurement; and
  - Launching of FPCL's 5-Year Strategic Plan 2019-2023.

At this juncture, I wish to thank the Chief Executive Officer of FPCL, Mr. Vajira Piyasena, and his staff for their timely assistance in this review process.

I also extend my gratitude to my Committee colleagues, namely: honourable George Vegnathan (Deputy Chairperson), honourable Alipate Nagata, honourable Salote Radrodro and honourable Dr. Ratu Atonio Lalabalavu, for their contributions during the Committee deliberations.

On behalf of the Standing Committee on Social Affairs, I commend this Report to Parliament and request all Honourable Members of this august Parliament to take note of the Report.

(Report handed to the Secretary-General)

HON. V. PILLAY.- Mr. Speaker, Sir, pursuant to Standing Order 121(5), I hereby move:

A motion without notice that a debate on the content of the Report is initiated at a future sitting.

HON. G. VEGNATHAN.- Mr. Speaker, Sir, I second the motion

Question put.

Motion agreed to.

#### Review Report – Fiji National Sports Commission 2019-July 2020 Annual Report

HON. V. PILLAY.- Mr. Speaker, Sir, I am pleased to present the Report of the Standing Committee on Social Affairs on the annual review of the Fiji National Sports Commission (FNSC) for the period from August 2019 to July 2020. This review was undertaken in accordance with Standing Order 109(2)(b), which mandates the Committee to look into issues related to health, education, social services, labour, culture and media.

The Committee first met to deliberate in March of this year and formulated questions pertaining to the Annual Report which were sent to the FNSC for its response. Upon receipt of all relevant information on the Committee's queries, the Committee compiled its findings and subsequently endorsed its Report in March.

No significant issues arose during the Committee's scrutiny of the operations and financial statements of the FNSC for the review period, however, the Committee has made two recommendations to the FNSC for the enhancement of its service delivery.

Firstly, the FNSC should consider working with the Ministry of Youth and Sports and other agencies, such as Municipal Councils and the Ministry of Housing and Community Development, to identify and upgrade grounds for community use in rural and peri-urban areas.

Secondly, the Committee recognises that the FNSC faced challenges in the achievement of some of its strategic objectives due to the effects of the COVID-19 pandemic. However, with the easing of COVID-19 restrictions, we are of the view that the FNSC should engage in a more concerted effort with its stakeholders for the sustenance of its sports development programmes.

At this juncture, I wish to thank the Executive Chairman of the FNSC, Mr. Peter Mazey, and his staff for their timely assistance in the review process. I also extend my gratitude to my Committee colleagues, namely: honourable George Vegnathan (Deputy Chairperson), honourable Alipate Nagata, honourable Salote Radrodro and honourable Dr. Ratu Atonio Lalabalavu, for their contributions during the Committee's deliberations.

On behalf of the Standing Committee on Social Affairs, I commend this Report to Parliament and I request all honourable Members of this august Parliament to take note of the Report.

(Report handed to the Secretary-General)

HON. V. PILLAY.- Mr. Speaker, Sir, pursuant to Standing Order 121(5), I hereby move:

A motion without notice that a debate on the content of the Report is initiated at a future sitting.

Question put.

Motion agreed to.

#### Review Report of the Investment Fiji Bill 2022

HON. R.R. SHARMA.- Mr. Speaker, Sir, Investment Fiji, previously known as the Fiji Trade & Investment Bureau, is the marketing arm of the Fijian Government, and the organisation is governed by the 1999 Foreign Investment Act, which outlines its role around registering and monitoring foreign investors.

This Act makes no mention of promoting, attracting and facilitating foreign investment and exports. However, 23 years later, having an agency that solely promotes and facilitates investment and exports has never been more important for the growth of the economy.

To improve Fiji's investment climate, a reform journey was initiated by the Fijian Government in 2017 to highlight areas of strength, gaps and weaknesses in the existing legal and policy framework for foreign investment and identify reform action plans.

Moving forward to 2019, Fiji's first Investment Policy Statement was established which required that resources be channelled towards attracting the right kind of investment and investors. One key outcome of this exercise was having a comprehensive Investment Act that provides rights, protection and obligations to both, domestic and foreign investors.

Under the new Investment Act 2021, both foreign and domestic investors will be treated equally, Investment Fiji will move away from the regulatory function of issuing Foreign Investment Registration Certificates and monitoring investment projects, and instead will focus on promoting and facilitating both, domestic and foreign investment and exports.

Further, the Investment Fiji Bill 2022 shifts Investment Fiji's focus from screening and monitoring to becoming an investment and trade promotion agency. Under this new law, the



screening that is traditionally undertaken by Investment Fiji will lie in the hands of the respective Tier 1 Government Agencies.

This transition is important and very timely, not only for the organisation but for Fiji as a whole, as COVID-19 has brought to the forefront Fiji's imperative need for foreign exchange earnings, and this can be addressed by increasing foreign investment and exports. Sir, COVID-19 has also brought to the surface the importance that Investment Promotion Agencies (IPAs) play in attracting foreign direct investments from an already shrinking pot, in a very noisy promotion market.

Mr. Speaker, Sir, I take this opportunity to present the Committee's Report on the review of the Investment Fiji Bill 2022. To begin with, Sir, as part of the efforts of developing and improving Fiji's economy, a lot of changes have been introduced by the Fijian Government, including the review of the Investment Framework. The first step of the changes to the Investment Framework was brought about in the review of the Foreign Investment Act 1999, which was then subsequently replaced by the Investment Act 2021.

Mr. Speaker, Sir, the Investment Act introduced certain changes to the Investment Framework which included:

1. the repeal of the Investment Act 1999;
2. the establishment of legal, social and economic principles for the development of investment activity in Fiji;
3. defining the rights, duties and responsibilities of domestic and foreign investors;
4. providing equity for investors with transparent, reliable, efficient and fair rules or procedures within the framework of international entities and agreements to which Fiji is a party;
5. removing the issuance of Foreign Investment Registration Certificates by Investment Fiji; and
6. removing the power for Investment Fiji to conduct investigations and inspections necessary for the purpose of regulating foreign investors.

Those changes brought by Investment Act consequently led to the review of the Investment Fiji Act 1980 and the realignment of the functions of Investment Fiji in order to complement the changes brought by the Investment Act.

Mr. Speaker, Sir, the Investment Fiji Bill 2022 is the outcome of the review of the 1980 Act, which is being proposed to be replaced. The Bill will realign the mandate and functions of Investment Fiji to be of a promotional agency.

Mr. Speaker, Sir, this Parliament had referred to the Standing Committee on Justice, Law and Human Rights for review on 10<sup>th</sup> February, 2022, pursuant to Standing Order 51 and required the Report back to Parliament in the March 2022 Parliament Sitting. However, due to the change in Parliament Sitting Calendar for this year, the Committee is now reporting back at this current sitting of Parliament.

Mr. Speaker, Sir, the Bill proposes the following new mandates for Investment Fiji –

1. to promote Fiji's competitive and comparative advantages which would increase the contribution made by the investors to Fiji's economy;
2. to facilitate all necessary information and services to assist prospective and existing investors to meet their specific investment project needs;

3. to facilitate and promote the development and expansion of export;
4. to provide aftercare by providing investors with assistance to overcome any challenges to the growth and expansion of their activities, and support investors with their expansion and diversification objectives;
5. Investment Fiji would also be responsible for policy advocacy by collecting information and raising awareness on the challenges faced by investors and recommend reform measures to improve Fiji's investment and business-enabling environment; and
6. working on image building which would promote Fiji as a desirable investment destination.

Mr. Speaker, Sir, for the review, the Committee endeavoured to have as much public participation as possible and that was by having public consultation on the Bill. It was encouraging to see the amount of people that turned up to the public consultation meetings, despite the apparent hardships that many were facing at the time the Committee was conducting these meetings around Vanua Levu and Vitilevu.

There was a great support on the introduction of the Bill, as most noted that it is aimed at improving the Investment Framework in Fiji. Also, there were comments raised about a few concerns regarding the Investment Framework in Fiji, and a few of which include the -

1. need to provide more support to local investors;
2. need to have more collaboration between Government institutions and investors, especially the local investors;
3. need to have proper data regarding natural resources which are utilised by investors and which are adequately provided to the investors.

Mr. Speaker, Sir, at the end of the review, the Committee extensively deliberated on the submissions received and believes that the Bill as it was tabled in Parliament adequately addresses the concerns raised by the public.

The Committee also puts forth a few recommendations for Parliament's consideration, which it believes may assist in the effective implementation of this proposed law and these are:

1. That respective institutions which deal with investment collaborate better in order to provide an investment environment that is appealing to investors.
2. That adequate resources are provided to Investment Fiji to enable it to effectively carry out the work, whether it be its investment promotional functions or assisting relevant institutions in capacity building.
3. That there be a monitoring and evaluation system that is set up, which effectively monitors the work carried by Investment Fiji and the Investment Framework as a whole.

Mr. Speaker, Sir, at this juncture, the Committee acknowledges the Parliament - your office, Sir, and the Office of the Secretary-General to Parliament for allowing public participation as part of the legislative making process by supporting and encouraging the Committee to conduct public consultation on the Bill. I would like to thank everyone who participated in the public consultation. Furthermore, I would like to acknowledge the Parliament IT Team and Media Team for its support, which enabled the Committee to do awareness of the review and broadcast its public consultation meetings.

Finally, I would like to thank the honourable Members of the Committee: honourable Alvick Maharaj – Chairman, honourable Ratu Suliano Matanitobua, honourable Dr. Salik Govind and

honourable Mosese Bulitavu for their input.

Mr. Speaker, Sir, the Committee through this bipartisan Report and consensus, commends the Investment Fiji Bill 2022 to Parliament.

(Report handed to the Secretary-General)

HON. R.R. SHARMA.- Mr. Speaker, Sir, pursuant to the resolution of Parliament on Thursday, 10th February, 2022, the Standing Committee was to have tabled its Report in the March Sitting but with the referral of the 7th to 11th March Sitting, the Standing Committee has now tabled its Report. The Bill is now ready to be debated and voted upon by Parliament this week.

MR. SPEAKER.- Honourable Members, we will move on to the next Agenda item.

### **VALUE ADDED TAX (AMENDMENT) (NO. 2) BILL 2022**

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

That the -

- (a) Value Added Tax (Amendment) (No. 2) Bill 2022 be considered by Parliament without delay;
- (b) Bill must pass through one stage at a single sitting of Parliament;
- (c) Bill must not be referred to a Standing Committee or other Committee of Parliament; and
- (d) Bill must be debated and voted upon by Parliament today, 4th April, 2022, and 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, the Value Added Tax (Amendment) (No. 2) Bill 2022 is, in fact, an amendment to the Value Added Tax Act 1991.

Mr. Speaker, Sir, when we presented the Budget last week, there were about 1,500 Custom Tariff Code items that were provided by Fiji Revenue & Customs Service (FRCS) to cater for the changes proposed in the Revised 2021-2022 Budget. From the 1,500 Customs Tariff Codes that were provided by FRCS, one code was incorrectly referenced and one code was not included. That code was incorrectly referenced, included the reference to the Customs Tariff Code for gas stoves, which was incorrectly referenced as 7323.181.00 when, in fact, it should have been referenced as 7321.81.00. The Customs Tariff Code for sanitary pads was not included as well.

The implications of incorrectly referencing the code for gas stoves would mean that the VAT applicable to the importation of gas stoves would remain at 9.0 percent with the intention was to increase the VAT import on gas stoves to be 15 percent. The implications not included in the code for sanitary pads would mean that VAT applicable to the supplier of sanitary pads would have to remain at 9.0 percent but the intention was to decrease the VAT on sanitary pads to zero percent. The incorrect reference to the concession code for gas stove and the non-inclusion of the code for sanitary pads will not only create confusion amongst the importers and retailers, it can give rise to operational issues at FRCS.

For the benefit of the honourable Members of Parliament, we still have applied these codes as they were intended to but we need to now legally correct the actual coding itself. It is an

operational matter, Mr. Speaker, Sir. The amendment just seeks to change and the Members will be given a copy of the Bill, you can just see, it is just substituting the code numbers; that is all this amendment seeks to do.

MR. SPEAKER.- Honourable Members, the floor is now open for debate on the motion. At the end of the debate, we will have right of reply from the mover.

HON. LT. COL. P. TIKODUADUA.- Mr. Speaker, Sir, I rise to make the objection of tabling this Bill under Standing Order 51, as raised by the honourable Minister for Economy. He made two comments, towards the end he said, “This is only an operational matter.” But the bigger matter that I want to raise is that, the initial amendment to the VAT Bill that came as Consequential Bills during the debate of the Budget had some of the mistakes that he is trying to correct here, which he says, “are only minor issues”.

Now, we have been standing in this Parliament, objecting to the process of rushing the Bill under Standing Order 51, and there is no surprise about that. But it brings out the very nature of the need to be given time to go through the proper process, at least, the process of the Money Bill, put it through the Committee, it might take a lot of time, yes, but it avoids all these embarrassment to say, “Yes, we tabled that but we made mistakes” because Parliament has been making decisions on the basis of information that really is incorrect.

So, if Parliament had, through the process that is already in the Standing Orders, be allowed to peruse and look at these Bills, however, minor the proposals may be, then things like making mistakes as being like minor in this case about just list of things, commas, t’s not crossed, i’s not dotted, will not happen. I have not read this, I know it is proposing something, but to move it again under Standing Order 51, I object to it, and that it should, at least, go through some scrutiny process which Parliament does not have to go through this issue again.

MR. SPEAKER.- Anyone else wishing to participate in the debate?

There being no one wishing to participate in the debate, honourable Attorney-General, you have the floor for the Right of Reply.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, we were taught in Marist, it takes a bigger person to recognise that you have actually made a mistake, it takes courage to do that rather than pontificating about people who have actually made mistakes.

(Honourable Member interjects)

HON. A. SAYED-KHAIYUM.- Sir, it is got nothing to do with processes. The honourable Member, I think maybe he has just been influenced by *paapi*, I know he was in Vunimono the other day but, Sir, it is just simply a question of a code number that was given to us incorrectly by FRCS. It is simply a question of putting into effect the fact that we said that sanitary pads must be made zero percent. What he is saying, is that, women who need to buy sanitary pads should not go and pay zero percent. That is what he is saying.

(Chorus of interjections)

MR. SPEAKER.- Order, order!

HON. LT. COL. P. TIKODUADUA.- Point of Order, Mr. Speaker.

MR. SPEAKER.- You have the floor.

HON. LT. COL. P. TIKODUADUA.- Mr. Speaker, I submit to you, I did not say those words that the honourable Attorney-General is putting in my mouth. I am not implying it. My implication is quite clear. I just said, if we went through the proper process, those mistakes would not have been made then it would have been okay. He should withdraw that.

MR. SPEAKER.- Thank you, honourable Member.

HON. A. SAYED-KHAIYUM.- I will say it again, Sir, the implication of what he is saying means that people do not get to pay zero percent on sanitary pads.

(Chorus of interjections)

HON. A. SAYED-KHAIYUM.- Sir, I can also safely say that even when we had one week, when we had a full budget and we had tariff codes, none of them read the tariff codes. When we have 1,500 tariff codes, none of them checked at each single tariff code - 83.0.110.2, none of them looked at it.

(Honourable Members interject)

HON. A. SAYED-KHAIYUM.- Even when they had the whole one week before, none of them looked at it.

(Honourable Members interject)

HON. A. SAYED-KHAIYUM.- So, now he is coming back, making some cheap political mileage point he is trying to, Mr. Speaker, Sir.

This is simply a question of, if he reads, you do not need to go to Munro Leys for legal opinion, you need to simply look at, it says “7323.81.00 substituting 7321.8100”. It captures the actual item, Mr. Speaker, Sir. They have been given these thick tariff codes, they have got it in their rooms and they can go and check against that.

Mr. Speaker, Sir, this essentially gives substance to what we announced last week; that is all it does. So, there is no legal issue as such in respect of it going to change some policy, it is actually giving effect to the policy which Parliament approved last week, Sir; that is all it does.

In a similar way, Sir, I have got another Bill which is the Customs Tariff (Amendment) Bill. Again, with the same two of the issues with the code numbers were referenced to us incorrectly by FRCS. We rely on the people, the different agencies to give us that information. If they had given us the wrong code, they have come forward to us, it is better that they come forward to us and they said, “look we have made a mistake, sorry about it”. It is our job to come and correct it and I take full responsibility for it.

Even though we were given the wrong code, I take full responsibility for it and I have no shame in doing so because we are actually putting in place these 21 items that have been reduced to zero VAT. We have got some other items about 21 categories in which we have increased VAT to 15 percent. If the code was given to us incorrectly, I am not going to blame FRCS – okay they made a mistake, they have given it to us but I am the one who tabled it. So, I take full responsibility for it. Here I am, Sir, getting it corrected. I am getting it corrected, Sir and I am asking Parliament to prove

this because it actually gives approval to the zero percent of sanitary pads and 15 percent to the gas stoves, that is all there is to it.

Question put.

MR. SPEAKER.- Honourable Members, there being opposition, Parliament will now vote.

Whilst you are in the process of opening the vote, there are two Members who will be voting virtually and they are honourable Selai Adimaitoga and honourable Alvick Maharaj.

Votes Cast

Ayes	-	27
Nays	-	17
Not voted	-	6
Abstained	-	1

(Hon. S. Adimaitoga and Hon. A.A. Maharaj voted by acclamation)

Motion agreed to.

**CUSTOMS TARIFF (AMENDMENT) (NO. 2) BILL 2022**

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

That the -

- (a) Customs Tariff (Amendment) (No. 2) Bill 2022 be considered by Parliament without delay;
- (b) Bill must pass through one stage at a single sitting of Parliament;
- (c) Bill must not be referred to a Standing Committee or other Committee of Parliament;
- (d) Bill must be debated and voted upon by Parliament today, Monday, 4<sup>th</sup> April, 2022, and that one hour be given to debate the Bill with the Right of Reply given to me as the Member moving the motion.

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

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, similar to the previous motion, Sir, this is, again, in relation to the 1,500 codes that were changed, two codes under this particular Act of overriding law was, in fact, incorrectly referenced. One of them is related to the gas stoves.

The Customs Tariff Code for gas stoves under this particular Act was incorrectly referenced as highlighted earlier on, 7323.81.00 which should have been referenced as 7321.81.00, and the reference to the concession code for the Fijian Drua was incorrectly referenced as 237, which should have been referenced as 307.

Mr. Speaker, Sir, the implications, of course, as we have said, the idea is to have the import VAT on 15 percent for gas stoves. Having 237, Sir, for the Fijian Drua as opposed to 307 would create confusion because we actually have a 237 for approved companies for international cable laying maintenance. This was already in existence before the Revised Budget Amendment Act, the sharing of one code for two different categories will, of course, create confusion and give rise to uncertainty, Sir.

Again, Mr. Speaker, Sir, as I have highlighted earlier on, we take responsibility for this. The Fiji Revenue & Customs Service (FRCS), unfortunately, gave us the wrong code number but we still

take responsibility for it and ask Parliament to approve this, to give the effect to the policy announcements in the Budget.

MR. 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. Any Member wishing to take the floor?

As there is no one wishing to take the floor, honourable Attorney-General, you have the floor.

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

Question put.

MR. SPEAKER.- Honourable Members, there being opposition to the motion, Parliament will now vote.

Votes Cast

Ayes - 27

Nays - 19

Not voted - 4

Abstained - 1

(Hon. S. Adimaitoga and Hon. A.A. Maharaj voted by acclamation)

Motion agreed to.

Honourable Members, you now have the Bills with you. We will go through the process of debate after we have had morning tea.

Now, it might have surprised you today about the Bills being presented but it is the right of Government to make corrections as soon as it is possible and if the House is sitting at that time, it does it at the first opportunity and this is the first opportunity for that. We had already made arrangements for today's sitting but once those Bills came in and the request that it should be done, my Office and the Secretariat accommodates that request to make the correction at the first opportunity.

We have done that. That was why there was a delay in the start of Parliament today which I apologise for, but sometimes you have to make the adjustments when it is necessary and it was necessary today.

Honourable Members, on that note, we will take a break not for half-hour but for about one hour so you can, at the same time, consider the Bills that are before you.

Take your seat! Do not get up when I am speaking, honourable Whip of the Opposition. Just remember that!

On that note, we have one hour break and then we will resume debate on the Bills. Honourable Whip, you have the floor.

HON. RO. F. TUISAWAU.- My apologies, Mr. Speaker, Sir. Just a point of clarification, for our information. I just want to confirm whether we are discussing the Investment Fiji Bill 2022 for one hour straight after this, if that could be clarified?

MR. SPEAKER.- We will take the morning tea break, you have the time. We are still dealing with these two Bills. That is the process that we will follow, unless no one wants to take morning tea.

Thank you, honourable Members, we will break for morning tea.

The Parliament adjourned at 10.56 a.m.



The Parliament resumed at 12.00 p.m.

**VALUE ADDED TAX (AMENDMENT) (NO. 2) BILL 2022**

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, pursuant to the resolution of Parliament earlier today, I move:

That the Value Added Tax (Amendment) (No. 2) Bill 2022 be debated, voted upon and be passed.

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

MR. SPEAKER.- Honourable Members, before I call on the honourable Attorney-General, I remind you that pursuant to the resolution of Parliament, debate will be limited to one hour. This will also be the case for the next Bill that will follow.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, I will be very brief, in the interest of time. However, as discussed in the introduction of this particular motion earlier on today, this essentially seeks to correct the coding numbers that were put incorrectly when we had approved this particular amendment during the Budget process. This seeks to correct those particular codes as highlighted earlier on. In practical terms, we have this implemented as was announced and as per the policy, obviously we need to ensure that it is in writing in the law, corrected, and therefore, the right codes need to be put in place.

HON. LT. COL. P. TIKODUADUA.- Mr. Speaker, Sir, now that we are on the substantive matter, the proposed amendment to the Value Added Tax Act 1991, I would just like to reiterate the issue that I had drawn earlier because the debate had been created about the motive behind the objection to Standing Order 51 under the previous motion which the House had already voted upon. Mr. Speaker, Sir, I take my guidance on your ruling earlier before we left in terms of the necessity of having to have this Bill tabled because the Schedule that was given to us had some incorrect data or figures on it, therefore, Parliament has to deal with it quickly.

I want to say, Mr. Speaker, I mean that is a necessity but this would be the kind of Bill that Parliament would accept to come in under Standing Order 51 because it is necessary to have it come to the Parliament under Standing Order 51 *per se* because there is good reason for it. We have been, we do not object to Standing Order 51 unnecessarily for any reason.

(Chorus of interjections)

MR.SPEAKER.- Order, order!

HON. LT. COL. P. TIKODUADUA.- Mr. Speaker, we are saying, we have been objecting to it because it has been abused as a process of bringing a Bill into Parliament by the honourable Attorney General. It brings to light the story of the shepherd calling wolf. When the wolf actually did come, people did not react to it. Why? Because when Standing Order 51 is supposed to be used, it has already been used so many times before that we call it as an abuse of the parliamentary process. That is why the objection is there.

Mr. Speaker, Sir, if Parliament was allowed, we just use the process of the Money Bill under the Standing Orders that is provided for, then would have had a great opportunity to have a look at it and matters like this, Parliament would not have to come back and review, or the honourable Attorney-General would not have to re-table an amendment Bill like this. So, that was the reason for

the objection under Standing Order 51 but as you have said, this is a necessary amendment and it has come through and we support the amendment as proposed.

HON. V.R. GAVOKA.- Mr. Speaker, Sir, we need to have clarification on these types of corrections. The honourable Minister has said that when something like this happens, he brings it to Parliament to be corrected, which is fine and he takes ownership of what went wrong. But it takes us back to the process that we follow when he brings these Bills to Parliament. I was asking my colleague, the honourable Leader of the Opposition, “what was the practice in other parliaments? Did this thing happen in the manner that we are seeing today?” He said, “No. It did not happen in the manner that we are seeing today that if something goes wrong, the correction to the Bill comes into Parliament.”

We know that he is taking ownership of the error but it tells us that the process we are following is an abuse of the way Parliament works. We just hope, Mr. Speaker, Sir, that in the next budget, we do not have cases like this because it belittles Parliament where you bring something last week and you correct it the next day. I tell you if this was in a company and the directors were treated in this manner, the CEO would be fired.

What he asked for, Mr. Speaker, Sir, is this, go through the proper process so that you do not have these types of corrections brought into Parliament in this manner. The biggest danger here is that the people are watching and some have lost interest in this Parliament because the way FijiFirst runs the affairs of this Parliament.

(Honourable Member interjected)

MR. SPEAKER.- Order!

HON. V.R. GAVOKA.- We must remember that in 2014, 19,000 people registered but did not vote and we had thought that it would have decreased by 2018, but it actually more than doubled. I know the weather was an inclement but a lot of people said, “We are tired of the way Parliament works, we do not really see ourselves being represented in the manner that we thought, that is why we are no longer interested in the affairs of Parliament.” That is a danger, Mr. Speaker, it affects the way people react to the democratic process in this country. You cannot be just using Standing Order 51, you cannot just be using your majority to abuse Parliament in this manner.

Mr. Speaker, Sir, we really need to understand how we really should work. You rush something into Parliament over one night. Remember it was presented to us at about 9.00 p.m. or 10.00 p.m. on Thursday evening and we were going to debate it on Friday morning - the whole Bill, plus a number of Consequential Bills that we did not have the time to debate on those Bills.

Mr. Speaker, Sir, we need to respect our people, they need to believe in this Parliament and right now the way FijiFirst is behaving, I would not be surprised if more people will not vote because they have lost faith in this Parliament. But I can tell you what, SODELPA will establish Parliament the way it should be running. You can be assured of that, not in this manner. We will give you time to study the Bills, we will give you time to deliberate and not rushed in this manner, without shame and say, “Oh, we have a correction here.” Mr. Speaker, Sir, they should be ashamed of the way they run Parliament.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, I would like to thank honourable Tikoduadua, who is now supporting this particular amendment in a very convoluted manner. As highlighted, I remember post-2014 when we first got elected, for the first budget, SODELPA actually

walked out of the budget. Honourable Tikoduadua used to sit next to me in those days, and very jubilantly we all approved the budget. We went down to GPH, I still got the photograph to remind us of that where the budget was approved. I remember before they did the walkout, I had pointed out to the Opposition then that previously under the previous Constitution and the SDL Government, et cetera, if you went through the budgetary debates and if you look at the amount of corrections that the Minister for Finance then used to make in the actual Budget Estimate figures, it was replete with mistakes. The *Daily Hansard* will prove that to you. And

They had nothing substantial to say about the Revised Budget last week and here we are today, trying to capitalise in such a pathetic manner on these two codes that have been mistakenly put in by FRCS, we have taken responsibility for it and saying, “You should be ashamed of yourself” and here we are, we actually have the humility to say, “We take responsibility for it, there was a mistake and let us correct it.” It actually affects the various products that we said will go down to zero percent and that will go to 15 percent. It is so pathetically cheap political grandstanding going on here on simply two codes, not going back into history, not actually being honest about it and not being able to point out how many other times have mistakes been made since 2014. None!

Honourable Tikoduadua earlier on said that t’s have not been crossed off, the i’s have not been dotted, there are no t’s or i’s in this particular Bill, it is only numbers, Mr. Speaker, Sir. Again, we are going through this whole charade of them trying to put up the show to object to everything that we do. And here we are, Sir, trying to correct it so that ordinary Fijians, retailers, wholesalers, importers and manufacturers do not get confused by any of the coding numbers - that is all we are trying to do. So the benefits that were announced in the Budget can be rolled out without any confusion.

In fact, there has been no confusion practically on the ground. You go to supermarkets, from 1<sup>st</sup> April, the prices have come down by 9.0 percent. You see every price tag being changed now to 9 percent, whichever one is applicable. So here we are just trying to correct, Mr. Speaker, Sir, formally what was obviously inadvertently as a mistake. It went from FRCS to us, and we take responsibility for that. To come out here and then use this to pontificate as they are on some higher ground, as if no other Governments in the past have made these kind of mistakes, is really quite scurrilous. Mr. Speaker, Sir, that is all I have to say and I hope Parliament supports this.

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

Question put.

Motion agreed to.

[Value Added Tax (Amendment)(No. 2) Bill 2022 moved under Standing Order 51 was passed and enacted by the Parliament of the Republic of Fiji. (Act No. .... of 2022)]

### **CUSTOMS TARIFF (AMENDMENT) (NO. 2) BILL 2022**

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, pursuant to resolution of Parliament earlier today, I move:

That the Customs Tariff (Amendment) (No. 2) Bill 2022 be debated, voted upon and be passed.

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

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, similar to the earlier amendment that we sought because of the tariff code numbering that was incorrectly put in, I would like to correct that and one of them relates to the gas stoves and the other one is in respect of the concession code for the Fijian Drua.

As you know as announced in the Budget, the Fijian Government will acquire 51 percent of Drua. It is a privately renowned company, 49 percent of that will be owned by the Fiji Rugby Union. In time to come, obviously, the Fijian Government can sell off its shares.

The Drua franchise required, at least, \$6 million from the Fijian Government. Because the Drua is a private company, Government could not, of course, give it a grant because taxpayers' funds cannot be, by law, used in private companies that is not bound by Government at all. So, in order to help Drua and we have seen, of course, the Fijiana Drua are obviously, doing fantastically well, in fact, they are obliterating all opposition, I think we should all be very proud of them and perhaps, take this occasion to put our hands together for them.

(Acclamation)

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, we expect the men to improve in time to come but we believe the franchise is actually a worthwhile investment for us. The Fijian Government will be investing, as I have said by December of this year, \$6 million. We have allocated \$3 million in this Revised Budget.

Sir, the other aspect of it was that, we have said that anyone that sponsors the Drua franchise will be eligible for 200 percent tax deduction should they sponsor anything above \$250,000. Normally, when we have this tax concession or deduction, we have a particular code for it. In this particular instance, Sir, the code that was, in fact, inputted by FRCS was a different code, as opposed to the code that should have been put in. It should have been referenced as 307, it was put in as 237, and so there was a mistake by the FRCS team. But that is alright, we can, of course, correct that now and we have the opportunity to do so.

Essentially, this is what this Bill seeks to do, Sir. If you look at the Bill itself, it does provide the citation for that with the concession code and we will see that reflected in the Bill itself. So, that is what we are seeking to do.

MR. SPEAKER.- Honourable Members, the floor is now open for debate on the motion. Does any Member wishes to take the floor?

As no Member wishes to take the floor, I will call upon the Attorney-General, if he has anything further in his Right of Reply.

HON. A. SAYED-KHAIYUM.- No, thank you, Sir.

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

Question put.

Motion agreed to.

[Customs Tariff (Amendment) (No. 2) Bill 2022 moved under Standing Order 51 was passed and enacted by the Parliament of the Republic of Fiji. (Act No. .... of 2022)]

## QUESTIONS

### Oral Questions

#### Participation of Serving Inmates in Sports Tournaments (Question No. 51/2022)

HON. L.S. QEREQERETABUA asked the Government, upon notice:

Can the honourable Attorney-General and Minister for Economy, Civil Service, Communications, Housing and Community Development inform Parliament of the Fiji Corrections Service policy that permits a serving inmate to participate in a national rugby sevens tournament?

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, I would like to thank the honourable Member for the question.

Mr. Speaker, Sir, as highlighted in the Business Committee, there is no such thing as a policy when it comes to Government regarding the running of the Corrections Service, nor is there a policy by the Commissioner of Corrections. He cannot run policies, he actually goes by the law and I would have thought that the honourable Member would have actually looked at the law.

If you look at the Corrections Service Act 2006, Sir, and I would like to take the honourable Member through the Act itself Sir. It says in section 5(1), and I quote:

“The Head of the Fiji Corrections Service shall be the Commissioner of Fiji Corrections Service, who shall -

- (a) subject to the orders and directions of the Minister, have the administrative command and direction of all officers of the Corrections Service in accordance with the provision of this Act;
- (b) for the purpose of exercising any of the powers provided by this Act, have the power to make Orders for observance by corrections officers and prisoners, which shall be known as “Commissioners Orders”;
- (c) have the control of all prisoners and may allocate them to such prisons as he or she sees fit;
- (d) have the power to designate, from time to time, the classification, purpose and function of any prison; and
- (e) have the power to make delegations of the Commissioner’s authority to any officer by written instrument of delegation.”

It, of course, goes on further to talk about the officers.

Mr. Speaker, Sir, the law also states that under the regulation itself, there are various provisions pertaining to what the Commissioner of Corrections can actually do. “The Commissioner, of course, shall have the power to review all proceedings heard by any supervisor or senior officer under this regulations,” in other words, should there be a hearing. they do have to conduct internal hearings within the prison itself.

The other issue, Mr. Speaker, Sir, is the Schemes for Early Release which the Commissioner of Corrections can do, for example, in addition to any requirement for eligibility of early release provided for in the Act, a prisoner may meet the following criteria to be considered for early release

-

- (a) A prisoner must have a record of good behaviour and prison work;
- (b) The prisoner must demonstrate a desire and ability to return to the community as a law abiding citizen;
- (c) The prisoner should have availed himself or herself opportunities offered during the term of imprisonment, aimed at rehabilitation and equipping the prisoner for productive life upon their release.

Now, of course, we have schemes for short term release.

Mr. Speaker, Sir, further on, as provided for in the law and as you can see I am reading from the Laws of Fiji, we have what we call Prison Rehabilitation Objective. We have programmes in prison to allow rehabilitative environment. It says, and I quote:

“Programmes in Prison to Allow Rehabilitative Environment.

The prison environment should –

- encourage positive changes and behaviour and attitude;
- provide good social examples
- challenge offending behaviour and promote self-esteem;
- encourage prisoners to take responsibility for their actions; and
- promote prisoner self-control.”

Mr. Speaker, Sir, prisoner classification must be undertaken in accordance with the Commissioner Order No. 011, which states, and I quote:

“Upon admission, each prisoner must be assessed for programme needs with particular regard to the offence committed and regularly assessed through their classification process, all sentenced prisoners must be provided with the opportunity to participate in programmes including drug and alcohol, parenting, personal hygiene, sports and recreation and spiritual development.”

Mr. Speaker, Sir, it does also say that the Commissioner of Prisons under these orders, therefore, can allow the prisoners to participate in sporting activities too. These are all provided for, and I would like to highlight to the honourable Member, under the orders that is actually stipulated in the Act. It is all available there, and I urge the honourable Member to read the actual law itself where these guidelines, of course, cannot be breached but are actually adhered to.

Mr. Speaker, Sir, of course, it does go on to also say that the prisoners can participate, the Commissioner of Prisons can also reach out, for example, to members in the community, the *turaga ni koro*, et cetera, to see how people can fit in when they want to come back to the community.

We have prisoners, for example, who choose to go out and do cane cutting, Sir. As we have seen, we also have, for example, Ms. Jane Ricketts who has done a wonderful work where they have an art gallery in Korovou. They go out and do art paintings, they intermingle with the cruise liners that used to come, they used to mix around with the tourists that used to come who buy their paintings, et cetera, and so there are a number of schemes that are available.

Similarly, Sir, in schemes for short-term release, it does also say, and I quote:

“The Commissioner may approve the short-term release of a prisoner into the care and supervision of traditional chiefs and other community leaders upon being satisfied that –

- (a) The traditional chiefs or community leaders are willing to assume responsibility over the care and supervision of the prisoner.
- (b) The traditional chiefs or community leaders are capable of making a contribution to the rehabilitation of the prisoner.
- (c) Any condition imposed by the Commissioner of Prisons in relation to the release of the prisoner shall be complied with.”

Mr. Speaker, Sir, with the Yellow Ribbon Programme and also with the orders that has been put in the *Gazette*, we have seen that the rate of recidivism in Fiji dropped tremendously. At one point in time, the rate of recidivism in Fiji was 50 percent, a few years back. In other words, the prisoners, people who went to prison, 50 percent of them used to go back. It was like a revolving door. That is what used to happen.

I remember very clearly, Sir because of the lack of these types of rehabilitative functions and, indeed, policies through the orders implemented through the Corrections Service, the rate of recidivism is very high. I have the rate of recidivism with me, Mr. Speaker, Sir.

In 2009, it was 7.9 percent; 2010 – 5.91 percent; 2011 – 3.0 percent; 2012 – 6.34 percent; 2013 – 5.7 percent; 2014 – 3.56 percent; and 2015 – 5.19 percent. From the new financial year, August 2016 to July 2017 – 4.78 percent. The following year, it was 1.5 percent, then 2.5 percent, 1.7 percent, 1.06 percent currently.

Mr. Speaker, Sir, this essentially indicates that the combination of ensuring that people who are to serve their sentences are actually serving their sentences, in conjunction with the Yellow Ribbon Programme, together with the various orders of the Commissioner of Corrections and it is working well in a holistic manner, to ensure that the rate of recidivism drops in Fiji.

Personally, Sir, I have been to workshops being held at the ANZ National Stadium where they actually invited employers and you had all these prisoners who actually had different trade skillsets and over there in that particular meeting, people were actually given jobs. So, people coming out knew that they actually had a job. The Commissioner of Corrections knew that this person could actually be released into the community and we have seen many of them, of course, a huge percentage, never coming back to the prison system.

This is a bit of additional information for the honourable Member because I think she is, kind of, very mono-focussed. The point of the matter, Sir, is that, the powers exist within the Corrections Act itself, powers exist within the subsidiary legislation for the Commissioner of Corrections to be able to carry out these sorts of measures where he or she believes that whoever is the commissioner, that the rehabilitation of prisoner can actually take place. Thank you, Sir.

HON. N. NAWAIKULA.- Mr. Speaker, arising from that, can the Commissioner of Prisons allow his discretion under the Yellow Ribbon, for example, to permit a talented player to represent his division or the country?

HON. A. SAYED-KHAIYUM.- Sorry, Mr. Speaker, Sir, I did not get the question.

HON. N. NAWAIKULA.- Can the Commissioner of Corrections Service allow his discretion under the Yellow Ribbon to permit a talented player to represent Fiji or his province?

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, again, we do not make those decisions. As highlighted, I would like to read it, again. It says here, I quote:

“Upon admission, each prisoner must be assessed for programme needs with particular regards to the offence committed and regularly assessed through the classification process. All sentenced prisoners must be provided with the opportunity to participate in programmes including drug and alcohol, parenting, personal hygiene, sports and recreation and spiritual development.”

Obviously, that assessment, Sir, is built upon the Commissioner of Corrections Service’ team, the Commissioner of Corrections himself, and also his team would provide that assessment. It goes on further to say and in the interest of time, I refer the honourable Members to page 527,001 of the Laws of Fiji where it does say also in terms of building up the capacity of individual prisoners, and I quote:

“Organised sports builds positive self-regard and fosters positive self-esteem, a healthier lifestyle and teaches social values such as sportsmanship, participation, teamwork, cooperation, respect, discipline and goodwill. All sentenced prisoners are to be permitted and encouraged to participate in and an organised sport/sports and recreation indoors every now and then.

The officer-in-charge on the approval of the Commissioner and with conditions may allow for a prisoner to take part in competitive sports outside the prison. Upon the completion of the prisoner’s participation in such sports, the officer-in-charge must ensure that a written report of the prisoners’ participation is forwarded to the Commissioner and a copy of which is kept in the prisoner’s file.”

It is all there, please read the Laws of Fiji.

HON. L.S. QEREQERETABUA.- Mr. Speaker, I think the honourable Minister has gone around and around in trying to justify this, but the women of Fiji are looking keenly on this issue and section 54(e) of the Corrections Service Act makes the Minister responsible for prescribing the rights of prisoners while in custody. And I just think that given who the prisoner is, I know the honourable Minister talked about the Yellow Ribbon which is not what we are talking about here today, but it is about giving special treatment to someone because of who he is while he is a serving prisoner. The women of Fiji would really love to hear from the honourable Minister.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, there was no question there. I am beholden to the law, so she has cited section 54 (e), it states and describes the rights of prisoners whilst in custody. It says:

“Regulations Commissioner’s orders, et cetera, the Minister may make regulations to give effect to the provisions of this Act and in particular in relation to regulation of governing prisoners, et cetera.”

It then states in (e), which she read out, and I quote:

“Prescribing rights of prisoners while in custody, including matters related to visits from friends, relatives and other prescribed persons, communications by post or



other prescribed means, procedures for complaint and representation to prison authorities, the Human Rights and Anti-Discrimination Commission and the Accountability and Transparency Commission, exercise and recreation and any other rights applying to prisoners awaiting trial.”

These relates to the rights of the prisoners, so I cannot understand what she is going on about, maybe someone just text that particular clause to her which if does not understand what she is talking about. This relates to the rights of the prisoners, so I cannot understand how that can be juxtaposed with her earlier representation about the specific question she asked.

African Swine Fever  
(Question No. 52/2022)

HON. A.D. O’CONNOR asked the Government, upon notice:

Can the honourable Minister for Agriculture, Waterways and Environment inform Parliament on the precautionary and mitigation measures taken by the Ministry to prevent the introduction of the African Swine Fever to our shores?

HON. DR. M. REDDY.- Mr. Speaker, Sir, I want to thank the honourable Member for asking this question.

Mr. Speaker, Sir, the African Swine Fever is a highly contagious viral disease that affects and kills wild and domesticated pigs. The disease is transmitted through direct contact with infected pigs, indirect contact through ingestion of contaminated material, that is, food waste, feed or garbage, et cetera, and contaminated fomites. It is not a direct risk to human health, but it causes severe production and economic losses and poses a significant threat to the pork industry in Fiji, as its mortality rate can reach up to hundred percent and wipe out the entire industry.

At the moment, the African Swine Fever is not in Fiji. The disease was mostly present in African and European continents in early 2000 but by August 2018, China had reported its first outbreak and since then, the disease has spread to Mongolia, Vietnam, Cambodia, Laos, Philippines, Malaysia, Indonesia and Timor-Leste, all in the span of two years. The African Swine Fever has now spread to the Pacific where PNG reported its first outbreak in March 2020. There is no known treatment and vaccination for this disease.

Mr. Speaker, Sir, Biosecurity Authority of Fiji (BAF) is the custodian of the Biosecurity Act 2008 and thus, has the mandate to protect Fiji’s borders against exotic diseases that would affect plants and animals’ health status. In collaboration with BAF, in 2019, Fiji banned the importation of pork and pork products for personal consumption - individuals bringing in meat products, so that has been banned. At the moment, we are importing pork and pork products from only two countries - Australia and New Zealand, and those two countries have no known cases of African Swine Fever upto now.

Mr. Speaker, Sir, with that stance, we are not allowing anyone to bring in pork meat for personal consumption, for commercial use only from Australia and New Zealand and those certified companies approved by BAF following certain protocols. Again, Australia and New Zealand does not have any African Swine Fever.

Mr. Speaker, Sir, having said that, we are not taking any chances and, therefore, we are undertaking various trainings of our own staff and commercial farmers, should there be a case of

outbreak, should there be a slip, on how do we handle, manage and cordon off those areas to ensure that there is no spread, while we deal with that particular area or farm where that fever is found.

Mr. Speaker, Sir, in November 2020, BAF signed the MOU with Pacific Horticultural and Agricultural Market Access Plus (PHAMA Plus) Programme, supported by the Government of Australia and New Zealand, to support Fiji's preparedness in case of an occurrence of the African Swine Fever.

With this project, BAF in collaboration with MOA, conducted trainings and awareness sessions for over 300 staff in both organisations and in all three Divisions - Central, Western and Northern. Sessions include field trainings on biosecurity issues and diseases surveillance. So basically two aspects, one is, what are some of the key indicators or symptoms that we need to keep a look out in case we find something, immediately whom to call and how do we continue the surveillance? These were the trainings that were undertaken by BAF in collaboration with PHAMA Plus with the Ministry, our staff and the commercial farmers.

Mr. Speaker, Sir, we are also keeping a watch on those additional importers who are given licence, to ensure that we have an input in that and that they are on top of this particular aspect.

MR. SPEAKER.- Honourable Members, what I intend to do now is to take a break for lunch. We will continue with Questions after the lunch break. Lunch is served in the Big Committee Room and we will resume at 2.30 p.m. We break for lunch.

The Parliament adjourned at 12.41 p.m.

The Parliament resumed at 2.31 p.m.

Status of McGusty Building – Lautoka Hospital  
(Question No. 53/2022)

HON. J. SAUKURU asked the Government, upon notice:

Can the honourable Minister for Health and Medical Services inform Parliament on the status of the damaged McGusty Building at the Lautoka Hospital?

HON. DR. I. WAQAINABETE.- Mr. Speaker, Sir, I thank the honourable Member for that question.

Mr. Speaker, Sir, McGusty Block was part of the old hospital and in 1970, the United Kingdom Government gifted Fiji the new Lautoka Hospital, which was opened in 1974. Since then, the McGusty Block had been used as an accommodation for our staff, predominantly, the doctors and allied health staff, whereas the nurses continued to stay within the Nurses Building. Then it was requested by the Fiji School of Medicine, initially the sixth year students used that and in 2000, they were able to build their own Block and they moved down again, and that was then used again by our staff.

In 2012, we had *TC Evans* and that damaged McGusty Block. It was repaired by the Ministry of Health and Medical Services in 2012 and used again as an accommodation until 2016 when we had *TC Winston* and other cyclones, the integrity of the building came into question, so that was then not used any more. As we all know, the Health Care Fiji is now going through the motions in terms of taking over and looking after both, Ba and Lautoka Hospitals, and this is now within their domain, which includes the old and not used McGusty Building.

HON. J. SAUKURU.- Mr. Speaker, Sir, my supplementary question is to do with the Amnesty International's 2021 to 2022 State of the World's Human Rights Report that reported that our healthcare systems have inadequate resources. That is why I am asking if the honourable Minister can update Parliament on how the McGusty Building can contribute to that in terms of providing resources for the healthcare facilities?

MR. SPEAKER.- Honourable Member, that is a very itchy question, but I will let the honourable Minister for Health and Medical Services handle that.

HON. DR. I. WAQAINABETE.- Sir, I have just stated that McGusty Building has structural integrities and that is why it is not being used. We will not allow patients or staff to walk inside that building because of structural integrities. The question is completely different.

Subject-Area Teachers – Upgrading of Qualification  
(Question No. 54/2022)

HON. DR. S.R. GOVIND asked the Government, upon notice:

With the additional budgetary allocation of \$1.7 million to increase the salaries of teachers who have upgraded their qualifications, can the honourable Minister for Education, Heritage and Arts, and Local Government inform Parliament which subject-area teachers upgraded their qualification and how will this enhance the delivery of education in Fiji?

HON. P.D. KUMAR.- Mr. Speaker, Sir, I thank the Honourable Member for the question.

Mr. Speaker, Sir, education is a sector that is continuously changing, just like any other professional field. For the education sector to remain relevant, it is critical that teachers upgrade their qualifications and continuously engage in professional development.

There are a total of 12,872 teaching staff employed by the Ministry of which, 478 teachers have Master's Degree; 1,107 teachers have Post-graduate level qualifications; 5,105 teachers have Degree; 4,304 have Diploma; and 1,878 have Certificates. Mr. Speaker, Sir, teachers continue to study part-time to upgrade their qualifications.

In the current financial year, a total of 626 teachers upgraded their qualification who will receive salary based on the Teacher Remuneration Setting Policy. Of these, 109 teachers have upgraded from Certificate to Diploma, 63 teachers from Certificate to Degree, 434 teachers from Diploma to Degree and 20 teachers who had only Bachelor's Degree without teacher training qualification, have now become qualified teachers.

In the current financial year, the Ministry was allocated \$911,000 to upgrade salaries of 279 teachers which was already done. Mr. Speaker, Sir, in the Revised Budget, the Ministry received a further \$1.7 million to upgrade the salaries of remaining 347 teachers.

Mr. Speaker, Sir, it is pleasing to note that we have teachers in the rural and maritime areas upgrading their qualification, which gives us the reassurance that we are increasing the number of qualified teachers. It simply means that in addition to providing Free Education Grant to all schools equitably, we are also building teacher capacity to provide quality education to our students. Sir, 230 teachers upgraded their qualification from remote and rural areas, 35 from maritime areas and 361 from urban areas.

Mr. Speaker, Sir, teachers' qualifications are in various subject areas -

- 123 teachers obtained Bachelor of Education (Secondary Education);
- 337 with Bachelor of Education (Primary Education);
- 37 teachers with Bachelor's Degree;
- 105 teachers with Diploma graduated with Early Childhood Education, an area where we need more teachers;
- 4 with Diploma in Special Education;
- 11 with Graduate Certificate in Education; and
- 9 graduated with Graduate Diploma in Teaching.

The Bachelor of Education (Secondary) qualification include various subject combination. However, there are four teachers with Maths and Physics, one with Maths and Information System, four in Industrial Arts and three in Computing Information System combination. We need more qualified teachers to teach these subjects because of teacher shortages in this area.

Mr. Speaker, Sir, there are acute shortages of primary school teachers and I am pleased to inform Parliament that in this financial year, 337 in-service teachers have completed their Degrees in Primary Education. We all understand that it is not easy to work full-time and study, while committing to family and other obligations. I, therefore, commend the teachers who are making a lot of sacrifices to upgrade their qualification.

I apologise, Mr. Speaker, Sir, but I need to say this, again, in this House and also through the media, unions and Oppositions have been harping on why the Government is strongly advocating

that teachers need to upgrade their qualification. In fact, FTU and FTA were disappointed when we encouraged teachers to upgrade their qualifications and, of course, SODELPA and NFP quickly joined the bandwagon to criticise the Ministry. I fail to understand why unions do not want their members to get salary upgrades, and I would like to inform everyone that there are teachers who will be getting a salary upgrade by \$8,000 and that is a substantial amount for a year.

So, Mr. Speaker, Sir, my Ministry is committed to improving the quality of learning and teaching, upgrading salaries in line with the Teacher Remuneration Setting Policy which was introduced by this Government to motivate teachers to upgrade their qualification so that we can provide a qualified workforce for the Ministry of Education. Thank you, Mr. Speaker, Sir.

HON. RO T.V. KEPA.- Mr. Speaker, Sir, I thank the Minister for her response to that question. My question is, can the honourable Minister inform Parliament as to when and how will this new salary increase for the 347 teachers be done regarding the fact that she has mentioned that they are from the urban, rural, maritime and remote schools?

HON. P.D. KUMAR.- Mr. Speaker, Sir, as I have said, out of 600 teachers who have upgraded their qualification, we have already paid out 270, so 364 is left. We will be making that payment within the next two weeks.

MR. SPEAKER.- We will take the sixth Oral Question, then later we will take the fifth Oral Question.

Budgetary Allocation – Emergency Water Supplies  
(Question No. 56/2022)

HON. R.R. SHARMA asked the Government, upon notice:

Can the honourable Minister for Defence, National Security and Policing, Rural and Maritime Development and Disaster Management update Parliament on the utilisation of the budgetary allocation for Emergency Water Supplies?

HON. LT. COL. I.B. SERUIRATU.- Mr. Speaker, Sir, I thank the honourable Member for the question.

Mr. Speaker, Sir, this Programme has been with the Ministry of Rural Development since 1983 when we look back at our records. This allocation is usually to cater for prolonged dry periods where rural communities have problems with their water sources and it is mainly used for the cartage of water and, of course, for the provision of water as well, plus some of the accessories that go with it - water pumps, hoses, tanks, et cetera.

In the current financial year, Mr. Speaker, Sir, we allocated \$300,000 and we have used about 29 percent of that allocation which is around \$87,000. As I had already stated in this august Parliament, Sir, the forecast for the season, because we are in a La Nina period, there will be a lot of rainfall and this is why there is slow utilisation. While we have a lot of rainfall in most parts of Fiji, yet there are some places that are also experiencing water shortages or water problems and thus, the allocation, Sir.

Mr. Speaker, Sir, if I can just quickly go through some of the places where this is used, as I have already alluded to, particularly in the Central Division because I will start with the Central Division. Usually the *tikina* of Namara and the *tikina* of Verata, they have water issues. So, we had about 30,000 litres of water carted by the Ministry of Rural Development through its NDMO tank

and, of course, we have about 45,000 as well, carted by WAF with the rural water component that is with, because they do service these areas almost every fortnight as well. Nailogatabua District School again in Verata, Vunibokoi District School, Namara District School in Tailevu, Namara Nursing Station and the Verata Nursing Station as well. I will not touch on the details of those cartage, Mr. Speaker, Sir.

Additionally we have Anitioki, Naisogovau, Naivakacau, Waikete, Daku, Vanuadina, Naqeledamu, Muana-i-ra. In Rewa - Waica, Delaiveisari and Wailekutu, Mr. Speaker, Sir. In Naitasiri, the Vunidawa Government Quarters, Vuisiga, Baulevu Hillside. In Serua – Nautovau, Nakoba, Navutulevu. In Namosi – Naqara Island. In the Northern Division was the hiring of the barge from Lautoka for Kia Island. That costed about \$9,000 and the supply of some water tanks that were already moved to the Northern Division and stored in the yard at Vatunibale awaiting further request from the communities, Sir.

In the Western Division, we also have carted water to Yanuya and Tavuya Islands. This is in the Malolo Group of islands, Mr. Speaker, Sir. Included in the Northern Division was the procurement of two water pumps. This is for the trailer-mounted water tanks that they have in the Northern Division so these water pumps were to replace the two water pumps that were mounted on it and were stolen from the yard in Vatunibale. That very briefly is the utilisation of the allocation as of today.

#### Succession Planning to Address Leadership Needs (Question No. 55/2022)

HON. A. JALE asked the Government, upon notice:

Can the honourable Attorney-General and Minister for Economy, Civil Service, Communications, Housing and Community Development update Parliament on succession planning in the Civil Service to address leadership needs?

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, before we talk about succession planning in the civil service, we have to actually refer to what exactly should the civil service do and, in fact, that is guided by the Constitution. Section 123 of the Constitution says, and I quote:

“The values and principles of the State service include-

- (a) high standards of professionalism, including professional ethics and integrity;
- (b) prompt and faithful implementation of Government policies and administration of laws;
- (c) being free from corruption;
- (d) efficient, effective and economic use of public resources;
- (e) prompt response to requests and questions from the public, and delivery of service to the public, in a manner that is respectful, effective, impartial, fair and equitable;
- (f) accountability for administrative conduct;
- (g) transparency, including –
  - (i) timely, accurate disclosure of information to the public; and
  - (ii) prompt, complete and candid reporting to Parliament, as required by law;
- (h) cultivation of good human resource management and career development practices, to maximise human potential; and
- (i) recruitment and promotion based on –
  - (i) objectivity, impartiality and fair competition; and
  - (ii) ability, education, experience and other characteristics of merit.”

Sir, succession planning, obviously, needs to be guided by these principles, and I sometimes think that when honourable Members of the Opposition start talking about succession planning, they are focused on personalities or individuals (one or two) who may or may not exactly be meritorious and earmarking them for senior positions in the organisation where there is actually no regard for competency or capabilities. That appears to be the definition of leadership needs, Mr. Speaker, Sir. That, of course, is a practice of the past. The clause on merit practise was subjective and disadvantaged many qualified and competent people in our workforce.

Succession planning for leadership needs in the Civil Service is much more than that. When we talk about leadership needs in the Civil Service, we are talking about having people who espouse the values and principles that I have just enunciated from Section 123 of the Constitution. Furthermore, Sir, as we can see that the Fijian Civil Service is grounded on the principles or high standards of professionalism, one must have ethics, integrity, and that is work in progress and we have continuously said in Parliament that we are constantly rolling out guidelines and new ways, for example, of improving business processes and making things transparent and making sure that people respond to members of the public.

Succession planning, therefore, is about identifying the knowledge and skills required for a particular position and shifting the focus on ensuring there is a level playing field with regards to upwards mobility in the Service. Succession planning in the traditional sense was, if someone is here, the next person or the next rank and next one up there, therefore, you go progressively like a linear progression. That is not necessarily creating leadership qualities or succession planning.

Mr. Speaker, Sir, it means that succession planning in the Civil Service begins with ensuring the basis upon which people join the Service on principles of open merit, fairness and transparency. Introduction of the Open Merit Recruitment and Selection Guidelines allows those with leadership aspirations to actually apply for and be in the running for these positions and not just a select few or those who kind of progress on a linear basis. This allows us to engage those who have passion for leadership in the Civil Service, regardless of where one is from. This begins with having the right people in the right jobs.

Mr. Speaker, Sir, the old mentality that only civil servants can be promoted to higher positions is outdated in today's modern context. Employing meritorious people from outside the Civil Service brings in, sometimes, fresh perspectives, new skillsets that does not exist in the Civil Service, and allows for diversity which, in turn, creates a more dynamic and responsive Civil Service. For example, one of the issues that we have talked about as we have discussed with the honourable Minister for Health today, the old way of looking at succession planning in the Ministry of Health was, that if you became a senior doctor you actually ran the hospital. So you are doing administration which you are not actually trained for. You are trained to be a doctor, you are not trained to be someone who is going to look after the supply of medicine, fix up the broken louvers or making sure that the machine gets repaired on time and getting the servicing done. That is someone who is probably more competent in logistics, in the administration, in HR, for example, not a doctor *per se*. A doctor's main focus is getting the sick patient better.

Mr. Speaker, Sir, that new approach needs to be adopted as far as the Civil Service is concerned, of course. It does not mean we do not invest in our Civil Service, those civil servants who are actually within the system, as you know that many civil servants, in fact, go for overseas training, we have in-house training also and they are given an exposure to many different experiences.

In fact, Mr. Speaker, Sir, some of them are so well trained that we find a lot of them get recruited by other agencies and that is precisely what we announced in the Budget, that we are now going to look at those highly skilled areas where there is scarcity and retention issues. For example,

in the Civil Service now too with a lot of the private hospitals and private clinics opening up, they are poaching nurses from the public service. Because of COVID-19, there is a huge demand for healthcare workers not just in Fiji but overseas, so they are also poaching our good people too. There is huge movement of people. Caregivers are now going to overseas. There is a huge movement of people globally and also regionally.

Mr. Speaker, Sir, we have embedded a practice of ensuring that every position, apart from required qualifications, has clearly-articulated knowledge, experience, skills and abilities which makes it easier to identify potential successors through an OMRS system and also identify the relevant training needs for those positions.

Status of Review of MSMECGS by RBF  
(Question No. 57/2022)

HON. RO F. TUISAWAU asked the Government, upon notice:

Can the honourable Attorney-General and Minister for Economy, Civil Service, Communications, Housing and Community Development update Parliament on the status of the review of Fiji's Micro Small and Medium Enterprise Credit Guarantee Scheme undertaken by the Reserve Bank of Fiji?

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, I would like to thank the honourable Member for this question.

Mr. Speaker, just by way of background, the Micro, Small and Medium Enterprises Credit Guarantee Scheme (MSMECGS) was established in 2012 and is administered by the Reserve Bank of Fiji (RBF). The aim of the Scheme is to encourage and expand private sector lending to Micro, Small and Medium Enterprises and also complement the Government's initiative to promote MSME development, investment and local business activity. Under the Scheme, Sir, Government guarantees the outstanding principal amount on defaulted loans which are available to all Micro, Small and Medium businesses with a turnover of up to \$1.25 million per year.

Following the last review in 2020, Sir, the risk sharing arrangement between the Government and the lenders was enhanced, allowing Government to increase its guarantee to 60 percent of the principal outstanding on defaulted MSME loans up to a limit of \$60,000 per business from 50 percent or \$50,000. In addition, to encourage women participation in businesses and support the development of rural areas and traditional sectors, the Government guarantee was raised to 75 percent of the principal outstanding on defaulted loans up to a limit of \$75,000 for businesses on all MSME loans to women entrepreneurs, as well as to those involved in the agriculture, forestry and fishery sectors.

As of January 2022, Mr. Speaker, Sir, a total of 264 businesses with \$11.3 million in loans were covered under the Scheme. However, the default rate is, in fact, very low. Only 30 businesses have defaulted to-date, in fact, it was very few even before COVID-19 and just because of COVID-19, the amount of exposure has only been \$0.32 million. This means that the Scheme is successful as 314 businesses have benefitted from accessing loans where the interest rate is kept at 9.45 percent. Because of the guarantee, the requirement for equity contribution was also lower than normal.

Mr. Speaker, Sir, the Scheme has helped established MSMEs to access finance and at the same time, enabled lending institutions to share part of the risk with Government, and we encourage all the private sector banks to do so too.



In addition, Mr. Speaker, Sir, as part of the Scheme, under the COVID-19 Recovery Credit Guarantee Scheme in the 2021-2022 National Budget, the Government via RBF has made available \$200 million to the COVID-19 Recovery Credit Guarantee Scheme to help businesses meet their working capital needs, for example, paying for labour cost, rental cost, utility bills, purchase of stock, et cetera. Under the Scheme, Sir, existing micro businesses with turnover below \$50,000 can access up to \$10,000. Small businesses with annual turnover between \$50,000 and \$300,000, can access up to \$20,000. Medium-sized businesses with turnover between \$300,000 and \$1.25 million can, in fact, access up to \$100,000.

Mr. Speaker, Sir, the loan guarantee for micro enterprises, for example, we guarantee up to 90 percent for those who borrowed \$10,000 or less. We guarantee up to 85 percent for those who borrowed \$20,000 or less. We guarantee 80 percent for those who borrowed \$50,000 or less. We guarantee 75 percent for those who borrow \$100,000 or less.

Mr. Speaker, Sir, honourable Members from the other side may recall that we, in fact, pay their interest rate. There is a budgetary allocation. We pay their interest rate for the first two years and they pay no more than 3.99 percent. There is no principal payment required, Sir, and in the third year, they then start doing their principal payment and also their interest. So they get a two-year window of opportunity to be able to borrow money, build up their business or rebuild their business in most cases, be able to stand on their feet and then there is a commitment in respect of paying those loans, Sir.

Mr. Speaker, Sir, as of 1st April, 2022, a total of 5,471 loan applications have been approved to a tune of roughly \$114.7 million. Of the successful applicants, 47 percent or 2,573 are micro businesses; 31 percent or 1,718 are small businesses; 13 percent or 703 are medium-sized businesses; and 9 percent or 477 are, in fact, large businesses.

In terms of the value of loans disbursed, around 16 percent of the total loan value is for micro businesses, 21 percent for small businesses, 26 percent for medium-sized businesses and 37 percent for large businesses.

Todate, Mr. Speaker, Sir, Government also paid out \$203 million as interest subsidy for the loans, as I had mentioned earlier on, covered under the guarantee scheme. The total interest cost to Government on the \$114.7 million loan facility approved over two years would be \$9.2 million. Of course, as I have mentioned, there is no principal payment, there is no payment of fees or charges, et cetera.

Mr. Speaker, Sir, this scheme has served its objective since 5,047 new businesses have been assisted in this initiative, the bulk of which are MSMEs. The \$112.4 million disbursed to-date is timely and, of course, it ensures that disruptions to business operations are minimised and much needing working capital is pumped into these businesses so they can continue to survive and, indeed, create and continue to create more jobs for our ordinary Fijians. Thank you, Sir.

HON. RO F. TUISAWAU.- Mr. Speaker, Sir, I rise to pose a question on that response. In some of the audit findings on the scheme, majority of the loans that have been registered since the inception of the scheme were not eligible to be covered and, therefore, have not complied with all the requirements of the MSMECGS Guidelines 2016. The annual turnover of some of their businesses, whose loans were registered under the scheme since its inception in 2012 had acceded the \$500,000 threshold, hence it did not comply with the SMECGS Guidelines.

My question is, what is the Reserve Bank of Fiji and the related financial institutions doing about this non-compliance so that it does not happen again in the future?

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, I wish the honourable Member had actually asked a substantive question rather than going on his goosechase, getting me to answer a question about, can the Minister update Parliament on the status of review. He should have asked me straight out from whatever he was referring to. This is the kind of shenanigans we have to go through.

Mr. Speaker, Sir, I do not know which audit that he is talking about.

HON. RO F. TUISAWAU.- The 2020 Audit.

HON. A. SAYED-KHAIYUM.- But if you want to look at the success of this Guarantee Scheme, Mr. Speaker, Sir, the default rate is so low, that is what we should be talking about. All these guarantee schemes, prior to even the COVID-19 one, we had very low rates of default, only a handful of people defaulted. Very little exposure, in other words, all the businesses – the micro, small and medium enterprises that were assisted were able to flourish. Only because of COVID-19 we had about 30 businesses that defaulted.

Notwithstanding that, the rate of defaulting, Mr. Speaker, Sir, is not even \$1 million, out of the \$11.3 million. I ask that you go and look at the statistics of what FDB had rolled in many decades ago and look at the rate of default then.

Impact of Russia-Ukraine War on Fijian Economy  
(Question No. 58/2022)

HON. V.K. BHATNAGAR asked the Government, upon notice:

Can the honourable Attorney-General and Minister for Economy, Civil Service, Communications, Housing and Community Development update Parliament on the impact of the Russia-Ukraine war on the Fijian economy?

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, there is no doubt and we are all aware of the unprovoked war that Russia actually has commenced against Ukraine, where there is an untold damage and, of course, loss of lives. It would appear now on both sides, including Russian troops and Ukraine civilians and military also.

In response to Russia's action, Sir, North Atlantic Treaty Organization (NATO), and its members in the wider global community has, in fact, imposed harsh economic and financial sanctions on Russia, including freezing Russian Central Bank assets, targeting wealthy Russian oligarchs and some State-owned banks, partially restricting its access to the international payment system, which is called SWIFT. In other words, having an impact on the banking system.

Mr. Speaker, Sir, this will cause a deep recession in Russia, in the event of a prolonged conflict. The sharp depreciation of the Ruble has fuelled inflation and lowered living standards in Russia. Countries with direct economic ties with Russia will also be affected by the sanctions with weakened trade remittances, investment and tourism adversely affecting economic growth, inflation and, of course, external fiscal accounts.

Beyond the human and economic suffering in Ukraine, Sir, the entire global economy is feeling the effects of the conflict through three main channels. Firstly, the higher prices for food and energy are pushing up inflation further, even after pandemic, eroding purchasing power and putting a downward pressure on demand.

Secondly, Ukraine's direct trading partners and neighbouring countries are experiencing disruptions to trade, supply chain and remittances, not to mention a historic surge in refugee inflows.

Lastly, weaker business confidence and high investment uncertainty will lead to a tighter global financial conditioning, and possible capital flight from the emerging markets.

Both, Russia and Ukraine, are large producers and exporters of key food commodities, minerals and energy. Today, they account for about 30 percent of global wheat exports, 20 percent of corn, mineral fertilisers and natural gas exports and 11 percent of oil exports.

Mr. Speaker, Sir, naturally, this war has created a sizeable global economic and financial shocks, particularly, in commodity markets, when the prices of oil, gas and wheat recently soaring. For fuel, especially, the conflict has exacerbated, the mismatch between global demand and supply are pushing crude oil prices above US\$100 a barrel in March, levels not seen actually since 2008.

Economies reliant on oil imports, like ours, will see wider fiscal and trade deficits and inflationary pressures because of the conflict. Some exporters, such as those in the Middle East, Africa and places like Nigeria, may temporarily benefit from higher prices.

This elevated inflation, Mr. Speaker, Sir, along with the lack of fiscal space, has prompted many countries to tighten their fiscal and monetary policies, posing further challenges to their economic recovery. If these shocks are sustained over the short term, the Organisation for Economic Co-operation and Development (OECD) expects global GDP growth to reduce by 1.0 percentage point and inflation rise by a further 2.5 percentage points. The Ukraine-Russia war has delivered a severe and unfortunate blow to the global economy that will hinder growth and raise prices, just as we are starting to bounce back from the pandemic-induced recession.

Mr. Speaker, Sir, global trade disruptions and inflationary pressures are likely to intensify as the conflict drags on. Fiji has already begun to experience the spill-over effects of these trade shocks, with imported inflation pushing up domestic fuel and food prices in recent months. Fiji is particularly susceptible to fuel price shocks, given that fuel accounts for roughly one-third of our total import bill.

Domestic fuel prices depend on three factors - the world market price for refined oil, benchmarked by the Mean of Platts Singapore (MOPS) international freight rates and foreign exchange rates. Moreover, Sir, refinery margins, distribution costs, insurance freight and transport costs and geopolitical pressures also influence the direction of international fuel prices in any given month.

The Fijian Competition and Consumer Commission (FCCC) recently noted that the international price of crude oil is expected to increase significantly in the coming months also, signalling higher domestic prices for refined fuel products in the near term.

Mr. Speaker, Sir, notably, local retail price for diesel - plus 2.1 percent; unleaded - plus 1.1 percent; premix - plus 10.7 percent; kerosene - plus 1.1 percent, 4.5 kilogramme gas cylinder - plus 2.2 percent; and 12 kilogramme gas cylinder - plus 4.5 percent; all have increased in April relative to January this year. So the 9.0 percent is critically important, Sir, to actually provide some form of relief to ordinary Fijians.

Likewise, Sir, domestic food prices have risen in line with global supply disruptions. Most notably, the United Nation's Food and Agriculture Organization (FAO) Cereal Price Index rose in February by 3.0 percent over the previous month and 14.8 percent from a year ago, reflecting

disruptions in the Black Sea region that could potentially hinder exports of Ukraine and Russia. The overall FAO Food Price Index averaged 140.7 points in February, representing a new all-high and a 20.7 percent increase from a year ago.

Mr. Speaker, Sir, Fiji's domestic inflation has started to accelerate after remaining in the negative territory for nearly two years, growing by an average of nearly 2.0 percent per month since August 2021. Annual inflation stood at 1.9 percent in February, with price increases noted for food and non-alcoholic beverages, health and miscellaneous services, offset by a lower price for restaurants, hotels and transportation.

Over the next few months, Mr. Speaker, Sir, domestic prices are expected to rise further because of fruit and vegetable shortages due to *TC Cody* related flooding, and global food and fuel supply disruptions due to the Russia-Ukraine war. As a result, EN inflation is now estimated at 4.5 percent for 2022, followed by 3.0 percent for 2023 and 2.6 percent for 2024. To put that into perspective, Sir, I have the figures here about the inflation rates in other countries also.

In USA, Sir, the inflation rate by the Bureau of Labour Statistics as of February this year stood at 7.9 percent; India - 6.07 percent; New Zealand - 5.9 percent as of December last year; United Kingdom in February 2022 - 5.5 percent; Singapore in February 2022 - 4.3 percent; Australia in December 2021 - 3.5 percent; EU areas as of February 2022 - 5.9 percent; Russia 9.2 percent; and Germany in February 2022 - 5.1 percent. Mr. Speaker, Sir, countries like Mauritius is 9.0 percent, et cetera.

Mr. Speaker, Sir, Fiji's GDP, of course, is poised for unprecedented rebound. Of course, a lot of these can be tampered with in respect of what will happen with the pricing. That is why, Sir, we have put in place the Revised Budget on the 21 items which is unprecedented.

Fortunately, Mr. Speaker, Sir, our foreign reserves are actually quite high because of Government strategically having external draw-downs, which help to cushion the impact of higher commodity prices on our balance of payments position. As of 31<sup>st</sup> March, 2022, foreign reserves around \$3.1 billion is sufficient to cover, at least, 8.6 months of retained import, Sir.

Of course, Mr. Speaker, Sir, we will keep a close eye on the fluctuation, in the inflation rate and commodity price in the next few months and if necessary, we may consider additional temporary fiscal measures to shield Fijians from volatile global price markets.

HON. V.R. GAVOKA.- Mr. Speaker, in the matters of oil, I know this will be where we are most vulnerable, we know that over the last couple of days, President Biden had approved the release of a couple of billion barrels of oil into the US market from their reserve, and that has helped in reducing some of the global price per barrel. For us, Mr. Speaker, Sir, our reserve, how much do we have in terms of oil and is there any possibility going forward that Fiji can carry enough reserve in times of emergency such as this or perhaps on a regional basis with our neighbours?

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, the fuel that is imported into Fiji is imported by the three fuel companies - Pacific Energy, Total and Mobil and they come from Singapore. So, there is obviously shipment done on a regular basis and there is enough fuel there but, of course, in terms of storage for months on end, we do not have that capacity. But, Mr. Speaker, Sir, we need to build large scale investments.

The issue at the moment in the world is not shortage *per se* but of course it is the pricing because of some certain supply chains have been affected. The USA, of course, has got large reserves. There has been talk about it in the area of global economy that if the USA actually releases

a bit more oil into the global market, you could effectively see the prices plummet. So, it is not really a big issue regarding supply *per se* because there is enough reserves all over the world. It is just that people are not releasing it on time or trying to get a bigger price. Omsa Pillar Astex Company Limited (OPAC) has its own dynamics and what the predictions are, whilst the prices will go up in the next few months, they expect that the price will actually plummet by round about September or October.

HON. M. BULANAUCA.- Mr. Speaker, Sir, this war will be long-term, it is going to go on because Russia will want to collect all those people there to fight against Israel. What is the Government doing about getting alternative fuel – wheat, that we can eat in the future, particularly in the field of solar, can we increase that? Hydro, can we increase that? Biomass, can we double or increase that? A lot of places in Fiji were growing wheat at one point in time. What is the agriculture doing about that?

(Chorus of interjections)

HON. M. BULANAUCA.- Can we grow more wheat to increase more food, reduce \$900,000 in agriculture? It is long-term, Mr. Speaker, Sir, what does the Government have in place for the long-term particularly to substitute or reduce the use of fuel and wheat for food?

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, I hope the honourable Member in his soothe saying is incorrect. I hope that the war is not going to last for too long but there is a possibility, it could last for a long period of time, but I think there would also be some adjustments made. At the moment the world is in a bit of shock with what has happened. I think a lot of the world is in fact reeling from the fact in this modern day and age that how can a country go and invade another country or try to invade which is unprovoked.

The issue, however, Mr. Speaker, Sir, in terms of alternative sources for energy, I do not think the honourable Member has been in this Parliament, the Prime Minister has been saying internationally, we have internationally made commitments about reducing our fossil fuel usage, in particular, in providing energy for electricity purposes. We have a target, Mr. Speaker, Sir, to have renewables in place.

(Honourable Member interjects)

HON. A. SAYED-KHAIYUM.- He is saying more, yes we are doing more. It is easier for him to just sit there and pontificate but he has absolutely no clue how to do more. The hydro-electricity dam, of course, that was built in 1970s depending on the rainfall and can supply up to 60 percent to 65 percent of our energy needs on Viti Levu.

Vanua Levu, of course, where he comes from does not have that source of energy or that type of energy but, Mr. Speaker, Sir, we are as we heard in Parliament, for example, in Ovalau we have got the Agrophotovoltaic Project that is going ahead that will supply to the grid. In Taveuni also, we have got the Agrophotovoltaic Project, millions of dollars will be invested. So those islands will actually be able to get renewable energy and we are obviously doing more.

We have an Independent Power Producers (IPP) in place where a lot of private companies are now interested in supplying to the grid. In respect of eating wheat, of course, honourable Minister for Agriculture has already stated that they are currently experimenting about having 20 to 25 percent of cassava flour or cassava mill in normal flour will actually reduce our usage to 100 percent our usage of wheat, Sir.

The other alternative, of course, honourable Bulanauca, whilst you are packing your bag to leave, is that Mr. Speaker, Sir, he should stop eating wheat products. The alternative, of course, to wheat is, everyone wants to eat *purini*, *babakau*, *panikeke*, bread, Mr. Speaker, Sir. We eat *roti* that is made out of flour, there are alternatives to it.

As I have mentioned also, Ukraine also produced a lot of corn. The alternative wheat is corn or maize. Central American countries grow it, South American countries grow it, so there are alternatives and I think as we have seen that the human capacity to be able to adapt, a lot of people do change. So, if we have more dalo, cassava, *bele*, *bhaji*, *bhindi*, *boda*, et cetera, these are alternatives and that is what we can do, individually change in our own lives rather than saying what is government going to do about it. These things are only imported because there is a consumption demand for it. Private companies actually import it. The wheat that we bring into Fiji is brought by two private companies, so I think there needs to be a bit more appreciation of what other dynamics at play and I am sure the world will actually make the adjustments accordingly.

MR. SPEAKER.- Honourable Members, that is the end of Oral Questions and we now move on to Written Questions.

#### Written Questions

##### Loans and Direct Budget Support – COVID-19 Pandemic (Question No. 59/2022)

HON. A. JALE asked the Government, upon notice:

Can the honourable Attorney-General and Minister for Economy, Civil Service, Communications, Housing and Community Development provide a list to Parliament detailing the assistance in terms of loans and direct budget support from development partners in response to the COVID-19 pandemic since 2020, itemised by date, source and amount?

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, I will table my response at a later date as permitted under the Standing Orders.

##### Reconstruction of Levuka Wharf (Question No. 60/2022)

HON. P.W. VOSANIBOLA asked the Government, upon notice:

Can the honourable Attorney-General and Minister for Economy, Civil Service, Communications, Housing and Community Development update Parliament on the reconstruction of the damaged Levuka Wharf?

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, as provided for under the Standing Order 45(3), I will table my response at a later date.

MR. SPEAKER.- Honourable Members, a note in the administrative sector of today's proceedings, there are two corrections to be made to the *Daily Hansard* in the figures, six had not voted and not eight, that is for the Value Added Tax (Amendment) (No.2) Bill 2022, and four had not voted and not six, that is in the Customs Tariff (Amendment) (No. 2) Bill 2022. Those corrections will be made in the *Daily Hansard*. I am announcing it now so that when you get it, you will understand what has gone on.

Honourable Members, on that note, that brings us to the end of today's sitting. Parliament is now adjourned until tomorrow at 9.30 a.m.

The Parliament adjourned at 3.25 p.m.