

# PARLIAMENT OF THE REPUBLIC OF FIJI



## PARLIAMENTARY DEBATES

### DAILY HANSARD

**MONDAY, 9<sup>TH</sup> MAY, 2022**

[CORRECTED COPY]

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## MONDAY, 9TH MAY, 2022

The Parliament met at 9.35 a.m. pursuant to notice.

MR. SPEAKER took the Chair and read the Prayer.

### PRESENT

Hon. Josai 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. 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. 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. Aseri Masivou Radrodro  
Hon. Salote Vuibureta Radrodro  
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. Prof. Biman Chand Prasad  
Hon. Lenora Salusalu Qereqeretabua  
Hon. Lt. Col. Pio Tikoduadua

Absent

Hon. Alexander David O'Connor, Assistant Minister for Health and Medical Services  
Hon. Sanjay Salend Kirpal  
Hon. Adi Litia Qionibaravi

**MINUTES**

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

That the Minutes of the sitting of Parliament held on Friday, 8<sup>th</sup> April, 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 of Parliament. I also welcome those joining us in the public gallery and those watching the live broadcast of the proceedings today. Thank you for your continued interest in the workings of your Parliament.

This morning, I particularly wish to extend another welcome to the PL100 – government and political students from the University of the South Pacific. Welcome to Parliament and I hope that you all enjoy the proceedings this morning and that it will be educational to you.

On that note, I also welcome the members of the International Youth Fellowship from South Korea. I welcome you most warmly and I extend that welcome to all the members in the public gallery this morning. I trust that your time in Parliament will be educational.

Standing Committee on Economic Affairs - New Appointment

Honourable Members, please be informed that pursuant to Standing Order 115(1), the honourable Sachida Nand is hereby appointed to the Standing Committee on Economic Affairs. He has replaced honourable George Vegnathan who will now focus on the Standing Committee on Social Affairs.

Hon. Niko Nawaikula's Parliamentary Seat

Honourable Members, at this juncture, I will now address Parliament on the issue relating to the seat of honourable Nawaikula.

Section 63(1)(d) of the Constitution of the Republic of Fiji expressly provides, and I quote:

“(1) The seat of a member of Parliament becomes vacant if the Member -

(d) ceases to have the right to be nominated as a candidate for election to Parliament under section 56;” of the Constitution.

Furthermore, Section 56(2) of the Constitution lists the criteria of who may be a candidate for an election to Parliament and *inter alia* provides under paragraph (g) that a person may be a candidate only if the person has not, at any time during the eight years immediately before being nominated, been convicted of any offence under any law for which the maximum penalty is a term of imprisonment of 12 months or more.

Accordingly, since honourable Nawaikula has been convicted with one count of tendering false information to a public servant under section 201(a) of the Crimes Act 2009 and one count of obtaining financial advantage under section 326(1) of the Crimes Act 2009, he is, therefore, disqualified from being a candidate in the 2022 Election. This is particularly so given that the maximum penalty for the offences that he had been convicted of is a term of imprisonment of five years and ten years respectively.

As such, honourable Nawaikula's seat in Parliament has become vacant pursuant to Section 63(1)(d) of the Constitution which, in this instant, became vacant on the date of his conviction being 3<sup>rd</sup> May, 2022.

A written notification of this was provided to the honourable Niko Nawaikula on Friday, 6<sup>th</sup> May, 2022; and the same was conveyed to the honourable Leader of the Opposition on Saturday, 7<sup>th</sup> May, 2022. Pursuant to section 20(1) of the Electoral Act 2014, the Chairperson of the Electoral Commission has been notified accordingly.

**PRESENTATION OF PAPERS AND CERTAIN DOCUMENTS**

The following Reports were tabled by the honourable Ministers responsible in accordance with Standing Order 38(1) and referred to the relevant Standing Committee for deliberation in accordance with Standing Order 38(2):

Standing Committee on Social Affairs

1. 2019 iTaukei Trust Fund Board Annual Report to Parliament.

2. 2019 Fiji Public Trustee Corporation PTE Limited Annual Report

Standing Committee on Economic Affairs

2021 Financial Intelligence Unit Annual Report.

Standing Committee on Natural Resources

2018-2019 Ministry of Lands and Mineral Resources Annual Report.

**CONSOLIDATED REVIEW REPORT ON THE  
FIJI COMMERCE COMMISSION 2016-2017 AND FIJIAN COMPETITION  
AND CONSUMER COMMISSION 2017-2018 ANNUAL REPORTS**

HON. V. NATH.- Mr. Speaker, Sir, I move:

That Parliament debates the Consolidated Review Report of the Fiji Commerce Commission 2016-2017 and Fijian Competition and Consumer Commission 2017-2018 Annual Reports which was tabled on 8<sup>th</sup> February, 2022.

HON. V.K. BHATNAGAR.- Mr. Speaker, Sir, I beg to second the motion.

HON. V. NATH.- Mr. Speaker, Sir, the Standing Committee on Economic Affairs tabled its findings and recommendation on the Consolidated Review Report of the Fiji Commerce Commission 2016-2017 and the Fijian Competition and Consumer Commission 2017-2018 Annual Reports earlier this year.

The Fijian Competition and Consumer Commission (FCCC) plays a significant role in protecting consumer rights and promoting fair competition amongst Fijian businesses. The period of report under review carried great significance to the organisation and it was the year when the Fiji Commerce Commission was officially rebranded as Fijian Competition and Consumer Commission.

The Committee commended the team from FCCC for successfully launching its five-year Strategic Plan. The Committee made note of various activities undertaken by FCCC during the period under review which included stakeholders' engagement, ongoing organisational restructure and greater inspection, et cetera.

The Committee also noted that despite ongoing various awareness sessions, complaints were still being received by FCCC on various issues such as trader non-compliance and landlord and tenant issues.

The Committee believes that the formulation of more effective webinar strategy, including collaborations with various stakeholders such as Citizens Constitutional Forum (CCF), Financial Intelligence Unit (FIU), Ministry of Commerce, Trade, Tourism and Transport (MCTTT), Department of Co-operatives and the Ministry of iTaukei Affairs, as well as preparing and disseminating information packages regularly for all new and existing businesses on various requirements under the Act would be beneficial.

Mr. Speaker, furthermore, the Committee is aware that FCCC initiated its work towards the proposed draft Landlord and Tenants Bill. Given the continuous issues surrounding rent complaints, the Committee recommends that stakeholders' consent be thoroughly considered, and look forward to the progress of the proposed Bill. Mr. Speaker, with those few comments, I request Parliament to debate on this motion.

MR. SPEAKER.- Honourable Members, the floor is now open for debate on the motion.

HON. PROF. B.C. PRASAD.- Mr. Speaker, Sir, I want to make a few comments on the 2016-2017 and 2017-2018 FCCC Reports.

Mr. Speaker, Sir, FCCC in its written submissions to the Committee, apart from stating its vision and mission in respect of the years, of course, which I believe is part of the organisation, stated its values, and I quote: "Professionalism, responsibility, commitment, honesty, respect, trust and transparency."

Mr. Speaker, although I expected the Committee to look at those values and whether the FCCC, as an independent organisation, upheld those values, the mission objective and values are part of most organisations. They, at the outset, raise and follow those.

The Committee, Mr. Speaker, examined the Reports based on the submissions and the SDGs which FCCC subscribes to. But those values, Sir, become extremely important if one is independent, apolitical, an impartial organisation or authority funded by taxpayers. It is not just fulfilling the organisation's role as an effective watchdog, and we all understand that.

The FCCC has an effective role as a watchdog. They receive complaints, they deal with those, they have certain powers to take people to court to enforce some of those watchdog roles but, Mr. Speaker, Sir, as an independent organisation, it is about having a very ethical, apolitical, transparent, honest and trustworthy behaviour. It is extremely important because it is an independent organisation, and I will explain to you, Sir, why it is very important for the overall economy as well, because those values are very important. It is not about -

- the organisation behaving like a politician or elements within the organisation because this report refers to 2017 to 2018 and 2016 to 2017;
- rubbishing general election initiatives and policies contained in a manifesto of a political party;
- falsely warning of a mass closure of business and some of you would remember an economic collapse if policies designed to reduce the cost of living or reduce the cost of basic food items are implemented by removing the VAT or reducing duties;
- justifying the exorbitant rise in the price of processed sugar by saying it will have positive implications on health and an increase in income of cane growers by \$17 million, without any explanation on how this will happen;
- appearing on national television in budget debates from an independent organisation to praise the Government's budget or to praise the Government, it is supposed to be an independent organisation; and

- making an about turn three-and-a-half years later and applaud Government's move to zero rate or remove VAT from essential foods and basic items, thereby, making one stand three-and-a-half years ago actually a lie, because that is what FCCC did.

I want to quote the FCCC's CEO in what he said in 2018, because this is important. It is not in this report of the Committee but we did not expect it to be. I am surprised that my colleagues in the Opposition side did not raise that. The CEO told the *Fiji Sun* in 2018, and I quote:

“My comment spoke to the lack of economic understanding behind the question. It would be impossible to implement such a radical and unrealistic policy without grinding the Fijian economy to a halt and force the Fijian businesses to close the doors.”

MR. SPEAKER.- We have a Point of Order.

HON. V. NATH.- Mr. Speaker, Sir, I request the honourable Member to please read from these books, not where he is quoting from, because I initiated that we should be debating on the Fiji Commerce Commission 2016-2017 and Fijian Competition and Consumer Commission 2017-2018 Annual Report which is misleading Parliament.

HON. PROF. B.C. PRASAD.- I am exactly talking about ...

MR. SPEAKER.- Honourable Member, you have the floor but you heard the Point of Order, so please consider it.

HON. PROF. B.C. PRASAD.- I think, Mr. Speaker, Sir, that that was irrelevant, I am still talking about the 2017-2018 Report and what the activities of the FCCC are so I do not know where this Point of Order is coming from. The same was reported by *FBC* news and we are not surprised because we all know what *FBC* and the Government dragged funded by the taxpayers do. Only last week, during the occasion of the World Press Freedom Day, we said that there is no place for a partisan media and media which parrot what the Government does instead of amplifying the voice of the people without fear.

Mr. Speaker, Sir, it is actually quite as simple as this - if you are heading an independent organisation that is supposedly independent and if you indulge in politics then where is the trust, where is the confident in the organisation from people who are looking at that organisation to do the right thing and if people want to do that you know they should resign, join politics and fight elections.

Mr. Speaker, but more important about this independent organisation (and I do not envy the role of the FCCC Chief Executive Officer) because some of these people who are heading this independent organisation are actually working a tight role. I know why because they have a brief from the Government not to do the job but to malign the Opposition, Mr. Speaker and that is what they do.

(Honourable Members interject)

HON. PROF. B.C. PRASAD.- This is true and I have provided evidence of some of these people indulging in politics at the insistence of the Government. Once that happens, Mr. Speaker, you know out goes the professionalism, out goes the independence, out goes the ethical behaviour that one expects from independent organisations, I mean same with some of the Permanent Secretaries, recently, the Permanent Sectary for the Ministry of Economy.



You know, Mr. Speaker, the decorum about Permanent Secretaries if the Permanent Secretaries are providing response from politicians to the Ministers their job is to advise the Ministers, the Ministers make that statement. They do not get the Permanent Secretaries to attack the politicians like me or anyone else.

MR. SPEAKER.- Order!

HON. PROF B.C. PRASAD.- I and you know, Mr. Speaker, that in the past Permanent Secretaries actually refused to be used by Ministers to make political statements against the Opposition. They left it to the politicians.

MR. SPEAKER.- Honourable Member, there is a Point of Order.

HON. V. NATH.- Mr. Speaker, Sir, the honourable Member is beating around the bush. I request the honourable Member to stick to the report

(Chorus of interjections)

MR. SPEAKER.- Order!

HON. PROF B.C. PRASAD.- Mr. Speaker, I actually feel sorry for the Chairperson of the Committee because I do not think he has the independence to actually run the Committee independently and that is why I think he does not have any idea of what the Committee or what the organisation ought to be.

Let me, Mr. Speaker, move on to a very important point about ....

MR. SPEAKER.- Order!

HON. V. NATH.- Mr. Speaker, Sir, I request him to withdraw the statement. He is challenging the independence of the Chairman.

HON. LT. COL. P. TIKODUADUA.- Sit down!

MR. SPEAKER.- Honourable Professor Prasad, you have heard the three points of orders so, please, stick to the contents of the Report.

HON. PROF B.C. PRASAD.- Thank you, Mr. Speaker. Let me just continue.

MR. SPEAKER.- Yes.

HON. PROF B.C. PRASAD.- With respect to the role of the FCCC, I was just reading the copy of the recent Country Private Sector Diagnostic (CPSD) report by the International Finance Corporation (IFC) and on Page 15, they talked about the role of the FCCC and I hope that when the Committee looks at the next report, whenever that may be, that they need to look at some of those issues. The Report says, and I quote:

“Since the enactment of the Commerce Commission Decree of 2010, price controls decisions made by the Fijian Competition and Consumer Commission (FCCC) are no longer subject to judicial review, undermining the ability of private sector firms to contest price controls when necessary – the role of FCCC should not be to act as price regulators,

which should rest with line ministries or sector regulators. While the Government of Fiji has increasingly recognized that competition regulation needs to be reformed and some positive steps have been taken by the FCCC (e.g, adoption of a more transparent formula to adjust electricity prices), price controls need to be rationalized further, based on a comprehensive assessment.”

There are many other issues, Mr. Speaker, Sir, that FCCC, as an independent organisation, needs to look at and on this note I also want to say that we still have not got the Code of Conduct legislation. We know it has been delayed unnecessarily and the lack of the Code of Conduct legislation Mr. Speaker, Sir, let us free some of these independent organisations and those who head these independent organisations to actually astray from their neutral roles as a watchdog, as upholding those values of transparency, accountability and being apolitical.

So Mr. Speaker, Sir, this organisation is very important. It is also very important from the point of view of creating confidence in the economy. This Report Mr. Speaker, Sir, is full of anecdotes and I hope that the Government and the Minister for Commerce will read this thoroughly because it does point out the many of the things that we have been talking about in this House to ensure that there is trust, confidence, efficiency in the way these organisations operate and there is a lot about outsourcing, efficiency and this is an important organisation, I know.

If you look at it from an economic point of view, the role of the FCCC is extremely important and whatever they do apart from the watchdog, the way in which they conduct themselves will determine whether they can create confidence and trust in the economy Mr. Speaker, Sir. So it is absolutely important that we maintain the independence and the apolitical nature of these independent organisations and more so organisations like FCCC.

HON. F.S. KOYA.- Mr. Speaker, Sir, the last contribution by honourable Professor Prasad, I think belongs in a soapbox in Hyde Park where he can air all his grievances be whatever they are.

Mr. Speaker, Sir, he is standing here talking about the FCCC and questioning its independence and actually questioning its impartiality but might I remind him that he has never actually contributed to anything with respect to submissions that have ever been asked by the Commerce Commission Mr. Speaker, Sir.

HON. GOVERNMENT MEMBERS.- Hear, hear!

HON. F.S. KOYA.- I am reliably informed ...

HON. A. SAYED-KHAIYUM.- He is too above all of that ....

HON. F.S. KOYA.- He chooses a moment like in Parliament to come and talk about his grievances that he may have with the CEO, this is not the forum for it Sir. We are actually standing here debating the Competition and Consumer Commission Annual Reports twice. The author of the motion is asking to stick to the Report, he should. As I had said, Sir and just in brief, he probably belongs in Hyde Park as you know, Sir, on the soapbox.

Mr. Speaker, Sir, as a matter of fact in the words of my friend, sitting next to me - absolute hogwash.

HON. J. USAMATE.- Absolutely, it is a very big hog.

(Laughter)

HON. F.S. KOYA.- Yes. Mr. Speaker, Sir, from what I understand also even at the Committee level if he has got a problem not being able to contribute maybe he should go and see the Opposition, not us. They do not seem to get on.

Mr. Speaker, Sir, I want to contribute to the debate on the Review Report of the Fiji Commerce Commission 2016-2017 Annual Report and the Fijian Competition and Consumer Commission 2017-2018 Annual Report.

Just in brief, Sir, the FCCC was established, I think Professor Prasad should listen to this, to promote effective competitive and an informed market whilst encouraging fair trade in markets and protecting customers and businesses from restrictive practices.

Mr. Speaker, Sir, at the outset, as the Minister responsible for FCCC, I am actually pleased to note that the FCCC has unqualified audited financial reports, so there goes his theory about it, when he talked about impartiality and independence. That basically means that their books were prepared in a true and fair manner and this gives everybody a great deal of confidence in our independent regulator, Mr. Speaker, Sir. Independent!

Mr. Speaker, Sir, with regards to the recommendations put forward by the Committee in the two Annual Reports, FCCC has actually taken note of these and actually strengthened those areas. Actually, FCCC was rebranded in 2017 to set a clear vision and align its objectives to be consistent with its functions - which is an independent enforcement agency. The rebranding portrays the image of a multisector regulator and that is what FCCC aims to emphasise on. Mr. Speaker, simply meaning not only on basic food items and fuel but also various areas that are pertaining to consumer protection and competition.

Along with their rebranding, Mr. Speaker, the FCCC has also developed and modernised their strategic plan and with the development of FCCC's strategic plan, it paves the way for their direction as an organisation and enable them to direct resources towards the fulfilment of the functions in a conducive manner, Sir, rather than just being responsible for enforcement, it has now become the business friendly agency with constant awareness and advocacies that are carried out throughout the country.

Mr. Speaker, Sir, the changes that we actually witness today are very encouraging, with the traders and consumers being aware of their rights and their responsibilities. This has resulted in FCCC's ability to build consumer confidence by making information readily available to the public so they understand what they need to be aware of when buying products and services. We have also seen FCCC on the ground undertaking rigorous spot checks on products and to promote protection and closely monitor price orders. This is their core business, Sir. Taking precedence from the COVID-19 pandemic, the organisation was fully committed to ensure that traders were actually compliant by way of conducting monitoring and also surveillance.

Mr. Speaker, Sir, at this juncture, I must also acknowledge the FCCC's collaboration with the Ministry, in actually rolling out the COVID safe ambassador role which included creating awareness and conducting inspections on COVID safe protocols for various business segments.

Mr. Speaker, Sir, data is actually vital in better planning and consumer protection and competition policies and as such, the Ministry actually takes notes of the Standing Committee's recommendation in this particular area. For the betterment, Mr. Speaker, for ordinary Fijians and to

provide affordable and safe housing also, the FCCC safeguards the rights of landlords and tenants, to ensure equal consideration for both parties and to have a balanced approach in the rental market.

The FCCC and other statutory authorities such as the Consumer Council also have been receiving a spike of grievances from individuals either from a landlord or from a tenant on rental issues and in 2019, Mr. Speaker, Sir, we recorded about 700 cases relating to rent issues. This is a concerning issue and our landlords and tenants are actually urged to operate within the boundaries of the law and the past two years have proved to be the most challenging, Mr. Speaker, Sir, for many Fijians owing to COVID-19, especially those relying on renting as a means of acquiring affordable housing and accessible and secure and adequate housing.

Mr. Speaker, Sir, with regards to the Landlord and Tenancy Bill also, FCCC will be collaborating with key stakeholders namely; the Real Estate Agents Licensing Board (REALB), Consumer Council of Fiji and the public in drafting of the proposed Bill.

With regards to the recommendation for Fiji Sugar Corporation (FSC) to collaborate with the Department of Cooperatives for awareness and enforcement strategies, I can assure this august Parliament, Sir, that this is actually happening already. In fact, FCCC works closely with the other Departments in the Ministry, such as the Transport Department, Government Shipping Services, Economic Unit and MSME Fiji. A case in point is the strong collaboration during COVID-19 safe, in terms of ambassador engagements.

Mr. Speaker, Sir, despite the external challenges which is global pandemic, supply chain disruptions in geo-political disruptions, FCCC continues to tirelessly work towards accomplishing its purpose to achieve the best possible outcomes in a competitive and regulative market for the long term benefit for all Fijians.

Mr. Speaker, Sir, just a quick point, if the CEO chooses to explain to the whole of Fiji regarding the mechanisms of pricings and what happens across the world, that is not political. That is just informing the public that he is not influenced in any way, shape, form or whatsoever by Government. He is a CEO for his part of an independent organisation and honourable Professor Prasad should just refrain from attacking. If he wants to say something, maybe he should write to them, Mr. Speaker, Sir.

HON. V.R. GAVOKA.- Mr. Speaker, Sir, I believe this report is timely for the country today, given the situation that we face in terms of petroleum and energy prices. If you look at the recommendation of the Committee, it says, petroleum and LPG price reviews overall, there has been significant movement in the international crude oil prices and refined product prices during the year, fuel prices or petroleum products over the year, are increased slightly.

I say, Mr. Speaker, Sir, it is timely that we debate this, especially this part of the report that touches on petroleum and energy prices. As we sit here today, there is a sense of disbelief and helplessness in this country with the way prices have increased in the pumps. I drive a mid-sized Sedan and I used to fill up my car with \$50 but over the weekend, I paid \$100 just from half to full tank because the price of unleaded fuel is now \$3.01 a litre. This translates if you use 1 litre gallon to 3.8 litres, this is almost more than \$11 a gallon. If you go imperial, it is about \$13 a gallon.

Mr. Speaker, Sir, we know that lately, the Americans have screamed and have protested that they are now paying more than \$4 a gallon in the pump in the USA. This is a huge economy and people are complaining that they are paying \$4 a gallon. A small economy like Fiji, we are now

paying \$11 a gallon, we should do something about it. We cannot just sit here and bury our heads in the sand and say, this is the way it is going to be.

Mr. Speaker, Sir, we cannot rely on FCCC to set the price of fuel. It must become a matter that commands the attention of the leadership of this country in this House. We are ready to work with the Government to set up a bipartisan Committee to look at this thing and look at ways of bringing down the cost of petroleum in this country. We cannot blame the distribution system, we have to do something, Mr. Speaker, Sir, and we are willing to sit with you to do that. Otherwise, this country will be crippled, we will be paralysed. Nothing will happen. Already the fishermen were saying over the weekend that they are crippled, Mr. Speaker.

(Chorus of interjections)

MR. SPEAKER.- Order, order!

Mr. Speaker, the kind of responses I am getting from the other side, is an indication of people already crippled from their neck up. They cannot think of anything else, Sir.

HON. A. SAYED-KHAIYUM.- Talk on the Report!

HON. V.R. GAVOKA.- The Report is timely, that it brings to the attention of Parliament today, Mr. Speaker. We can increase our storage capacity. We only carry about two months of reserve in this country. We can increase that, Mr. Speaker...

(Honourable Member interjects)

MR. SPEAKER.- Order!

HON. V.R. GAVOKA.- ... and we can set up storages within the Pacific. We can link up with our neighbours who buy better than us - what are they paying in Australia at the farm? Do you know?

They do not know, Mr. Speaker. What they do not even know is what the people are paying in this country already. So, Mr. Speaker, we are ready to work with the Government as a Parliament to look at ways ....

(Chorus of interjections)

MR. SPEAKER.- Order, order!

HON. V.R. GAVOKA.- Mr. Speaker, it is quite sad that when people are paying \$3 a litre at the pump today, these people have no idea on how to improve on things better. They are shooting the messenger. The messenger is from this side saying, "People want action, things can be done." Do not just sit there and say, "We are helpless, it is beyond us." Do not just sit there and say, "It is beyond us."

HON. S. ADIMAITOGA.- Stop! You just come here and talk.

MR. SPEAKER.- Order!

HON. V.R. GAVOKA.- As we all know, change is coming in this country. It is time for change ...

(Chorus of interjections)

MR. SPEAKER.- Order!

HON. V.R. GAVOKA.- ...the people of this country are now tired and sick of a Government that has all the excuses but no solutions to what should be done in this country. That is what we have been having all these years, Mr. Speaker.

Mr. Speaker, again, I will say that we cannot allow people in Fiji to be paying this kind of petroleum prices. We cannot, we have to do something about it.

HON. GOVERNMENT MEMBER.- What is the hassle?

HON. V.R. GAVOKA.- There are initiatives. I could give you ideas on how to do it, honourable Member. You set up a bipartisan committee.

MR. SPEAKER.- Honourable Member, do not carry out a conversation with the other side. Address the Speaker, and keep addressing the Speaker. You have the floor.

HON. V.R. GAVOKA.- Thank you, Mr. Speaker. It is just that it is very hard having a dialogue with the deaf. They are very selective with their hearing. When the people of this country is suffering, they are satisfied with all these shenanigans that you see in Parliament, Mr. Speaker.

But I say here again today, Mr. Speaker, we need to do something about the cost of petroleum. It can be done, and we are ready to work with you and help bring relief to the people of this country and save this country in going forward.

We have just been through COVID, it has been difficult, and another challenge is here now, so let us reach out across the aisle. Government, you cannot do it on your own. It has been proven many times that you are a disaster, you are in a mess, so reach out across the aisle and we will work with you.

Mr. Speaker, I hope that, that message has gone through to them, which the people today are crying for some solution to the cost of petroleum in this country.

HON. I. KURIDRANI.- Mr. Speaker, I want to thank the Committee, especially the Chairman for producing a very comprehensive report.

Mr. Speaker, Sir, for the last five years people of this nation such as the poor, the disadvantage and the pensioners have been asking a question, is the CCF doing their role? Is this Government doing their job?

HON. A. SAYED-KHAIYUM.- It is FCCC.

HON. I. KURIDRANI.- FCCC or ACCF...

(Chorus of interjections)

HON. I. KURIDRANI.- Are they doing their job? This is because of the continuous increase.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, Point of Order. For the sake of the people watching at home, there is a huge difference between ACCF and FCCC. We are debating FCCC - ACCF is the Accident Compensation Commission of Fiji, this is FCCC. Thank you, Sir, just in case because again, they are misleading the public.

HON. I. KURIDRANI.- Thank you, for the correction - it is the Fijian Competition and Consumer Commission. I repeat, the people of this nation - the Fijians, have been asking for the last five years whether this FCCC has been doing its job. This is because of the continuous increase in the cost of living. People have been asking - if you go to the villages or communities - whether this Government is doing their job? It reflects their poor control, poor monitoring, poor management that has caused the continuous increase in the cost of living.

Mr. Speaker, Sir, I want to speak on the independence of the Fiji Competition and Consumer Commission but I think the honourable Member has touched that thoroughly. The question we turn to ask is - are they independent? Because of the continuous increase in the cost of living. Are they doing their job? What is their role? Honourable Professor Prasad has touched that thoroughly.

Mr. Speaker, Sir, I just want to advise Parliament of my thoughts for improving this institution in controlling the cost of living. They have to create a database for all trading products - trading and services - all paying services including food stuff, materials and everything that are being traded in the market. They need to create a database for that. Imagine people coming from the rural areas, the highlands and the maritime islands - they have no knowledge whatsoever of the regulated price of food stuff or materials, they have no idea. So this is where, we believe, it is an open door for the business people to make money from the poor.

Mr. Speaker, Sir, I plead to this Parliament to make sure that this institution provides a database for all trading services, food stuff and goods to help the people. If they really care for the people, please advise this institution to do that.

Mr. Speaker, Sir, I commend Recommendation 5 by the Committee, which states that information packages be prepared and disseminated regularly for all new existing businesses and various requirements under the Act. But that is not enough - they need to create a database for all trading goods and services.

HON. J.V. BAINIMARAMA.- Mr. Speaker, Sir, I rise to speak on the motion by the Chairman of the Standing Committee on Economic Affairs.

Firstly, I convey my appreciation and I commend the work of the Chairman and honourable Members of the Standing Committee on Economic Affairs for their deliberations on the Annual Reports. Also, my appreciation to the Management and Staff of the Fijian Competition and Commerce Commission (FCCC) for their efforts in ensuring that consumers and businesses are protected, despite the challenges they face in their daily operations and administration.

Mr. Speaker, my Government has been assiduous in developing robust competition laws and policies, and we actively partner with strong institutions like the FCCC, to ensure that legislations are enforced.

The Commission also safeguards consumers' interests against unfair business practices. Through this collaboration with FCCC, we are improving Fiji's productivity in promoting innovation and ensuring fair prices.

The Commission works with key agencies, such as the Fiji Revenue and Customs Service (FRCS), the Reserve Bank of Fiji (RBF) and the Financial Intelligence Unit (FIU), to carry out their duties in ensuring that every Fijian benefits from a healthy and well regulated market, and it is pleasing to see that they are taking this task to heart.

Mr. Speaker, the FCCC has actively enforced legislation and instituted fines for those businesses that break the rules, and we have witnessed a very positive response with more businesses becoming compliant, resulting in a fair market for Fiji.

My Government's commitment to not only maintaining but to growing the enforcement capabilities of the Commission is clear, Mr. Speaker. From 2016 to 2018, the resources allocated to FCCC has grown from \$1.9 million to \$3.3 million, a 73 percent increase on continued commitment.

Mr. Speaker, through my Government's sound economic policy and through the provision of various Government incentives to the private sector, Fiji has witnessed increased competition across different industries, including our retail food stores and supermarkets. I am pleased to see positive response from supermarkets and they are now working with the Commission to rework their business models to focus on maintaining lower and affordable food prices for ordinary Fijians.

Despite this progress, you will hear the Opposition try to score points by attaching themselves to issues, like the price of oil, gas and food prices, especially wheat. Global prices have been going up since the second half of 2021 because of higher port prices and freight costs. Everyone understands that, Mr. Speaker.

The entire world is facing supply chain disruptions, as the supply of goods are unable to keep up with higher consumer demand, and this problem is made worse by Russia's invasion of Ukraine. The price of crude oil is currently sitting above US\$100 per barrel, when a couple of years ago it was sitting at US\$46 per barrel. Wheat and other commodity prices have also been increasing, but the Opposition does not account for any of these global factors that affect prices and its impacts on fuel-reliant sectors. They do not understand how an economy works or worse, they are intentionally misleading the Fijian public.

Mr. Speaker, those factors are beyond our national control and (but the Opposition chose to woefully ignore), underscore the importance of organisations, like FCCC. We need to ensure that Fiji is protected as possible from fluctuations and global prices. Unfortunately, we also have some unethical businesses who, if left unchecked, would take advantage of these fluctuations and make their impact even more dramatic.

For that reason, FCCC actively prevents additional price gouging by enforcing price caps, resulting in fair prices for ordinary Fijians. The FCCC continuously monitors compliance to rent freeze orders pertinent to Fiji's residential rental market and has resolved a number of complaints received from tenants and landlords.

Mr. Speaker, Sir, the Fijian Government is committed to growing our economy, support Fijian businesses and improve Fijian livelihoods. Since day one, we have listened, we noted concerns, but we did not stop there. We do more than just listen. We implement change through the review of



policies that will deliver development that changes lives for the better, in this case, foster competitive, efficient, fair and informed market place to enhance the welfare of all Fijians.

HON. RO F. TUISAWAU.- I rise to contribute to the motion at hand, in particular, I commend the work of the Committee. Just to share some of the issues which were raised in addition to the findings and recommendations before us, there were also issues raised on competition and compliance highlights, and price control and monitoring highlights. One of the issues raised there, let me read that out:

“... monitoring activities were carried out in urban areas including cities, towns, et cetera and rural areas. A total of 395 traders were issued with infringement notices and warned during the year, 91 were issued with spot-on fines.”

This is related to recommendation five, if you look at that, the Committee is recommending the formulation of more effective awareness.

One of the issues raised is that a lot of rural business operators are not aware of some of the regulations, particularly those in the villages the small business operations. I think in the last year or so, some of them had been warned by the organisation regarding their prices and they were not aware of that, plus the cost of running businesses in rural areas is quite high, given the freight cost et cetera.

The other important issue raised in this report is on recommendation four. If you look at that recommendation, that is related to the draft Landlord and Tenants Bill, again this is work in progress which we hope to see progress further until the Bill comes before us. Just reading from the presentation, the rent section manager legal were tasked in early 2017 to undertake the preparation of the proposed Landlord and Tenant Bill, the process had an action plan from January 2017 and a technical working group, so again, this has been ongoing and we are urging that this be progressed further.

A draft Bill was formulated following extensive consultations and there have been issues regarding this, where a handful of traders were taken to court for failing to pay spot fines and some were found to have illegally increased rent on residential property despite the residential rent freeze, and there are also the abilities to settle proceedings in relation to the tenant and landlord relationships. So, we are hoping that this proposed Bill will alleviate some of those issues.

The other issues I thought would be good to raise in Parliament are the concerns of the automotive industry. The FCCC does not regulate the automotive industry, there is a self-regulating guideline that guides the industry to ensure it is compliant. The complaints received include traders not willing honour warranty, non-disclosure of information relating to warranty and accepting payments and failing to supply. These are some of the ongoing issues with the automotive industry which we look forward to the FCCC to take a more, I suppose, proactive stance in resolving.

In building and construction, the industry recorded the second highest number of complaints as per the complaints record. Those are some of the thoughts that I have highlighted.

There was also an issue regarding Home Care Initiative. Let me read it out:

“The Home Care Initiative was provided by Ministry of Economy while the Farms Care Scheme was provided by the Ministry of Agriculture. Issues raised by members of the public whereby traders had taken money from the recipients of the Initiative but had not supplied the items. Apart from these complaints that also surface the traders had

increased the prices in terms of which could be purchased under the Initiative. A total of 19 traders were investigated and 14 were charged. So those are some of the issues I thought are important to raise and also for the members of the public to understand the role of FCCC.”

In terms of what Honourable Gavoka has mentioned, Sir, we have to accept that Fiji is undergoing a cost of living crisis in terms of the rising prices as mentioned by the Honourable Gavoka and the Honourable Prime Minister and the reasons behind it.

The Cost of Living crisis refers to the fall in real disposable incomes that is adjusted for inflation and after taxes and benefits that have been experienced by the country. It is being cost predominantly by high inflation, outstripping wage and benefit increases and has been further worsened by various other issues beyond our control.

Sir, this is an issue which we in the Opposition had raised that we have a commission of our Committee of Inquiry into the cost of living crisis. I had raised this but this did not come through as a motion and it would be important for Government to undertake this cost of living analysis.

The following are some of the analyses and questions which need to be asked:

- What exactly is contributing to cost of living?
- How high is inflation and how is that expected to change?
- Which prices are rising faster or rapidly?
- Are incomes matching the rise in prices (I understand that the minimum income has been adjusted but how does this measure in terms of the people adjusting to the rapid rising cost of living)?
- Has tax changes contributed to the cost of living crisis?
- Are poor households worse affected by the Cost of Living crisis than richer ones? (Of course that is a ‘yes’ and that needs to be clearly analysed and examined).
- Cost of Living affects poor households more.
- Inflation rates are more likely to be on average more on poor households when energy prices also rise.

So there is an urgent need for an assessment to be done and Government has made some initiatives, for example, zero rated on 21 basic consumer items. How effective has this been? There needs to be a clear study on this because, of course, this has been nullified by inflation and there needs to be a reassessment.

HON. A. SAYED-KHAIYUM.- Not nullified.

HON. RO F. TUISAWAU.- Well, nullified or the impact has not been as expected. That is something which we or Government needs to undertake. There is an issue regarding the fuel as raised by Leader of SODELPA, Honourable Gavoka, in the Opposition Party. Of course the other side of the House has been joking about it but they have not done anything about the fuel surcharge or tax. There needs to be action on that.

Tax threshold, again, that needs to be re-examined, that has been actioned on but, of course, that needs to be relooked at.

In relation again to the Cost of Living crisis, what are the measures, as I mentioned, need to be done to target the poorer sections of the household of our communities given the rise in poverty level to alleviate the crisis which we are going through.

Of course, to conclude Government needs to control its expenditure. At the moment it has does nothing to control its expenditure. One of the main areas which they could control expenditure is their salaries and that is a major cause. I am sure that they are earning more than enough right now (that needs to be cut by 30 percent and even their allowances). Other areas are on leasing of vehicles, grants to organisations such as FBC (which is currently being used by government for propaganda purposes, for campaigning in the Elections), you need to cut down on those costs in order to balance them out.

We hope that these suggestions are taken on board by Government as we move forward even though they have a very limited time (they will be going out soon but if they can action that before they go out, we will be very grateful about that).

MR. SPEAKER.- I give the floor to the last speaker before the Right of Reply.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, there are a number of issues that I would like to raise in response to what the Opposition said. Sir, the FCCC obviously plays a very pivotal role in the economy because it does provide that independent assessment in respect of not just only consumer protection but ensuring that there is competition continues within the economy and as we know that any economy must have robust competition to be able to deliver not only for businesses but more so for the consumers so that they get better pricing.

Mr. Speaker, Sir, in the Budget that has been allocated to FCCC Sir, if you see in 2016-2017 the annual budget allocated was \$2.4 million, today it gets \$4.5 million. One of the reasons, of course, Sir, is that, for example the 2021 financial year we granted a specific sum of \$300,000 to conduct investigations and monitor the tax and duty reductions for 1,942 items. So whenever, for example, we reduce a duty on a particular item, it has to be ensured that those reductions and duties are actually passed on to members of the public.

Similarly, Sir, the initial funding was to create awareness, inspections and tours to monitor business traders and rural and maritime regions (honourable Kuridrani should now this) and in fact they have an MOU with the Ministry of iTaukei Affairs in particular for areas in the maritime and the deep rural areas where there are remote villages. There may be a village co-operative store where they have actually a regulated item and they may not actually be charging the regulated price, so they have to be monitored and actually create this awareness.

Sir, just in respect, the honourable Prime Minister has mentioned overall the Government objective but in respect of what honourable Professor Prasad and the others have said, they seem to misunderstand FCCC's role is not to control the cost of things in Fiji in the way that they are meaning. Honourable Kuridrani said, "Oh FCCC is not doing its job because the price of things have been going up." Well, it has been going up and FCCC's job is to make sure that it does not get price out of hand.

He should know that there are certain items in Fiji, Sir, that are price controlled and there are certain items in Fiji that are not price controlled. If you want to go and buy a plastic toy, it is not price controlled but if you want to buy rice, it is price controlled. If you want to buy cooking oil, it is price controlled, if you want to buy fuel it is price controlled. If you want to buy cigarettes it has a different pricing mechanism altogether, it is not price controlled. So, he needs to understand that.

The FCCC's job is not to reduce the price of things. So I shudder when I listen to those kinds of comments from the Opposition, Sir, because God forbid if they ever come into Government, they think they will but they would not.

(Laughter)

God forbid that, Sir. Mr. Speaker, Sir, because they will go off to FCCC and say, "Do not increase the price of flour", businesses actually will collapse. If today Punja and Sons and FMF are bringing wheat at \$300 a ton, grounding it in Fiji making flour it is price controlled at the wholesale level. In other words before they sell it to the supermarket, it has to be price controlled.

So they will go and say, "Look I paid \$300 a ton from Australia, this is my freight cost, this is my labour cost, my electricity cost, et cetera, and then they say, 'You can only make this much margin' then they will sell it to the supermarket and then Shop and Save Supermarket, for example, will come or whoever their retail supermarkets are, they will go to FCCC and say, "Look I bought it for this much from Punja and Sons and this is my labour cost, my rent cost, electricity cost, et cetera, they will say 'You can make only this much'. That is how price control works.

If tomorrow, as he is suggesting, Australia puts up the price of wheat from \$300 to \$400 a tonne, obviously the price of flour will go up but if they were to be in Government, they will tell Punja and Sons 'You sell it at \$300 a tonne price'. The entire business will shut down, they would not be able to run a business because you do not know how to run a business, he does not know how to run a business. None of them know how to run a business.

Honourable Professor Prasad does not even know how to run a business. He stands up here and talks about FCCC saying, 'Oh, it's affecting the economy'. This is the man who has continuously undermined the Fijian economy. He says, 'Oh the banking sector is not doing well, FSC is bankrupt, Fiji Airways is bankrupt. This organisation is not independent ....

HON. PROF. B.C. PRASAD.- A Point of Order, Mr. Speaker.

HON. A. SAYED-KHAIYUM.- We do not have enough reserves.

MR. SPEAKER.- A Point of Order. You have the floor.

HON. PROF. B.C. PRASAD.- I think, Mr. Speaker, the Attorney-General borders on irrelevance and making wild allegations. When we come into this Parliament ...

HON. S. ADIMAITOGA.- What is your Point of Order?

HON. PROF. B.C. PRASAD.- ... and raise the issue of independence ....

MR. SPEAKER.- Order!

HON. PROF. B.C. PRASAD.- When we raise the issue of independence of an organisation, it is not undermining the economy. In fact the whole report (the private sector diagnostic report) actually talks about how inefficient ...

HON. J. USAMATE.- What is your Point of Order?

HON. PROF. B.C. PRASAD.- ... how the lack of independence in organisations actually affect the overall economy, so that is not undermining the economy, Mr. Speaker. He should stick to his ....

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, honourable Professor Prasad has continuously on the floor of this Parliament undermined the Fijian economy - every single chance they get.

HON. PROF. B.C. PRASAD.- It is a big lie.

HON. A. SAYED-KHAIYUM.- When the World Bank puts out a report, he does not like it, 'Oh World Bank is not independent'. When the RBF puts out a report, 'Oh RBF is not independent'. This is the kind of shenanigans that people actually look at and that is what undermines the economy, not FCCC because it is trying to do its job. The fact of the matter is, honourable Professor Prasad to stand up in Parliament, he was actually investigated by FCCC for rental purposes in 2018.

MR. SPEAKER.- Order!

HON. J.V. BAINIMARAMA.- No wonder you are attacking FCCC, my boy.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, when we come to Parliament, we need to come to Parliament with clean hands. He was investigated by FCCC. I just had a text message from Joel Abraham, the CEO of FCCC. He said about a year or so ago, he met me in a supermarket, put his hand on my shoulder and said 'You're doing a good job' and today according to him, he is not doing a good job. Mr. Speaker, Sir, the point of the matter is this ...

HON. PROF. B.C. PRASAD.- Mr. Speaker, a Point of Order again. The Minister for Economy is actually lying. I have never said that Joel Abraham has not done good in fact I said that I do not envy his job. I said that this man (the Minister for Economy) sitting there makes them political. He gets his permanent secretary to respond to politicians.

MR. SPEAKER.- Order!

HON. PROF. B.C. PRASAD.- I actually said that he is doing a good job but that he is under the influence of politicians in the FijiFirst Party. I have said that, Mr. Speaker.

MR. SPEAKER.- You have the floor.

HON. A. SAYED-KHAIYUM.- Sir, I think honourable Professor Prasad misheard me. I said that Joel Abraham sent me a text to say that you patted him on the shoulder saying 'You're doing a good job'.

HON. PROF. B.C. PRASAD.- I did, I did.

HON. A. SAYED-KHAIYUM.- Yes. That is what I said. What is your problem? I said the same thing. Mr. Speaker, Sir ...

HON. PROF. B.C. PRASAD.- Because you are implying that you know ....

HON. A. SAYED-KHAIYUM.- You see this is the kind of contradiction and hypocrisy of the Members from the other side. Mr. Speaker, Sir, I am not implying anything, stop reading into

things. I wish honourable Professor Prasad was as vociferous as he is today, if he was vociferous like that in New Zealand. Do not do runaway, you know. Do not run away. I wish he was vociferous in New Zealand, Mr. Speaker, Sir.

Mr. Speaker, Sir, there is the other point that I wanted to make: the independence of FCCC is actually seen in the fact that despite it being an Election year, FCCC has actually gone ahead with price increases. It goes to show the independence of the organisation. They do not seem to understand that. In fact they do not even make submissions as highlighted by somebody earlier on. Honourable Koya had said that they do not go and make submissions. The Fiji Labour Party did it. Why did you not join them and make submissions? Various other parties have appeared before FCCC and made submissions. Why do they not do that?

Government in fact, Mr. Speaker, Sir, objected to the sugar price increase. Yet they went ahead and gave the sugar price increase, yes, admittedly not as high as what FSC wanted but they actually still gave them a price rise. We could have done a political shoddy job here, if we had political influence over FCCC and said 'Do not increase the price, it is Elections year. Elections may be on 13<sup>th</sup> July, the first day we can have elections, do not increase the price, so public will feel good about it, but we did not do that.

Mr. Speaker, Sir, the fact of the matter is this, we have foreign investors in Fiji, the Japanese have invested 44 percent in EFL, they would never come and invest in Fiji, if they did not feel the independent institutions that look at price regulation over price controlled item like electricity if it were and they would never invest. In fact, if they were honest with themselves, they would look at the Act itself and find out what are the mechanisms that gives it independence from every single institution including Government, Ministers and Permanent Secretaries. They do not come to Parliament with clean hands.

Mr. Speaker, Sir, the other point I also wanted to make was honourable Gavoka, he just goes on and on, we must do something, we must do something. He has not being able to produce a single alternative budget since 2014, nor has NFP, no one has been able to produce single alternative budget. They think that the solution is in just having a Committee, sitting allowance, go off, talk to people and we will find a solution.

Mr. Speaker, Sir, he says we do not know the price of fuel, let me read out the price of fuel according to the GlobalPetrolPrices.com which does it on a weekly basis. The last posting they did which is a credible source; the only source you should go to; on 2<sup>nd</sup> May in Fiji, the price of unleaded fuel at Fijian dollars, they come and say oh in US it is \$4, but they do not do the conversion; US\$4 obviously is FJ\$8, they do not need to do the conversion, compare apples with apples.

Mr. Speaker, Sir, unleaded fuel, Australia was \$2.73 a litre on 2<sup>nd</sup> May, Fiji was \$3.02 a litre, New Zealand was \$3.45 a litre. We were a lot cheaper than New Zealand, we were slightly expensive than Australia.

Mr. Speaker, Sir, diesel on 2<sup>nd</sup> May, Fiji was \$2.85 a litre, Australia was \$3.01 a litre, New Zealand was \$3.41 a litre. His logic fails because he says they have bigger economy, they have the purchasing power, so despite being a country that has 4.5 million people in New Zealand, their petrol prices and diesel prices were still more than ours. He says we should build more storage capacity, you will never be able to match the amount in volume of fuel that New Zealand and Australia buys and no one will be willing to put up that kind of money up front. They do not even understand hedging, hedging in the price of fuel is being done, they do not understand about hedging at all. You only know the word, you do not know how it works.

Again, Mr. Speaker, Sir, the other point they made, you know honourable Tuisawau. He went around about the cost of living, wages, et cetera and the independent assessment. Dr. Partha who has done three ways independent reviews of the minimum wage in Fiji. He is an independent professor from Australia. When they looked at minimum wage increase, they go around the countryside, they talked to trade unions probably like NFP if they want to turn up, meet employers, employees, individuals can go and make submissions and based on that, then he recommended a minimum wage increase. None of them have mentioned that, none of them mentioned that in Fiji, there is no minimum wage until the Bainimarama-led Government introduced the minimum wage.

None of them mentioned, Mr. Speaker, Sir, that since then, there has been three reviews. None of them mentioned the fact that now we have a minimum wage of \$4 to be incrementally given and reach \$4 by January of next year. None of them mentioned that, Sir. None of them mentioned the fact that the interim minimum wage increment of \$4 means the wages in the other wage sectors will also increase by the same percentage, Sir.

Mr. Speaker, Sir, the fuel of 20 percent has been removed. He says there is no assessment being done of the 21 VAT items. Never in the history of Fiji have we had 21 items zero rated at VAT and not only those six items, things like sanitary pads for women, toothpaste, soap, washing detergent - these are everyday household items that people buy. Before, there was only six items, rice, et cetera.

Mr. Speaker, Sir, this is the problem. There is no independent analysis being done and this is where I continuously say in this House that there is a lot of misinformation. These young students are here, political science students, imagine the nonsense they are listening to from the other side.

We have urged people to be critically assessing information. A lot of these information are available independently on various credible pages and on credible sites. There is a rationale that has been given and so, Mr. Speaker, Sir, I would urge all honourable Members to, please, understand the Report you are debating on. The CCC is not ACCF and FCCC does not reduce the prices of things - it is independent. We need to be able to ensure that this independence continues because it would not only provide consumer protection but what is critically important is to be able to provide competition.

If you have competition in the market, we increase consumption, we create jobs where people like them who would go on the workforce soon and we would all be able to have a stable economy.

MR. SPEAKER.- I now give the floor to the Chairperson for his right of reply.

HON. V. NATH.- For the information of this House, honourable Kuridrani and honourable Tuisawau are members of this Committee and we often do not comment on our own work. It does not work that way.

(Chorus of interjections)

MR. SPEAKER.- Honourable Member, it is unusual to have a Point of Order on the right of reply. You know the procedure, so do not bug the system.

HON. V. NATH.- Sir, what I want to say is that, these two honourable Members are members of the Committee and often, we do not comment on our own work. They commented the work of the Committee and I say that we do not comment on our work. Let the others comment and you do not comment your own work.

Mr. Speaker, Sir, honourable Professor Prasad mentioned that he expected the Committee to do otherwise. For the information of honourable Professor Prasad, the Committee is guided by the Standing Orders and not according to his expectation. I feel he is not aware of the Standing Orders and probably why he was kicked out of PAC.

May I suggest to him to read the Standing Orders of Parliament of the Republic of Fiji and from Chapter 10 onwards, he will then understand the Standing Orders and the process of the Committee.

MR. SPEAKER.- I thank the Chairperson of the Standing Committee. Honourable Members, Parliament will now vote.

Question put.

Motion agreed to.

MR. SPEAKER.- Honourable Members, on that note, we will take a break for morning tea.

The Parliament adjourned at 11.04 a.m.



The Parliament resumed at 11.40 a.m.

**CONSOLIDATED REVIEW REPORT –  
2017-2018 WHOLE OF GOVERNMENT AUDIT REPORTS**

HON. A.A. MAHARAJ.- Mr. Speaker, Sir, I move:

That Parliament debates the Review of the 2017-2018 Whole of Government Audit Reports Consolidated Report which was tabled on 8th February, 2022.

HON. J. NAND.- Mr. Speaker, Sir, I beg to second the motion.

HON. A.A. MAHARAJ.- Mr. Speaker, Sir, the honourable Prime Minister, the honourable Leader of the Opposition, honourable Ministers and honourable Members of Parliament.

Mr. Speaker, Sir, I as the Chairperson on the Standing Committee on Public Accounts who move the motion, take this opportunity to speak on the motion on the Review of the 2017-2018 Whole of Government Audit Report.

Mr. Speaker, Sir, this Consolidated Report provides the Committee's review findings on the 2017-2018 Whole of Government Audit Reports of the Office of the Auditor-General. The Office of the Auditor-General established under Section 151 on the Constitution of the Republic of Fiji and the Audit Act 1969, further specified the powers of the Auditor-General to audit the Whole of Government Financial Statement and the report of all entities of Government.

This Report summarises the audit issues found in the Whole of Government 2017-2018 Audit Report and also outlines the responses from the relevant Ministries and Departments. The review of the Whole of Government Audit Report had focused on five Volumes by sector, inclusive of the remaining 2018 Audit Report. The Whole of Government Audit Report included all the budget sector agencies in a consolidated financial statements. This Audit Reports include:

1. Volume 1 - 2017-2018 Financial Statement of Government and 2017-2018 Agency Financial Statement of the Ministry of Economy (*Parliamentary Paper No. 186 of 2020*);
2. Volume 2 – 2017-2018 Audit Report on the General Administration Sector (*Parliamentary Paper No. 148 of 2019*);
3. Volume 3 – 2017- 2018 Audit Report on Economic Sector (*Parliamentary Paper No. 147 of 2019*);
4. Volume 4 – 2017 – 2018 Audit Report on the Social Services Sector (*Parliamentary Paper No. 149 of 2019*);
5. Volume 5 – 2017-2018 Audit Report on Infrastructure Sector (*Parliamentary Paper No. 150 of 2019*); and
6. The remaining of 2018 Audit Reports on General Administration Sector, Social Services and Economic Sector (*Parliamentary Paper No. 187 of 2020*).

Mr. Speaker, Sir, it was noted in the Audit Report that there were no acquisition or disposal of control entities during the financial year. The Auditor-General's audit opinion highlighted that the accompanying financial statement of the Government of the Republic of Fiji which were prepared had all material aspects, in accordance with the 2013 Constitution of the Republic of Fiji and the Financial Management Act 2016 and the Audited 1969.

The Committee noted that OAG had issued 37 Audit Opinions on the 2018 Financial Statement of Ministries and Departments, out of which 24 or 65 percent were unmodified opinions,

while 13 or 35 percent were modified opinions. This indicated that most agencies financial statement did not contain material misstatement individually or inadequate. The Committee noted in its review that there were matters highlighted by OAG which were matters of concern in which relevant Ministries and Departments should have addressed.

Mr. Speaker, Sir, this is an ongoing process that the OAG audits Ministries and Departments so that issues are identified and rectified to improve the system and service delivery.

Mr. Speaker, the Committee noted the Audit findings and it requires serious consideration by the relevant stakeholders to expedite the implementation and facilitation of the Committee's recommendations. Recommendations include the following:

1. Whilst majority of the Government Ministries and Departments have complied with their reporting timelines on the submission of their financial statements to the Ministry of Economy, appropriate measures, however, should be placed to ensure compliance from those Ministries and Departments that continuously delay submitting their end of year financial statements. Permanent Secretaries are to ensure that their Finance Department prepares the financial statement on time.
2. The Ministry of Economy to provide oversight on the implementation of the relevant recommendation. The Ministry of Economy should work together with other Ministries to ensure that Recommendation No. 1 is implemented because delay from Ministries delays the work of the Ministry of Economy in formulating Volume I of the Whole of Government Audit Report.
3. The Ministry of Economy should take the lead role in conducting regular and timely training for all Ministries and Departments Accounting Officers in the area of FMIS, Trust Account, Stores, et cetera. The Committee noted that the Ministry of Economy has the structure in place, and conducting training for other Ministries and Departments will build their capacity.
4. Ministries and Departments should perform their reconciliation on a timely basis on their main Operating Account and Trust Fund accounts to ensure their internal control mechanisms are in place.
5. The Committee notes the work carried out by the Internal Audit and Good Governance Division of the Ministry of Economy and recommends that adequate support be provided for efficient and effective audit conduct.
6. The Committee recommends that the Ministry of Economy, in conjunction with other Ministries, work with OAG for the reconciliation of the main Trust Account.

Mr. Speaker, Sir, the Committee acknowledges the progress made by relevant Ministries and Departments in addressing the issues identified through the audit measures that are put in place, to ensure that they are not repeated in the future.

Overall the Committee commends the effort of the Ministry of Economy in trying to address issues highlighted by the OAG. Most importantly, other relevant Ministries and Departments should consider those issues as priority, take appropriate action and take their cues from the Ministry of Economy. This is one of the reasons why the Committee, in its recommendations, has focussed on the Ministry of Economy to help build capacity for other Ministries and Departments.

HON. A.M. RADRODRO.- Mr. Speaker, Sir, I rise to contribute to the motion before Parliament, that Parliament debates the review of the 2017-2018 Whole of Government Consolidated Report which was tabled on 8<sup>th</sup> February, 2022, and compiled by the Public Accounts Committee (PAC), despite the challenges and limitations confronting Fiji during the COVID-19 period.

Mr. Speaker, Sir, let me start by saying that the PAC was limited in carrying out its roles when we requested responses from Government Ministries and Departments, instead of conducting face-to-face interviews and making visitations so that the PAC are not misled into believing what have been provided to us on face value.

What has been observed during the PAC review of the Whole of Government Report is that, in most instances, the Auditor-General has continuously highlighted similar issues that were assured by the Permanent Secretaries of various Ministries and Departments during previous interviews to have been resolved or attended to.

Mr. Speaker, Sir, when these incidents keep recurring in the Auditor-General's Report, in this Report or previous Reports and future Reports, it signifies that the Government processes may have a weak control system which often questions whether the right people are holding the positions in the various entities. What could be summarised, Mr. Speaker, Sir, is that the Government reform system is not achieving its intended purposes. One can only imagine the bizarre result that the Government Ministries and Departments are achieving during this reform period. As highlighted in this Auditor-General's report, the Auditor-General gave a qualified audit opinion on the whole of Government report and that is not a good sign.

Mr. Speaker, Sir, the Government cannot be allowed to compromise the services it is expected to be giving to the people of Fiji when reforms introduced, is creating more confusion than good, especially, I will just highlight few Ministries - the Ministry of Education, Heritage and Arts, Ministry of Health and Medical Services, Ministry of Civil Service, Ministry of Agriculture, Ministry of Waterways, Ministry of Fisheries and Forests to name a few.

The Committee, after reviewing the audit report and the responses from the Ministry of Economy in relation to the audit issues, have come up with recommendations, and I will be speaking on three of the recommendations. Firstly, whilst the majority of Government Ministries and Departments have complied with their reporting timelines on submissions of their financial statements to the Ministry of Economy, appropriate measures, however, should be in place to ensure compliance from those Ministries and Departments that continuously delay submitting their end of year financial statements. Mr. Speaker, Sir, to allow the Auditor-General to conduct its work on a timely basis, the Office of the Auditor-General has highlighted that the Permanent Secretary of the Ministry of Economy signed off on this whole of Government report on 30<sup>th</sup> November, 2022.

Mr. Speaker, Sir, as we all know that timing is critical in the entities operation, when the whole of Government financials are late in its tabling in this august Parliament, not only Permanent Secretary should be taken to task, but the Minister for Economy should also be held to account, and it is a question of accountability provided in Section 127(3) of the Constitution of the Republic of Fiji that states, and I quote:

“The permanent secretary of a ministry is responsible to the Minister concerned for the efficient, effective and economical management of the ministry or any department under the ministry.”

In addition, Mr. Speaker, Sir, the line Minister being the main authority in the Ministry, the bugs stop with him. As I have already highlighted, the Office of the Auditor-General needs to be

allowed to fully conduct its role to allow for better improvement in the civil service operations. Hounding them and accusing them of being anti-government does not serve any government and our people any good whether now or in the future.

In the second recommendation, the Ministry of Economy to provide oversight on the implementation of the relevant recommendation. Mr. Speaker, Sir, the Standing Committee on Public Accounts have taken note of these responses from the various Ministries and Departments regarding the audit issues highlighted by the Office of the Auditor-General. One cannot discount the fact that this is the Office of the Auditor-General's report for the year ending 31<sup>st</sup> July, 2018 for the period August 2017 to July 2018, and the timing of its discussion today, may be considered by some as a bit of an archaic issue, given the lapse of time. But as I have already highlighted, Mr. Speaker, Sir, most of the audit issues had been repeated and have been recurring.

If we take for example, the Ministry of Agriculture, the audit issues highlighted a lot of control and compliance issues, which are very concerning, and I am forced to highlight one of the issues that has been highlighted by the Auditor-General, progress report on dairy development programme not provided. We asked the question, what is the reason for not providing this progress report, and what has been done to ensure the report is given on time? This question was raised by the Committee after receiving this 2017-2018 Report. The Ministry in its response, stated that it has started receiving the Fiji Dairy and Cooperative Limited quarterly progress report and the last was received in quarter two, 2019 of 2020.

Moving forward, the Ministry should be implementing the following measures to ensure that it receives consistent reports:

1. Regular check on meetings with Fiji Cooperative Dairy Company Limited (FCDCL) on the progress of their work with monthly progress report submitted for perusal by the PS;
2. All reporting requirements to be put in a cycle calendar for delivery by the management of the FCDCL;
3. The Compliance Review Team to be used to further review business processes and make recommendations for improvement to streamline a way of working and achieve process efficiency going forward; and
4. FCDCL to be included in the scope of work of the Compliance Review Team.

Those are the responses that were forwarded to the Public Accounts Committee.

Mr. Speaker, Sir, when the Ministry of Agriculture fails to do a timely follow-up on the Fiji Dairy Quarterly Project Progress Report and it raises a lot of questions on the policy decisions taken by the Government, specifically the Ministry of Agriculture relating to Fiji Dairy Industry in Fiji. This is very concerning, Mr. Speaker, Sir.

Mr. Speaker, may be the honourable Minister on that note can update Parliament on whether the importation of milk from abroad has reduced and the local production of milk has increased as these are some of the issues that should be addressed by way of reacting to the Office of the Auditor-General's Report on the Ministry of Agriculture.

Mr. Speaker, Sir, without timely reporting it is no wonder that the dairy industry in Fiji is a far cry from what it used to be in terms of local milk production. It appears that the Rewa Dairy Corporative Limited is begging a lot of questions in terms of whether it is achieving its intended reform objective 10 years or so after.

Mr. Speaker, Sir, on the Ministry of Health and Medical Services, the Office of the Auditor-General has highlighted the anomalies in the Free Medicine Programme where an amount of \$9.4 million was actually spent out of the \$10 million budget. When the Ministry of Health and Medical Services records 97,000 medicines as free when they are not listed under the Free Medicine Programmes and there is no agreement in place with those private pharmacies no wonder, Sir, the general public has always raised their concerns about the accessibility to this programme.

Mr. Speaker, the OAG conducts its review on an annual basis in which they highlighted these anomalies. Imagine the pain and suffering that the general public go through because someone is sleeping on the job.

Mr. Speaker, Sir, the Public Accounts Committee is limited from asking questions on the merit of expenditures and therefore I request the honourable Minister to update Parliament on how his Ministry has attended to this free medicine anomalies highlighted by the Office of the Auditor-General.

Mr, Speaker, on the infrastructure there is a great incident been highlighted by the OAG on the failure of the Fiji Roads Authority which Government has not shared in this august Parliament for our people to understand. The Fiji Roads Authority, as an implementing agency for the Suva Arterial Roads Upgrading Project (SARUP 1) under the Transport Infrastructure Investment Sector Project ADB Loan No. 3210 FIJ, did not comply with the implementation arrangements set forth in the project administration manual stated in the loan agreement. The project manual administration required that the Asian Development Bank Procurement Guidelines be followed for the procurement of goods and works.

Mr. Speaker, Sir, the Authority prepared the contract agreement for Contract Number FRA/TIISP/16-01 Suva Arterial Roads Upgrading Project (SARUP 1) under FRA general terms and conditions but ADB has determined a mis-procurement as some amendments were made to the Federation Internationale des Ingenieurs–Conseils (FIDIC) clauses. As a result, the SARUP 1 Project has been noted in the OAG Report that it will no longer be funded by the ADB and World Bank and the Government of Fiji will incur the full cost of the project totalling \$30.4 million.

The funds have been disbursed by ADB as at 31<sup>st</sup> July, 2018 totalling \$5.7 million and the World Bank totalling \$3 million will be submitted too with the FRA Road Diesel Programme of roads in the Western, Central and Northern Divisions of Fiji. The Government of Fiji will be responsible to pay the full remaining balance of \$20.4 million.

Mr. Speaker, Sir, this in-action has burdened the people of Fiji and it is unacceptable, the Minister for Economy should take the line Minister to task for this blunder done under his watch. On the Ministry of Waterways the OAG has highlighted that the Sigatoka River Dredging which was given to China Railway First Group at a cost of \$5.1 million was closed due to the use of a rate of compensation which was 20 years old and not the current market rate amongst others.

Mr. Speaker, Sir, when consultations with landowning unit are not performed by the Ministry on this particular project, one can imagine how many other similar projects that the Ministry have bulldozed their actions over without conducting proper consultations with the landowning units, the Free Soul Project comes to mind.

Sir, what makes it worse is that this project together with Navua River Bank protection at Vunivau, Serua and the Nakauvadra River Channel Improvement do not have insurance covers like workers' compensation, public liability and insurance in relation to work performance were not provided and therefore increases the risks of losses to Government.

The honourable Minister is requested to provide an assurance in this august House on this issue Mr. Speaker, Sir. On Recommendation No. 3, the Ministry of Economy should take the lead role in conducting regular and timely training for all ministries' and departments' accounting officers in the areas of FMIS, Trust Accounts, Stores et cetera.

Mr. Speaker, Sir, the OAG has highlighted in all ministries and departments that have Trust Accounts that there are records of anomalies in terms of proper administration and reconciliation. Included in the Trust Fund Account balance of \$197.7 million in the statement of assets and liabilities is the Main Trust amounting to \$161.2 million. The Main Trust Fund Account balance amounting to \$78.4 million was not supported with detail listings of claimants of the monies held in the Trust. Hence, audit was not able to confirm the accuracy and the completeness of this Trust Fund balances of \$197.7 million as at 31 July 2018.

Mr. Speaker, Sir, if you look through the Report the Ministry of Health on Sahyadri Trust Fund Account receipt of \$1.1 million and paid \$1.5 million without supporting receipts and payments and reconciliations. The Ministry of Fisheries has a balance of \$261,000 in its books without supporting documents. Likewise for Ministry of Forestry amounts to \$2.2 million remained in the Trust Fund Accounts without proper explanation and supporting documents. This is, apart from anomalies noted in the REDD+, unreconciled variances of \$247,000.

Then the Ministry of Land is noted to have a Trust balance of \$6.6 million without supporting documents. In the Judicial Department the Judicial Trust Fund amounting to \$32 million has no listing of beneficiaries. In the Ministry of Foreign Affairs the Overseas Mission Bank Reconciliation continue to be unreconciled to date.

The Ministry of Infrastructure, Energy Trust Account with a balance of \$2.4 million with no proper records and details maintained. Mr. Speaker, Sir, on the above anomalies highlighted is the lack of due attention given by the various ministries and department over the years in the proper maintenance and upkeep of Trust Fund accounts. So, when no proper Trust Fund records are kept at the various ministries and departments, there is a sense of disservice been given to the people of Fiji on the proper and timely utilisation of their money.

Mr. Speaker, Sir, I leave the rest of the recommendations to the other members of the Committee who will take time to make comments on the Report before us.

HON. DR I. WAQAINABETE.- Mr. Speaker, Sir, I would like to thank the Committee for its deliberation and Mr. Speaker, Sir, we have seven areas which the Ministry of Health was asked to go back and look at with the modified audit opinion. I just want to assure you, Sir, and Parliament that the Ministry of Health since 2018 has done so and a few of the areas I want to touch.

The first one was, it was noted in the statement that there were receipts on capital construction, totalling up to \$17 million and since then I have a letter here from the Permanent Secretary of Health the following year we have been able to reconcile further receipts which totalled \$4,435,000 to add on to those that were already reconciled. As you know that these things do have a process and unfortunately during the time of the audit those receipts were not at hand.

Mr. Speaker, also the Sahyadri Trust Fund Account has been successfully closed with the agreement of the Ministry of Economy, the due diligence has been done in that area. I think that is something that the honourable Radrodro had raised.

We have continued to strengthen our internal controls. One thing that has been very helpful is also the fact that we now have new team members in our finance department. We have been able

to also engage a few from the private sector and we believe that this will actually strengthen the internal controls that we have, given that we have now the OMRS system that is in place so we can be able to attract those that have meet the merit, to be able to support us in maintaining internal controls.

Mr. Speaker, the other thing that was raised by the audit and I just want to bring to hand, is the issue of oxygen. We had been asked (and this is something that the auditors had been asking us for several years) why is there no other competitor? There is no other competitor in Fiji. The only oxygen company that is there is the only one that is working in Fiji. So what we have done also, you must have heard that during the COVID-19 outbreak, we have been able to bring in oxygen concentrators so they now are a source of oxygen and actually reducing the amount of oxygen that we are using. We are now in a project which includes us and Cure Kids where we want to be able to make all our small outlying health centres and nursing stations, being able to make their own oxygen, with electricity either from the grid or through solar so that they are not dependent on oxygen being brought across in cylinders.

Mr. Speaker, lastly I just want to touch again on another issue that was brought to hand by the Public Accounts Committee – the Bulk Purchasing Scheme. I want to assure you, Mr. Speaker, that we have done regular reviews and that as part of our logistics supply chain management reform, we have included that in there. Honourable Radrodro, just before I sit down, also raised the issue of Free Medicine Programme. If he was reading the news, he would have seen that about one month ago we just relaunched a reformed Free Medicine Programme in which we have done several things including making sure that there were better controls, making sure that the agreements between the pharmacies that were going to be working with us were vetted through the Solicitor-General's Office, making sure that prices were agreed on, on the 140 medicines that are on the Free Medicine Programme.

We have also involved many more Fijians on the Free Medicine Programme and other things we have changed around. The first time around that we ran this, we actually stocked the shelves of the participating pharmacies with our own medicine. We have gone away from that. We realised that in some instances that did not work very well but we do now know is that of the agreed medicines that they have, they issue their own stock and government then pays them. That is the reform that has been done and that came out in the news and also in the media release about a month ago, honourable Radrodro and I hope that next time he would look at the news because that will keep him informed.

HON. PROF. B.C. PRASAD.- Mr. Speaker, Sir, I thank the Committee for the Report. I also thank honourable Aseri Radrodro for laying out all the issues in a number of Ministries. But before I say a little bit more, Mr. Speaker, I just wanted to respond to honourable Vijay Nath. He said 'I was kicked out of the Public Accounts Committee'. He is probably not aware that his government was the one that changed the standing orders of the Public Accounts Committee which always had an Opposition Member to chair the meeting and obviously they did not like the work that I was doing and the Committee was doing under me as the Chair of the Public Accounts Committee, and they brought a motion to change the Standing Orders so that their Government Member can chair the Public Accounts Committee and all committees and they have the majority of the Members, I was not kicked out. Once they changed the Standing Orders, I resigned from the chairman of the Public Accounts Committee so get that right.

Also Mr. Speaker, Sir, I want to respond to the honourable Attorney-General, I think he mumbled somewhere that there was an investigation. Yes, there was a crook who rented my house, did not pay rent for more than 12 months, I was generous enough to keep him there then he falsely went ...

HON. A.A. MAHARAJ.- A Point of Order, Mr. Speaker, Sir.

MR. SPEAKER.- Order!

HON. PROF. B.C. PRASAD.- What is your Point of Order?

HON. A.A. MAHARAJ.- I will tell you what my point of order is. The Point of order is very simple, we are debating a Public Accounts Committee's Report. The Standing Committee on Economic Affairs Report has been debated. Please if you want to speak, stick to the report. Thank you.

HON. PROF. B.C. PRASAD.- He just does not understand, Mr. Speaker, Sir, that they spoke after me.

HON. A.A. MAHARAJ.- No, you the one who does not understand.

(Chorus of interjections)

HON. PROF. B.C. PRASAD.- Such a crazy Point of Order, so I just wanted to respond to honourable Attorney-General, obviously the crook took away more than \$10,000 ....

HON. A.A. MAHARAJ.- I think you are going crazy with Rabuka.

MR. SPEAKER.- Order, order!

HON. PROF. B.C. PRASAD.- ... and when he got convicted, he falsely went and complained that he was charged higher rent and obviously, the Commerce Commission found that it was a false allegation. He did not say that Mr. Speaker, Sir, but it was interesting that he got the text message from the CEO, that is the point that I was making that independent organisations need to be careful how they communicate with Government Ministers because they are also politicians, Mr. Speaker, not only us.

HON. A.A. MAHARAJ.- Speak on the Report ...

HON. PROF. B.C. PRASAD.- So, thank you Mr. Speaker, but let me come back to the Report. As I said, I want to thank honourable Aseri Radrodoro for pointing out all the anomalies in the different Ministries, but I am not going to repeat all those specific issues and he has also talked about the recommendations which I support. I think the recommendations Mr. Speaker, Sir, make a lot of sense, but what honourable Radrodoro highlighted shows how these things happened and why they happened.

I can tell you Mr. Speaker, Sir, the year 2017 and year 2018 (which was the Election year) saw probably one of the most reckless economic governance and government expenditure management ever in the history of this country. Because what happened in 2017 and 2018, just prior to the Elections (and this is why it is very important for us to understand the role of the Public Accounts Committee and the role of the Auditor-General) what happened was, this Government, in its drive to remain in power went overboard in their expenditure, so a lot of the controls, policies, adherence to proper practices were set aside.

You had home care, agriculture care, you had the housing assistance, the health ministry and a lot of things that the Auditor-General picked up are really because of the recklessness and the nature of control that they had of the expenditure.



The quality of spending in fact Mr. Speaker, Sir, all Public Accounts Committees around the world do not ignore the quality of spending. They spend some time, what we call Mr. Speaker, Sir, be affirm value for money examinations are vital because if you do not have value for money examinations by a Public Accounts Committee which reports to Parliament, you are bound to create a situation where the public expenditure or the taxpayers funds will be wasted.

I have said this in Parliament before, Mr. Speaker, Sir, if you look at the way the Government went on borrowing and spending spree in between 2015 and right up to 2018, you would see, Mr. Speaker, the level of wastage through pilferage, mismanagement and you can go on and on. I have said that some of the estimates that we can make in about six years between 2015 and 2020, we have probably wasted on average about \$5 million a year. A total of about \$3 billion wastage based on the allocation.

MR. SPEAKER.- Order, order!

HON. PROF. B.C. PRASAD.- If this Government has the courage, Mr. Speaker, Sir, they would have an independent inquiry into the quality of spending and wastage. Do that, get an independent inquiry and come back to the Parliament and say what I am saying is wrong. This is the level of wastage that has happened, Mr. Speaker, Sir.

The issue with respect to this Report, the financial control is at the apex of the Parliament system and basically what we see in this Report and the result that had been mentioned by honourable Radrodro, we have made this Public Accounts Committee weak because we have changed the Standing Orders. We have basically reduced them to looking at where the money has gone, how it has gone and the sort of spending. In the Parliament, Mr. Speaker, Sir, we need a quality debate on policies.

They say we cannot question policies. The Public Accounts Committee which comprises of Members of the Parliament must have the ability to make recommendations, bring questions about policy which they see that has led to wastage, which has led to pilferage and not led to quality spending. There are a lot of examples out there, Mr. Speaker, Sir, that is very clear, that we have not been able to take steps to reduce.

The Public Accounts Committee is an exposed thing. Once the expenditure is done, why the Auditor-General has then produced the Report and that too maybe two or three years later. When the expenditure have been undertaken, comes to the PAC and PAC can only look at what is exposed, what had happened and make recommendations. I know right now what has happened to the Office of the Auditor-General and how the Government has interfered. We had a case of a Report which was presented to Parliament by the Auditor-General which then got changed through the interference of the Government by the Ministry of Economy. If the Report was wrong, it still should have gone to the Public Accounts Committee. It is the job of the Public Accounts Committee to come back to the Parliament and say this was wrong, this aspect of Auditor-General was not correct after a proper enquiry.

Unless, Mr. Speaker, Sir, we get and I would be talking about this tomorrow when we will look at the assessment of the Auditor-General Report itself but what honourable Aseri Radrodro highlighted is the result of lack of control, lack of teeth by the Public Accounts Committee, lack of resources by the Public Accounts Committee which we will discuss tomorrow which had resulted in this and the political interference is the biggest thing because under this constitution, the Ministers interference in the work of Permanent Secretaries once and Mr. Speaker, Sir, you know this very well. Once the Budget is passed by the Parliament and all the expenditure is allocated, the Ministers have no role.

I know in the past, there was a Minister who went to the Permanent Secretary and said, can you do this? The Permanent Secretary actually told the Minister that he does not have any role in this. The Budget has been approved by the Parliament and the Permanent Secretary is the Budget controller but what is happening is that, the Ministers are interfering in the way the Ministries run and there is evidence of that. Some may not be doing it but I know there are Ministers who do that.

HON. A. SAYED-KHAIYUM.- Who?

HON. PROF. B.C. PRASAD.- I can name all of them.

(Chorus of interjections)

HON. PROF. B.C. PRASAD.- You know who they are. You have interfered.

(Chorus of interjections)

HON. PROF. B.C. PRASAD.- I know tender processes have been interfered too.

MR. SPEAKER.- Order, order!

HON. PROF. B.C. PRASAD.- Tender processes have been interfered too.

(Chorus of interjection)

MR. SPEAKER.- Order.

HON. PROF. B.C. PRASAD.- Do not ask me, honourable Attorney-General...

MR. SPEAKER.- Order.

HON. A. SAYED-KHAIYUM.- Who?

HON. PROF. B.C. PRASAD.- Have an Independent Inquiry, if they have the guts, Mr. Speaker, Sir, they should have an Independent Inquiry, get the Independent Inquiry into the way that is political interference in the expenditure of Government. Then come out with a report and say whether it is true or not.

HON. A. SAYED-KHAIYUM.- Who let the dogs out?

(Laughter)

MR. SPEAKER.- Order!

HON. PROF. B.C. PRASAD.- They think it is a joke but the people ...

HON. A. SAYED-KHAIYUM.- You are a joke.

MR. SPEAKER.- Order!

HON. PROF. B.C. PRASAD.- But the people, Mr. Speaker, Sir, know because what they did in 2017 and 2018 showed up in 2019 after the Election there was a total lack of confidence, they were hiding on Level 9 that destroyed the confidence...

(Chorus of interjections)

HON. PROF. B.C. PRASAD.- And then, Mr. Speaker, Sir, all the reports by international organisations showed that we had actually negative growth in 2019, because Government went on a spending spree and there were so much wastage basically the physical space was already reduced to 2019. So that is why, Mr. Speaker, Sir, it is very, very important for us to understand the role, the Constitutional watchdog that needs to look at every aspect of Government expenditure because \$1 that goes to waste is a taxpayers money, \$1 that is wasted could go to someone who needs it, could provide free medicine where honourable Aseri Radrodro talked about it.

So this is the link, Mr Speaker, Sir, and we must as a Parliament, as Members of the Public Accounts Committee and others take this very, very seriously and have investigations where it is appropriate to ensure that all the recommendations, all the policies and all the processes are adhere to so that we do not waste money. I mean we cannot control everything, there has always been wastage, there is always been Auditor-General's Report in the past that attacked Government Ministries and Government that is correct. So, we are not going to get 100 percent of it but, Mr Speaker, Sir, it is still important that we keep striving to make sure that we do not spend or waste a single dollar of the tax payers money in this country.

HON. J.V. BAINIMARAMA.- Mr. Speaker, Sir, I rise to make a contribution to the debate. Mr. Speaker, Sir, I thank the Committee and the Chairperson for scrutinising the Report. The Report of the 2017 – 2018 Whole of Government and the Committee that compiled this report were the Public Accounts Committee Members appointed in the 2014 – 2018 Parliamentary Team and therefore majority of the issues mentioned in this report has been addressed across all the ministries. For instance, I would like to speak on those under my portfolio.

Firstly, I have looked at some of the issues raised for the Department of Immigration now known as Fijian Immigration Department. On Page 21 of the report where it talks about the internal control measures of the Department. I would like to assure this august House, Mr. Speaker, Sir, that these control measures have been strengthened. The Department has since improved its adherence to the Financial Instruction 2010, it worked with the Minister of Economy in 2019 to create separate revenue collection accounts in the FMIS system for the different types of revenue collection namely; Passports, Permits, Citizenship, Visa and Search Fees.

Mr. Speaker, Sir, importantly the amendments of the Immigration Act 2003 in 2020 ensured totality of the fundamentals of the Immigration Regulation for its day to day application. And you will agree, Mr. Speaker, that the Department has since improved its service delivery.

On the Ministry of Foreign Affairs, Mr. Speaker, I focus my attention now to the Ministry's key initiatives that were developed and implemented in response to the recommendations which include the:

1. Review of the Ministry of Economy's Finance Manual in 2019.
2. Issues of the first ever overseas Missions' Finance Guidelines in 2019 with the intent to provide clear guidance to Diplomats with limited financial background.
3. Set up of a framework for timely feedback to Missions regarding monthly acquittals.
4. Use of financial checklist for any payment made.
5. Conduct of internal audit, both in Headquarters and Missions.

I am confident that the Ministry of Foreign Affairs' discussions with the Ministry of Economy will resolve the unreconciled variance-related issues by the end of the current 2021-2022 financial period.

Mr. Speaker, it is particularly important to note that whilst this has been a longstanding issue, there has been no financial loss. The variance is purely an issue related to book adjustment that needs to be carried out to correctly reflect the Missions' bank balances against the General Ledger balances.

In the case of the Ministry of Forestry, Mr. Speaker, the Ministry acknowledges the recommendations by the Public Accounts Committee (PAC) and has addressed the issues raised in the Report in the following manner:

1. Revolving Fund Account outstanding balance from previous years of \$351,087 has been progressively cleared, and we now have only \$21,934 to be cleared by this month – May 2022.
2. Reconciliation of salaries and wages are carried out weekly and submitted to the Ministry of Economy weekly. There are no more variances.
3. Mispostings in the REDD+ account have been cleared. The Trade and Manufacturing Account (TMA) has been resolved with the Ministry of Economy, approving the closure of the TMA by the end of July this year. The balance of \$1.4 million will be transferred to the Ministry of Economy by end of July 2022.

On the Whole of Government, Mr. Speaker, a generic issue that was raised in the Consolidated Audit Report is the management of various Trust Fund Accounts held across Government Ministries, such as the Ministry of Fisheries, Ministry of Lands and Mineral Resources, Ministry of Local Government and the Ministry of Environment.

The Ministry of Economy, Mr. Speaker, has embarked on the review of all Trust Fund Accounts to determine eligible trust accounts and has worked closely with various Ministries to ensure they perform their reconciliations on a timely basis, and to safeguard internal control mechanisms.

In summary, Mr. Speaker, I would like to reassure this august House that many of the issues raised in the Report have been addressed. Various Ministries have since implemented risk management policies through the prudent Financial Management Act and embedded these improvements in their individual ministerial strategic policies and operational plans. Based on those remarks, Mr. Speaker, I, therefore, support the motion.

MR. SPEAKER.- Honourable Members, on that note, I intend to now adjourn for lunch and we will resume debate on this motion after lunch. This is the order of the speakers after lunch, so be ready when we resume:

1. Hon. V. Lal;
2. Hon. Ro T.V. Kepa;
3. Honourable Minister for Agriculture, Waterways and Environment; and
4. Honourable Attorney-General and Minister for Economy, Civil Service and Communications.

If you want to speak, put your name on the list. You know the procedure, you have a Whip, so put it on the list. If it is not on the list, you will not speak. We adjourn for lunch.

The Parliament adjourned at 12.30 p.m.

The Parliament resumed at 2.33 p.m.

MR. SPEAKER.- Honourable Members, we will continue with the debate on the motion.

HON. V. LAL.- Mr. Speaker, Sir, as a Member of the Standing Committee on Public Accounts, I take this opportunity to speak in support of the motion on the review of the 2017-2018 Whole of Government Consolidated Audited Report. To reply to some of the issues raised earlier today, I rise to make a few contributions towards the social services sector, namely, the Ministry of Health and Medical Services and the Ministry of Education, Heritage and Arts.

The Auditor-General had highlighted a number of issues in his report at the time of the audit however the Committee was advised of the following action plans that the Ministry of Health and Medical Services is currently undertaking in their efforts to ensure that in future audits, its financial statements will be issued with an unmodified audit opinion.

The Ministry has established a forum for all 12 accountants from the 12 different centres to meet and discuss accounting issues relating to their cost centres, accounts preparation and finalisation of the Ministries Financial Statements. Before the financial year end a series of discussions and verifications are made which also includes the verification of the Ministries growing reconciliations. The late submission and finalisation of the Ministries growing reconciliations has been a contributing factor for the delay in the finalisation of the Annual Financial Statements.

Recently the Ministry has been submitting the draft financial statements on a timely manner as dictated under the Ministry of Economy finance circular on closing of accounts. It is important to note that the Ministry is conducting regular follow-ups with the respective responsible officers in order to submit comments in relation to the audit queries raised and ensure that it reaches the Office of the Auditor-General in a timely manner.

Mr. Speaker, Sir, in terms of safeguarding and record keeping the Committee was advised that the Ministry has adequate space for safekeeping of documents however the maintaining of very old records was a challenge as these records occupied a lot of space within the Ministry. The Committee was further informed that the Ministry has now destroyed old records dating from 2000 to 2012 as per the approval provided by the National Archives.

The Ministry has again submitted its request to the Ministry of Economy to discard records dating from 2013 to 2014. Once approval from the Ministry of Economy is granted the prospective approval is also sought from the Office of the Auditor-General, the Fiji Independent Commission Against Corruption (FICAC) and the Public Accounts Committee before the National Archives can give the final approval.

On the issue of the capital purchases and capital construction, Mr. Speaker, Sir, the OAG had highlighted that capital construction expenditure had decreased by \$3.5 million in 2018 compared to 2017. Where funding was allocated to certain projects, payments were only made when the Ministry projects were fully completed. The slow supply of building materials from the suppliers and the adverse weather conditions during the period under review were the main challenges that affected the utilisation of the capital construction budget. Furthermore capital purchases increased by \$1.7 million in 2018 compared to 2017 due to the increase in cost of equipment, ICT infrastructure and networking materials.

Mr. Speaker, Sir, the Committee was informed that the Ministry usually requests for budget on best case scenarios on execution of projects, however majority of the time is not feasible due to the various factors which leads up to the delay of the projects including unfavourable weather, supply

of materials, labour rework or defects noted, delays in approval processes and shipping delays amongst other factors. The Ministry has now plans to complete part of the planning and procurement processing before the new budget cycle particularly for SEG 9. For the information of this august Parliament, capital construction budget is usually determined through the project consultants and project administrators that is the construction implementation unit of the Ministry of Economy.

On Ministry of Education, Heritage and Arts, Mr. Speaker, Sir, a total of 28 Public Accounts Committee questions that were raised to the Ministry of Education, Heritage and Arts and I am pleased to report that the statements provided by the Ministry were satisfactory in terms of addressing the audit anomalies and strengthening the Ministries internal controls.

The Committee was informed that the current practice is that the Ministry notes the timelines mentioned in the closing of accounts circular. The Manager Finance coordinates with respective units in finance to ensure team leaders are well informed and frequent meetings are scheduled to update the progress, challenges and the way forward.

The Ministry is ensuring that timely processing of documents to offset any negative balances in the Financial Management Information System (FMIS) so that correct expenditure could be reflected for every item.

On Transport Service Agreement and Transport Assistant Policy Mr. Speaker, Sir, at the time of the scrutiny of the Audit Report as well as the Ministry's written response, the Transport Draft Service Agreement was under consultation with Vodafone Fiji Limited as the electronic transport provider. Once the consultation process concluded the Agreement was sent to the Solicitor-General's office for final vetting. Implementation followed as soon as the approval was sought from the Solicitor-General's Office. The tentative time for the implementation was July 2021.

The Policy and Standing Operating Procedure (SOP) will be implementing processes that will strengthen the internal controls around the transport assistance of the ministry and will outline regular reporting and monitoring of e-transport services and confirmation on income eligibility. The Committee was further informed that the Ministry has drafted the Transport Assistance Policy and SOP for Transport Assistance and once the policy is approved and implemented the SOP will then be implemented accordingly.

Mr. Speaker, Sir, in terms of the Open Merit Recruitment System (OMRS) - the recruitment took place between 2017 to 2018 during which there was transitioning period to the OMRS guidelines. A reform for the Human Resources Department was underway during that period. It was understood that very few staff were fully trained on the OMRS procedures and therefore the work done was not verified as much as it is done now.

The ministry had ensured that the HR Department staff should be given priority to take up OMRS Training in the first three months of their appointment of service. Furthermore Sir, additional training in-house and through the Ministry of Civil of Service is done under necessary equipment and selection tools and procedures. Panel members are briefed and thoroughly advised by the HR representative, who undertakes accountability for each vacancy process as opposed to prior September 2018.

The minimum qualification and experience are identified prior to advertisement of a role through an approved role description to the Permanent Secretary for Education along with the selection panel interview and short listing is based on this minimum qualification and experience in a form of a marking criteria approved by the panel and filed by the responsible HR representative.

Proper record keeping is practised by respective HR officers through timely filing and updating of shared drives. A recruitment register is updated every week and reports can be generated through the current process. Every recruitment process is verified by the Officer-In-Charge. The Senior HR Officer, the Manager, Team Leader Recruitment and Selection and Head of HR, before it is despatched to the Permanent Secretary and the honourable Minister for approval and endorsement.

All of the ministry vacancies are now given provision for online application, therefore, the documentation can be found online such as Curriculum Vitae (CV), certificates and transcripts. This came into operation since 2019. The Ministry has formed an internal qualification and audit team that verifies the qualifications of recruitments prior to 2019. As for the missing documentation about panel agreement, the manager responsible at that time of the audit had left the post without any proper handovers in August 2018. The current documents are securely filed and are available for audit and future reference.

Mr. Speaker, Sir, without proper handover in such scenarios, the reform, replenish, recruitment and selection team with a set of new officers in 2018 have ensured that standards are achieved in line with OMRS guidelines. All officers in the Recruitment and Selection Unit are OMRS certified and are graduates with minimum Degree qualification in HR and relevant experience in HR roles. OMRS refresher course is done very often and all processes are followed as per favourable responses from recent audit by the Ministry of Civil Service in April 2021 and no appeals being upheld in 2021.

Mr. Speaker, Sir, the Ministry has advised that the contract renewal process requires verification of teacher registrations. This process has been in place prior to 2020. Continuing teachers whose contracts are expiring are reminded by HR to renew their registrations. Due to the volume of teacher contract renewals and all efforts not to cause disruptions in the teachers' salaries, the Ministry does not hold the contract renewal process.

Continuous reminders by HR for teachers to renew their registrations, the remaining processes in terms of administration of registrations and update of Fiji education staff appointment are completed by Fiji Teachers Registration Authority (FTRA) after all necessary documents are received. It is to be noted that teachers lodge their FTRA registration at the education office located in the nine districts.

In the event where documentation does not reach FTRA office for processing, these are not registered by FTRA and thus are not reflected in education staff appointment records. In view of this, Sir, some factors that may have contributed to the late registrations whilst the Committee was reviewing the Ministry's response are that FTRA may have received the documentation and due to oversight in filing administration work, some renewals may not be processed and not reflected on Fiji education staff appointment.

Secondly, incomplete applications received in other centres including FTRA Office, in some cases resulting in applications being put on hold without any follow-ups leading to the non-processing of these applications in the Fiji education staff appointment by FTRA. In order to strengthen the above processes, the Ministry has also placed a notice on Fiji Education Management Information System (FEMIS) as a reminder to teachers that they need to have valid teacher registration in order to teach in classrooms.

For the information of all honourable Members, there is an email disclaimer that accompanies all contracts that are renewed. Mr. Speaker, Sir, this disclaimer is part of the email only and not incorporated in the contract document. The actual contract is a standard document used across all government ministries. The Committee has also noted that FTRA registrations are for three years as

per the Fiji Teachers Registration Authority Act whereas the teacher remuneration policy allows teachers to have five-year contracts so there would be teachers with valid contracts whose registrations expire within the contract period. It is understood that IT provides reports on such cases and FTRA has been following up with these teachers to renew their registrations.

Mr. Speaker, Sir, I commend the OAG in carrying out a total of 39 audits for the ministries and departments including the remaining audits at the end of the 2017-2018 financial year. The Committee has taken note of the various improvements and action plans of these ministries in ensuring that they will strengthen their internal control processes, alleviate financial mismanagement and uphold Fiji's requirements for the Financial Management Act 2014 and its regulations. Mr. Speaker, Sir, with those words, I support the motion that is before the House.

HON. RO T.V. KEPÄ.- Mr. Speaker, this motion before the House is on the 2017-2018 Whole of Government Audit Report which was tabled before the House on 8th February this year and I am just looking at the recommendations, Sir, which are 3, 4 and 6 and these recommendations touch on trust accounts.

Honourable Aseri Radrodro spoke on a few issues that I have here so I will not repeat those, however, just on the first paragraph here, Mr. Speaker, one of the key recommendations or findings of this Report which was a basis for qualified audit opinion, was in regard to trust fund accounts, included in the trust fund account balance of \$197.7 million in the statement of assets and liabilities is the main trust amounting to \$161.2 million. The main trust fund account balance amounting to \$78.4 million was not supported with proper documentation to include detailed listing of claimants of the monies held in the trust. Therefore the audit was unable to ascertain the accuracy and completeness of the trust fund account balance of \$197.7 million as at 31<sup>st</sup> of July, 2018.

Mr. Speaker, can you imagine if this was a law firm, unable to properly and accurately account for this amount of money - \$197.7 million? It would have been struck off the register and the lawyers jailed. How come Government and those responsible for it are allowed to get away with mismanagement of trust funds year after year? For trust funds and the Ministry for Employment, Productivity and Industrial Relations, the Ministry receipted service fees of \$60,000 from the Ministry of Civil Service under the shared services agreement with the OHS Consultancy Trust instead of the consolidated fund account.

This is highly improper Mr. Speaker, Sir, as pointed out by the office of the Auditor-General as trust funds' terms and conditions are mandated to operate within very strict guidelines. For the Ministry of Rural and Maritime Development, included in the Trust Fund Account and received from Rural Housing Scheme \$1.74 million; one third was on self-help projects (\$553,661), there was no listing and no breakdown given and no idea Sir.

The next one Mr. Speaker, Sir, the Fiji Police Force receipts totally \$84,542 and payments amounting to \$66,485 were made during the period ending 31<sup>st</sup> of July, 2018. There was no record of this in the FMIS General ledger as the Fiji Police Force did not include the Trust Fund Account, Statement of receipts and payments for the Force's trust fund account as part of its agency financial statements.

Mr. Speaker, Sir, on the Ministry of Infrastructure and Transport's trust account balance of \$2,445,195 as at 31<sup>st</sup> July, 2018 on which the closing balance comprised refunds for FEA grid and house wiring, and bond payment for projects and revenue bills collective from solar home systems.

The Ministry again was a bit slack here Mr. Speaker, Sir, because detailed information was not given which was relevant to the details of this trust fund account. Those are just a few of the



ones that I have which were not mentioned this morning by honourable Aseri Radrodro.

On the trust accounts held by some ministries, but very worrying is the fact that some issues with these trust accounts is the internal control of ministries were even though OMRS is supposed to realise the best fit between the staff member and the job, it does not seem to be working so well. A lot of training honourable Minister, monitoring and supervision still need to be done.

Outsourcing may look on paper to be cost-effective but in the long run the Civil Service is going to be the poorer for it as it could give the impression that the Ministry, through OMRS is getting highly qualified experienced people from overseas for example Permanent Secretaries. At the end of the day, it is the local staff weigh down the salary scale who end up teaching these hot shots from overseas many of whom do not stay long and then shortly after they sight personal reasons for their sudden departure. Then those lower down the scale on short contracts are not given opportunity for relevant training besides which there is no institutional knowledge because no one stays long enough, no wonder Mr. Speaker, Sir, there is a common thread running through the various ministries audit reports which sight weak internal controls as the main issue.

So in conclusion Mr. Speaker, Sir, trust accounts up to this audit period 2017-2018 were the responsibilities of the various ministries. It is however now in a main trust fund in the Ministry of Economy, is that a new policy of the FijiFirst Government? Since when has it become a policy of Government meaning that if it is a government policy, the merits of that policy according to Standing Orders 109(2)(d) that it cannot be questioned either by the Committee or by the Office of the Auditor-General.

If the Auditor-General cannot question the merits of this policy, who can question it, Mr Speaker? Why is the Fiji Government weakening the Public Accounts Committee and the Office of the Auditor-General? Why are they taking away the independence of the Auditor-General? Where has the autonomy of the OAG gone? Why have they taken away that independence? What are they afraid of Mr Speaker, Sir? Who will then audit the main trust fund? (We are looking for this item) Where in the Budget is this main trust fund?

So in terms of good governance, accountability, checks and balances, who gives the oversight that is needed there? How can we be certain that there is nothing untoward that is happening there? It makes people very suspicious as it raises more questions than answers especially where there is main trust fund account being in the Ministry of Economy that cannot be audited as according to the Standing Orders, the Committee and the OAG must not examine the merits of the underlying policy so that is where some of the difficulties are, Mr. Speaker, Sir, in terms of these Audit Reports with the Committee and the Auditor-General not being able to really fulfil the task that has been given to it.

HON. DR. M. REDDY.- Mr. Speaker, Sir, as with my other colleagues, we do welcome the comments from the Auditor-General's Office with the view to improve service delivery. As the honourable Professor Prasad has alluded to earlier on for Value for Money (VFM). Mr. Speaker, Sir, in the process of service delivery there can be at times lapses, sometimes it is a perception on the other side and those perceptions need to be clarified and sometimes our staff do in the process when under pressure do make mistakes.

Therefore, in terms of governance issues, it is a continuous process. We need to ensure that every year when we get Reports, we action or deal with it immediately. Secondly, we also have now appointed internal audit team so that we do not get audit reports at the end of the year, we get them on a regular basis, on a monthly basis so that we deal with it immediately. Following the 2017 and 2018 Report, the Ministry began fresh by undertaking an overall reorganisation of the structure. The

functional heads, now following the organisational restructure have much clearer accountabilities, control and governance issues as part of their core delivery. So it has been made very clear to the functional heads that the buck stops with you and therefore you need to ensure that regularly you talk to your staff, regularly you get updates on service delivery because that is where at times audit issues come up.

The key roles within are within the Head of Finance, Head of Operations, Head of Research, Head of HR, and Head of Economic Development under the new structure. So Mr. Speaker, Sir, following that there is a separate Audit and Compliance Team reporting directly to the Permanent Secretary. This Audit and Compliance Team no longer reports to the Head of Finance. For example, there is a procurement being undertaken independently. The Compliance and Audit Team will examine the procurement process whether it confirms with the Ministry of Economy's Procurement Guidelines, whether they are any lapses and reports directly to the Permanent Secretary for immediate action to be undertaken, not that we wait at the end of the year or 18 months when the Auditor-General's Report comes in.

Mr. Speaker, Sir, on that account, a new procurement function has been setup under the new structure to strengthen the internal control processes. For example, part of the internal control processes is that, we must ensure that before authorising any payments every aspect of the procurement is delivered to other supplier.

Mr. Speaker, Sir, we also had issues with vacant positions. At that particular point in time, during that year, to some reasons or the other, it was quite a number of vacant positions in that particular year. So these had been now filled appropriately and every officer are given a particular checklist on the key governance issue that they must comply in their service delivery process.

Mr. Speaker, Sir, we are also undertaking a regular training of our staff, apart from the new recruits who came in immediately in the first week, they have been undertaken through a regular training process, particularly on governance issues checklist that we have developed for them to deal with.

Mr. Speaker, Sir, we have also established a new format of how our clientele would apply for the various programmes that we have in the Ministry. There were issues raised in terms of clienteles not being aware or not been given the chance to apply for various programmes. We have taken a major democratisation of our government grants through the Ministry of Agriculture where anyone can apply through the online application process, there is no restriction and there is a separate team at the Head Office to receive data.

Sir, immediately, the data will be compiled and then it will be sent to various districts where our Agriculture Assistant Officers will verify these applicants. For example, if someone is applying for fencing material for goat and sheep, the officer will verify whether they really have a farm, a land and they do have the minimum required number of goat and sheep to meet the first requirement to be eligible to go into the shortlist. This is in response to complaints we have received, that this farmer receive a fencing material but the farmer does not have any goat and sheep, et cetera and the material was sold.

Mr. Speaker, Sir, the final decision of who will get those grants are made by the Chaired PS and the two other PS's or their nominees the PS - Economy and PS - Rural and Maritime and Development and our Director-Policy who sits in that particular Committee.

Mr. Speaker, Sir, a number of changes have been made to ensure that the Government resources are put to the best use and to get the maximum value out of it, everyone has an equal

opportunity to apply and to improve the efficiency of service delivery.

Mr. Speaker, Sir, the other issue that was raised earlier on by honourable Aseri Radrodro regarding the Trust Fund in the Ministry of Environment. By law, we have a Trust Fund, it is called the Environment Trust Fund. The primary objective of the Trust Fund is to hold Government. As all of us know that the money held in the trust does not belong to us. We accept the money, paid as bond and it is kept there, should there be any rehabilitation work that needs to be undertaken, that work should be undertaken by the investor, if not then this money will be utilised to undertake the rehabilitation work and then the remaining money will be refunded. So that money is held in the Trust Account.

Mr. Speaker, Sir, there was an issue raised by the Auditor-General that it was not reconciled. It was not reconciled because the updating of the trust account money was not undertaken on time due to staffing issues. As I speak now, there is a proper reconciliation of the trust account money. All the money that was paid into the trust account for bond purposes, all those are in the trust account except those which have been refunded to the investors.

The other issue that was raised by honourable Aseri Radrodro about compensation of staff who were engaged in dredging works at Sigatoka River and Nakauvadra River, et cetera, that is not our responsibility, Sir. Dredging companies are hired to undertake work. They have a fleet of staff, it is their responsibility to look after them, in terms of compensation, fair wages and all the other requirements under the Industrial Relations Act. Mr. Speaker, Sir, I want to assure this Parliament that the Ministry today is doing an excellent job in terms of ensuring that Government resources are utilised for the intended purposes is number one, number two in a most efficient manner and number three, with all governance requirements.

HON. M.R. LEAWARE.- Mr. Speaker, Sir, I wish to contribute briefly to the motion before the House. Like my fellow colleagues who have spoken before me, the Committee has made an excellent work to improve the systems and processes. I would like to commend the Chairman and the Committee Members for this Report.

Mr. Speaker, Sir, we have witnessed the existing anomalies in the report and of worthy to note are the six important recommendations that are reflected and moving forward relevant issues that are identified must not be repeated in future. The recommendations as stated must be actioned and implemented. The report, especially on Heads 21 and 26 with a modified audit opinion for 2018 is an indication of laxity on the part of the Ministry. A classic example is the issue of expenditures amounting to \$2.1 million and also \$1.4 million for Established Staff and Wage Earners and have not been included in the Statement of Receipts and Expenditure.

On the performance of reconciliations on a timely basis, this can only be successful if the rules of the game in terms of compliance are carried out as failure to do so will affect the timely deliverance of Government services. Further, Sir, these expenditures are included in Head 50 under Miscellaneous Services, Appropriate Financial Statements, and as a result, the Established Staff amount of \$315 million and Government Wage Earners expenditures of \$5 million for the Ministry are understated by the said amount.

Included in the operating grants and transfers, the account balance of \$107 million is the Bus Fare Assistance Programme amounting to \$27.6 million. The Ministry was not able to provide a detailed background of payments made to the supplier amounting to \$3.8 million. As such, the Committee noted that the audit could not confirm the accuracy and completeness of operating grants and transfers, account balances reflected in the Statement of Receipts and Expenditure.

Further, Sir, internal controls over payroll, revenue and free education grant which were generally found to be weak during the audit made by the Office of the Auditor-General and this is a matter of concern as a taxpayer. This relates to overpayments in payroll, maintenance of recruitment documents, misallocation of revenue and the utilisation of free education grant in accordance with the prescribed allocation.

The Committee noted, Sir, that if these matters were not addressed promptly, these weak controls may result in material mis-statements and financial implications in future and may lead to mismanagement of funds and corrupt practices. The Public Accounts Committee had rightly pointed out the weak internal controls which is highlighted in their fourth recommendation and hope the Ministry will take this on board in order to improve their financial performances.

Mr. Speaker, Sir, the Ministry of Education should put in place measures and strategies to address such issues that were highlighted by the Audit Office. Most importantly, Sir, the Fiji Higher Education Commission and the Ministry of Education should work together in carrying out research on the review of all its processes on how to address the issues of surplus or supply of graduate teachers and the low demand of the Ministry.

Mr. Speaker, Sir, the solution should be implemented and highlighted through to tertiary institutions who are offering education programmes for our children. The Ministry should do something about this. To ensure that our schools are adequately staffed, the Ministry should work closely and consult with the education officers around the country in identifying members or teachers to fill the necessary vacancies in schools.

Mr. Speaker, Sir, I hope that the Ministry of Education is not sleeping on the job in relation to the issue just been raised and do something about it and not lie to the people of this country, as some may have been waiting months and even years. With those contributions, Sir, I thank you for this opportunity.

HON. J. USAMATE.- Thank you, Mr. Speaker, Sir, for giving me the opportunity to contribute to the debate on this report from the Standing Committee on Public Accounts on the 2017-2018 Whole of Government Audit Reports. I think the role of the Auditor-General in reviewing the work of the Government, is very important for our role as Parliamentarians to make sure that all Government agencies do their jobs well. I take, in particular, note of the recommendations that are made on page 7 of the Report. I would like to focus on some of the issues that have been brought up in relation to some of the Departments that I am the Minister for.

In particular, I think the honourable Aseri Radrodro has talked about some of the issues with FRA that are highlighted on page 9 of the Report. Basically, in relation to the money that was provided by the World Bank and ADB for the Suva Arterial Roads Upgrading Projects (SARUP 1), which he noted that in the report it said that SARUP 1 will no longer be funded by the ADB and the World Bank, and the Government of Fiji will incur the full cost of the project totalling \$30.4 million. I confirm that, that is actually what happened. What happened at that time was that the FRA changed some of the terms and conditions of the contract with the advice from their in-house legal counsel before the contract was signed by both parties. Because of that, it did not mean that SARUP 1 project was not completed, it was completed and the Government had to fund it, the Government did it, because that is what happened here.

As part of the audit, FRA has learnt from this and now they have changed the way they addressed this contract. To mitigate any further issues like this into the future, the FRA has now adopted the standard form of contract with changes made to safeguard FRA liabilities. This is in line with the ADB and the World Bank loan covenants. Since that time, SARUP programmes continues

to be funded by the ADB and the World Bank under the Transport Infrastructure Investment Sector Project. As part of that project, the loan amount that has been made available under the project from the World Bank and ADB is around \$350 million, of which, \$121 million has already been drawn down, and the work continues to be done utilising these funds from the World Bank and the ADB.

The rest of the fund is now committed to the upgrade of the Kings and Queens Roads. If you go onto the Kings and Queens Roads, you will see the substantive work is being done to upgrade the roads, you go from Korovou or you go all the way from Nadi to Lautoka, as you drive around Viti Levu, you will see that the work is being undertaken to upgrade the roads.

The other portion of that fund is now being used, as mentioned a few times in Parliament, to design of the 40 critical bridges that we have identified from the hundreds of bridges in Fiji that need to be fixed. The portion of that money is being used for the design of those 40 bridges and the design of three jetties that we need to improve immediately, which is Nabouwalu Jetty, Natovi Jetty and Savusavu Jetty.

In terms of the issues that have been highlighted on page 9 of the Report, there has been some learning that has taken place, and we continue to improve on the way it is managed within FRA. At the same time, I add that the work itself continued and it was not stopped.

Mr. Speaker, Sir, page 66 of the Report talks about some of the issues in relation to the Ministry of Lands and Mineral Resources in terms of the trust accounts. In response to the issues that have been stated on Page 66 I would like to highlight that the Ministry of Lands and Mineral Resources has now satisfactorily opened a Trust Account with the prior written authority of the Head of Treasury and has also satisfactorily recorded in a separate cash book or a set of ledgers, the receipts and payment of trust money for the financial period year from 2017 to 2018.

Also in terms of the recommendations that we should get the list of names and balances of each account held in the Trust Account - that work is now being done by the current finance team within the Ministry of Lands and Mineral Resources. Mr. Speaker, Sir, the last issue that was been addressed to the Ministry has been in relation to some of the comments about Head 40 in terms of the Ministry of Infrastructure and Transport in particular the unreconciled variance of \$1.4 million.

This particular case, Mr. Speaker, Sir, is before the court. It is currently before the court. There are people being prosecuted for these things, so the current staff that we have had in the Ministry have had to deal with anomalies that were passed on to them from previous fraud cases. There has been ongoing attempt by the Ministry to try to address those unreconciled variations. There has been discussions with the Ministry, with the Office of the Solicitor-General to seek approval for writing-off of some of the unsubstantiated variances. It also held discussions with the Ministry of Economy - Asset Management Unit and with the Fiji Independent Commission Against Corruptions (FICAC). So there is an ongoing emphasis to try to clear up these variations.

As a Minister, all of us Ministers, when we walk into a Ministry one of the things that we tell all our ministries is that we want unqualified opinions. Some of the cases that we have in our Ministry have been going on for 10 years. In some of these cases we just have to get some of these things written off because we have to move on.

In some of these cases people are being prosecuted and those people will continue to be prosecuted but it is all part of the ongoing process of making sure that we continue to improve the processes within the Ministry. At the same time one of the problems that we have had in the past is that we have had the wrong people doing this financial work. A lot of people without the qualifications and experience were put into positions where they had to do that work. The OMRS

that we are putting in place now is designed to address precisely this - to make sure that we have the right people and have the right processes. No one is a magic maker or is going to wave a magic wand and abracadabrac it happens in the night. It is a continuous process.

Mr. Speaker, Sir, one thing that this Government did not do was to lose a National Bank. There are other people now trying to come into Government that have lost National Banks but we know that there is always room for continuous improvement. We never reach perfection but there is continuous improvement all the time.

HON. S.R. RASOVA.- Thank you, Mr. Speaker, Sir, for allowing me to debate the motion by the Chairman of the Public Accounts Committee on the Consolidated Review of the 2017-2018 Whole of Government Audit Reports which was tabled on 8<sup>th</sup> February, 2022. I would just like to thank everyone, especially honourable Aseri Radrodro and all those that have participated in the debate of this motion before the House.

The Report itself is way back in 2017 and 2018 - I think the Honourable Prime Minister did an update that everything is alright now but then that was five years ago. I think on 1<sup>st</sup> December, 2010, he gazetted the Financial Management Act.

The Financial Management Act says that within two weeks after each month or any time specified by the Finance Manual the Permanent Secretaries must provide with the management report which focuses on the following areas:

- Services delivery performance;
- Financial performance;
- TMA performance;
- Internal controls; and
- Other significant issues for the Permanent Secretaries' information.

These are the financial management reports on Part 12 reporting of every Annual Report. The reporting within two weeks after the end of each quarter, the Permanent Secretary must submit to his or her Minister a report on the financial operations of the agency as compared to the budget and the progress on the implementation of the output specified in the Annual Corporate Plans.

This was gazetted by the honourable Josaia Voreqe Bainimarama at that time, before we changed the Budget to 31<sup>st</sup> July. We used to have it on 31<sup>st</sup> December and the report was supposed to be submitted to the Minister by 30<sup>th</sup> May every year. But since then we have moved it to 31<sup>st</sup> July so every Report is supposed to be reported to the Minister by 31<sup>st</sup> December every year. This is a 2018 report, after five years and all gentlemen on the other side are saying "We have done this, we have done this!" - wait for the report of 2019. What did you do there? Wait for the 2020 report, what did you do there? Wait for the 2022 report, what did you do there?

Mr. Speaker, Sir, they are talking about today, what they are doing today - this year! This is the report for all the honourable Ministers. The way it is going, the financial management board are not following the gazette authorised by the honourable Prime Minister Josaia Voreqe Bainimarama on 1<sup>st</sup> December, 2010. They are not following your orders - tell your Permanent Secretaries, tell the Ministers to do this. It is unethical, it is irrelevant.

These things are irrelevant. Stop - what are you doing? It is you honourable Aiyaz Sayed-Khaiyum; you are supposed to be telling these people, the Permanent Secretaries and the Ministers over there. Fire them! Fire those people for not honouring what was gazetted by the honourable Prime Minister, Josaia Bainimarama on 1<sup>st</sup> December, 2010 - that was before the first Election of

2014. I came into this Parliament in 2018 and four years later, 2017 has never been debated until today. Five years later, everything that we hear is excuses, excuses - this is a Government full of excuses.

Mr. Speaker, Sir, I would like to thank everyone from this side of the House for pinpointing the in a transparent manner in the way the Government has been operating over these years and they are already talking about what happened this year! They are supposed to be talking about the things that happened in 2017, 2018 and next year hopefully they will be on this side and we will be on that side when we will be debating. Mr. Speaker, Sir, I do not support this motion.

HON. M. BULANAUCA.- Mr. Speaker, Sir, I thought my name was in the list but I thank the Whip for including me and I thank you for allowing me to participate. I will be short.

MR. SPEAKER.- If I have made a mistake I can take it off.

(Laughter)

HON. M. BULANAUCA.- I will be short Mr. Speaker, Sir. The review of the 2017-2018 Whole of Government Consolidated Audit Report is very important particularly on internal controls which are generally found to be weak. We have heard some explanations from the honourable Prime Minister about \$2.2 million in Forestry and the \$6.6 million now been rectified by the honourable Minister for Lands. All the records have been straightened but what have they been doing in the last five years?

Mr. Speaker, Sir, it has been a recurring problem and when is there going to be strong and effective internal controls? It is important to have strong internal controls of finance in various ministries. Has there been laxity on the part of Permanent Secretaries, or the Ministers concerned? Someone must be sacked Mr. Speaker, Sir, particularly when it is a recurring matter. We are talking about \$260,000 with Fisheries, \$2.2 million for Forestry and \$6.6 million for Ministry of Lands - we have heard that they have corrected all that; that is good but it remains to be seen.

To be looking at other Annual Reports lately Mr. Speaker, Sir, significant audit matters in ministries and departments were also reported in the other Sector Reports and the Annual Report for the Whole of Government. The Ministry of Economy has not tabled in Parliament the Whole of Government annual report for the financial year ended 31<sup>st</sup> July, 2016 and 2017.

The Ministry of Economy stated that it has taken note of the comments and the audit recommendations, Mr. Speaker, Sir, but has not submitted an annual report to date. Mr. Speaker, Sir, when is it going to be done. It is now five years. I should ask the honourable Prime Minister to sack the Minister for Economy. If not, Sir, the new government will sack him in the election this year. It is important that these annual reports are done.

Also on ageing reports not maintained for VAT and income tax refunds outstanding - FRCS did not maintain the aging reports for income tax and VAT refunds outstanding as at 31<sup>st</sup> July, 2018. This limits the ability of a government to keep track of long outstanding dues. So it is important, Mr. Speaker, Sir, these dues need to be determined and either refunded or collected from the business people; it is important that this is done.

The Ministry of Economy has indicated that it will liaise with the FRCS on maintaining and submitting aging reports for VAT and income tax refunds outstanding. But the Ministry itself is still not producing any annual report. It has not been done but it is better that you should have an independent inquiry into all these things particularly on the Lautoka swimming pool - \$12 million;

digger scam of \$33 million; FNU Complex in Labasa - \$16 million or more than that. It is better to have an independent inquiry into all these things to be able to ensure that things are properly done.

The Ministry of Economy to provide oversight on the implementation of the relevant recommendations there. Why? They themselves have not produced an annual report for the last five years. And they are conducting regular and timely training for the ministries and departments, accounting officers, Mr. Speaker, Sir; I think they know the job and it is the laxity and the irresponsibility of the permanent secretaries and ministers concerned to ensure that these things are done. It must be done, Mr. Speaker, Sir. Operating accounts and trust funds accounts will ensure that internal control mechanisms are in place; these are very important, Mr. Speaker, Sir.

As already explained, it is important that the lists are kept because these are customers' monies, these are public's money in the various ministries, Mr. Speaker, Sir - it is important to keep good records rather than no list of customers' payments, so it is important for agriculture, forestry, the issue of lands and so on so forth, plenty there. It is important for the Ministry of Economy particularly with a centralised structure, to ensure all this is in good form but it is important to ensure the independence of the OAG rather than trying to get all that to the Ministry of Economy. It is important to ensure that the independency of the OAG to remain.

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, just very quickly before I respond to some of the comments that have been made from the other side, in respect of the recommendations by the Committee, the Ministry of Economy has implemented mechanisms that have increased efficiencies and effectiveness in addressing the issues that had been raised. At the end of each financial year, the Ministry of Economy issues a closing of accounts circular to all respective permanent secretaries outlining the mandatory procedures and timelines that ministries and departments must follow to fully regularise all accounting transactions at the close of the financial year.

Furthermore, Mr. Speaker, Sir, Ministry of Economy constantly monitors compliance with the circular and provides guidance and advisory services to all ministries with matters relating to accounting and financing management issues. Significant improvements in the submission of financial statements to the OAG have been noted from the ministries and departments.

The OAG currently, Mr. Speaker, is auditing the financial year 2019-2020 and 2020-2021 accounts to ensure backlog is addressed. Section 28(1) of the Financial Management Act specifies the responsible authority of the Permanent Secretary is responsible for preparing the agency financial statements. All Permanent Secretaries (PSs) have been advised of this and their performance is monitored against these key deliverables through the Public Service Commission.

Mr. Speaker, Sir, the majority of the issues highlighted in the Auditor-General's report to Parliament had been addressed. In fact the 17 matters they were raising in fact are outdated. The Ministry of Economy will continue to work closely with the ministries and departments to ensure proper internal controls are in place to prevent such issues from recurring in the future.

Some issues, Mr. Speaker, Sir, of course, legacy issues and locating information and source documents have been the major challenge for ministries and departments causing delays in resolving audit issues. These issues are highlighted in every audit report who also needs solutions from the Office of the Auditor-General on the best way forward. If you know documents cannot be obtained, it cannot continuously keep on reporting, you need to find a solution to move along. The honourable Minister for Lands was highlighting earlier on.

The Ministry of Economy Mr. Speaker, Sir, has a robust training programme which runs through the financial year. In addition, the Ministry of Economy has been closely working with the



Ministry of Civil Service in identifying the training needs of different ministries and departments in creating awareness in such areas such as FMIS, reconciliations of accrual accounting et cetera. Training in these areas have improved their knowledge and skillsets of the civil servants in the ministries and departments allowing them to carry out their daily responsibilities and deliver quality outputs.

Mr. Speaker, Sir, section 28(1)(a) of the Financial Management Act specifies the responsible authority of Permanent Secretary is responsible for the effective, efficient and economical management of the agency. The Ministry of Economy has delivered sufficient trainings which have improved the knowledge and skillsets of employees in the ministries and departments allowing them to carry out their daily responsibilities and deliver quality output. Furthermore, stringent monitoring and follow ups have been undertaken by the Treasury Department to ensure reconciliations are submitted on a timely basis.

Mr. Speaker, Sir, the ministries are working towards further strengthening the internal audit and good governance division in the Financial Management Act which none of the honourable Members mentioned, 2021 internal audit has now been incorporated into the Financial Management Act, mandating internal audits and setting frameworks to improve internal audit service delivery such as the requirement for the creation of internal audit charter and internal audit committees.

Mr. Speaker, Sir, the Financial Management Acts No. 13 came into force on the 1<sup>st</sup> April, 2022. The revision to the Act will ensure effective management of the Trust Accounts which has been highlighted in the report by Budget Sector agencies and to address audit issues raised by the Office of the Auditor-General in relation to trust accounts.

Mr. Speaker, Sir, it will be amiss of me not to respond to some of the other issues that have been raised, but I just want to also highlight and inform Parliament that we have just had press conference during lunch time as mandated under the Financial Management Act. There is now a requirement by Government or the incumbent going into Elections to actually issue a pre-Election economic and fiscal update which we have just launched on the website which is available now.

In fact, Mr. Speaker, Sir, it carries the fiscal update and master outline for example the current fiscal performance and outlook of the economy for the medium term, the level of debt stock, contingent liabilities, major fiscal risks and other socio-economic indicators. All of them are included in these documents and is available on the website.

Also just to remind honourable Members of Parliament, that going into the Elections, we are now in the campaign period that if a political party attended for election to Parliament, or any person representing or acting under the direction of a political party or candidate, makes the financial commitment whether orally or in writing the political party candidate or other person must immediately provide a written explanation setting out the following information:

- How revenue for the financial commitment is to be raised;
- How expenditure for the financial commitment is to be made;
- How expenditure is to be allocated to different sectors and budget sector agencies; and
- If expenditure exceeds revenue, how the deficit is going to be financed.

Honourable Gavoka, when you go around next time saying that you are going to make university education completely free, you have tell us how much it is going to cost you and where you are going to get the money from, that is the requirement now Mr. Speaker, Sir, under the Act.

(Honourable Member interjects)

MR. SPEAKER.- Order!

HON. A. SAYED-KHAIYUM.- Great, wonderful, Mr. Speaker, Sir, please tell the others to do the same too.

Mr. Speaker, Sir, this is all available here and it will be great because none of you have produced an alternative budget. The other point that I also wanted to make, honourable Professor Prasad in his rather kind of capricious manner so just articulates and said, 'There has been economic contraction in 2019, Sir, it was a contraction of 0.6 percent'. He does not mention that prior to that, there was 9 years of economic growth.

HON. F.S. KOYA.- Hear, hear!

HON. A. SAYED-KHAIYUM.- He pulls out figures and I do not know which part of the anatomy he pulled those figures from, but he says, '\$500 million of wastage'. Mr. Speaker, Sir, absolutely no accountability of it. When we say 'Pull out the data', he said 'Let us have a Committee'. He makes all these claims but there is absolutely nothing there to back those claims.

Mr. Speaker, Sir, the other point that I also wanted to make was that the Opposition went on a lot about the Public Accounts Committee again. I really think sometimes he needs counselling on this because he seems to be very psychologically affected by the fact that he is no longer the Chair of the Public Accounts Committee. Mr. Speaker, Sir, everyone since Independence, every Opposition or whenever an Opposition person has to be Chair of the Public Accounts Committee has actually held that particular position with a lot of poise, decorum and indeed professionalism.

Honourable Professor Prasad, unfortunately, did not do that. If you look at the Standing Orders and Erskine May on Parliamentary Procedure, it says that Parliamentary Committees are actually quasi-Judicial Committees. In other words they have the ability to call people before it and get people to give evidence to it. At the end of the hearing, so to speak, then they actually give a report and then that Report is tabled to Parliament. Honourable Professor Prasad, unfortunately, failed to recognise the importance and the level of professionalism that is required of the Chair of the Public Accounts Committee because he was on a daily basis giving a running commentary to everyone outside the room.

MR. SPEAKER.- Order, order!

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, it is like a judge sitting and hearing a trial or carrying out an investigation and every three hours at morning tea time going and making assumptions and giving opinions. That is not how a quasi-judicial system operates and unfortunately he failed to recognise the enormity of the task and the level of independence that is truly required.

Mr. Speaker, Sir, again I have to say that since then he has not participated in any Committee meetings. He is a permanent Member of the Business Committee meeting and he does not have the level of professionalism to even turn up to any of these meetings in the past number of months.

Mr. Speaker, Sir, that is the level of importance that he is actually giving to this Committee, Sir. He also then went on to berate some of the Government policies like the Home Care Initiative and Help for Homes Initiative.

Sir, we had *TC Winston* in 36 hours which wiped off one-third of the value of our GDP. Tens of thousands of Fijians were affected by the cyclones. People's homes were completely demolished and they were obliterated. There were people who had no food and shelter. Obviously, as a

Government that is responsible, rolled out for the first time an Assistance Programme at such a massive scale of over \$125 million.

Subsequently, Mr. Speaker, Sir, we had *TC Cody, Josie and Gita* and \$110 million we rolled out because people did suffer. What I want to tell the Fijian public is that honourable Prasad is saying that we should not have helped them because he is calling that a handout. He is saying Mr. Speaker, Sir, we went on a spending spree. He then pulls out a figure from another part of the anatomy saying that poverty is 50 percent.

The World Bank says 24.1 percent again, this is the kind of shenanigans and the level of intellectual dishonesty and data.

HON. PROF. B.C. PRASAD.- You have got it changed.

HON. A. SAYED-KHAIYUM.- See, he is saying that I have got it changed. What a stupid comment to make as if the Minister of Economy from Fiji can go running after the World Bank and say, please change the figures. Mr. Speaker, Sir, again you see, the same thing with the other economists: Nilesh Goundar, Wadan Narsey and when we actually did a response to it in this 24-page paragraph response to it with facts and figures, they only commented on the last paragraph. Three pages were completely ignored. What he said was, “Oh do not attack them personally, they might get hurt”.

Mr. Speaker, Sir, then one of their other lackey says, “Oh, the Minister should not be making a comment, only an economist should be making a comment.” When the Permanent Secretary of Economy makes a comment, they said, “Oh, he should not be making a comment, he is a civil servant.” What is it? Are you an Arthur or Martha? You do not even know where you are coming from. So for them, Mr. Speaker, Sir, any organisation, any analysis, any media organisation, if it is completely critical of Government then it is good. If it says anything positive of our Government it is not independent, that is the narrative. They failed to understand also, Sir, for example, Government should be able to analyse policy.

The Westminster System of democracy which we inherited from the British the political party that wins the majority of the seats, they form Government. They are called the Executive; they make the policies, people vote for people on their policies. That is what we assume that they would do and then they set the agenda for the country through their policies, not for the Opposition to come and tell them to change this policy.

They get, Mr Speaker, Sir, the policy, the Cabinet, the Prime Minister as the Leader of Government decides those policies. They can be questioning, they can be critical of it, that is their right but we set the agenda, that is what an elected Government does, Sir. They need to understand the fundamental difference, they have their absolute right to question it, absolute right to criticise it with intellect, not pulling strings out of anywhere else. Mr. Speaker, Sir, we set the agenda, we have the policies, if the people do not like the policies they vote you out in the next elections: that is how the system works, they need to understand that.

Mr. Speaker, Sir, the last point that I wanted to make was that this whole issue about debt accumulation. None of them have said that prior to the pandemic, our debt to GDP ratio is far below 50 percent, only after the pandemic did it go over 50 percent. The other point that you would think that they would appreciate is that when you have debt, you need to be able to understand the cost of debt.

We have said continuously on the floor of this Parliament, Sir, that \$900 million has been given to us as concessional financing, 0.01 percent interest rate, 40 year term and 10 year grace period. If you had people borrowing say, \$10 million at that rate and someone else borrows the same amount of money with the interest rate of 5 percent and only to pay it in 10 years, obviously, your cash outlay will be far more demanding for those who ask you to pay at 5 percent and within 10 years. They do not have the nuance approach nor do they have that level of sophistication to be able to understand that or they are deliberately ignoring that.

When we talk about Civil Service Reforms, honourable Gavoka said, ‘expatriates’. I want him to tell me, how many expatriates are there?

(Chorus of interjections)

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, precisely he is the man who pontificates about Qantas all the time, ignoring Fiji Airways and now he is talking about ‘let us get expatriates’.

(Chorus of interjections)

MR. SPEAKER.- Order!

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, expatriates come they build capacity, in the same way and I have said this before, you have rugby coaches who are expatriates, they do not seem to have a complaint about that so we can have expatriates everywhere else. He worked for an expatriate company for years at the Shangri La, owned by a foreign company, no problem with that. All the banks in Fiji until recently are all expatriate banks, no one has a problem with that.

Mr. Speaker, Sir, the continuous level of hypocrisy and obfuscation by the Opposition, it will not go away. Honourable Gavoka by saying, “Oh no” because the ordinary Fijian people are watching this, they know what is happening, they know we built capacity, there are far more Fijians now in those positions that were held by expatriates and there is nothing wrong with that. We have doctors who are expatriates, we do not have the skillsets in Fiji available, we are going to get expatriates who do open heart surgery, we have people who have gone overseas for medical treatment. The leader of Paapi who went to India for knee replacement, the Honourable Pio Tikoduadua when he was a civil servant went to China for medical services facilitated by the Honourable Prime Minister and then they have the audacity to come here and make a public statement and say. “Oh, they went overseas”, this is the level of hypocrisy. I understand you may be going again for medical treatment.

(Chorus of interjections)

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, when we come to Parliament, ...

(Honourable Member interjects)

HON. A. SAYED-KHAIYUM.- ... you introduced it.

MR. SPEAKER.- Order, order!

HON. A. SAYED-KHAIYUM.- When we come to Parliament ...

(Chorus of interjections)

HON. A. SAYED-KHAIYUM.- ... exactly, that is your people.

MR. SPEAKER.- Order!

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, when we come to Parliament, we need to be upfront of course.

Getting back to the report itself, Sir, the fact of the matter is, there have been issues, honourable Professor Prasad did say, “these things will never be 100 percent fixed.” The idea is to try and get it 100 percent. We need to improve the systemic issues which we are working upon. We need to appoint the right people in the right positions to do the right job and that is critically important. That is where OMRS actually helps too.

Mr. Speaker, Sir, the other point that I also like to make, there were statements made about OAG. Honourable Prof. Prasad said there was a report that was tabled which was wrong. Sir, independent bodies have a fiduciary duty to ensure that they fulfil their mandate professionally. It is not a blank cheque to say and do whatever they like. They need to stick to the standards, they need to stick to the international standards and unfortunately, in this case, it has not been done; that is all we are saying, Sir.

We have never questioned the independence nor have we in any stopped it but there is nothing stopping us from questioning if there is a lack of professionalism and that is all we are simply saying. When reports are tabled in Parliament, as we know through the audit process, you need to have an entry interview, you need to have the audit findings, then they are sent to the respective ministry/department to provide a response and then they actually publish the accounts. We have found in instances, where they had the findings without even going back to the ministry/department to give a response, they publish the reports. That is not being transparent, that is not being upfront. That is precisely what happens in so many instances.

Again, Mr. Speaker, Sir, there are a number of issues, there are some issues, of course, internally. We have had people who nicked money also. The Ministry of Education, under the Free Bus Fares Subsidy where we in certain areas, there is no permanent bus services that run, we have the minibuses (RSL) running, there is one particular person in the Ministry of Education nicked \$300,000 over a period of time, cooked up the books with the various providers mainly in the Nadroga area, unfortunately, and they were able to steal \$300,000 from the system.

Now the Minister for Education cannot be held accountable for that, sometimes the Permanent Secretary cannot be held accountable for that, if it is one-off, but if it continuously happens then they should be responsible; the Permanent Secretary should be responsible. We had a person who stole a \$1 million from the Official Receiver’s Office over a period of time, cooking the books. So these things need to be picked up, these things need to be dealt with and system need to be improved so we can continuously ensure that we get, as we said, “unqualified reports”.

HON. A.A. MAHARAJ.- Mr. Speaker, I would just like to take this time to thank all the Ministers who have responded and taken the recommendations in a very positive manner.

Question put.

Motion agreed to.

**QUESTIONS**Oral Questions**EIA for the Proposed Naval Base  
(Question No. 97/2022)**

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

Can the honourable Minister for Agriculture, Waterways and Environment inform Parliament whether an Environmental Impact Assessment has been carried out for the proposed naval base in Lami?

HON. DR. M. REDDY.- Mr. Speaker, Sir, once again, the honourable Member has jumped the gun and demonstrated her lack of knowledge about environmental matters. If someone sits down and has a *talanoa* and says, “I want to construct a hotel at Denarau”, that does not mean that immediately the Environmental Impact Assessment (EIA) needs to be undertaken.

Mr. Speaker, Sir, people think about a particular project in a particular area, acquires that area, buys that specific plot of land, does the architectural drawings, lodges it with Town and Country Planning, the Town and Country Planning then sends it to the Department of Environment, they then apply for the screening application, and the Department of Environment then determines whether there is a need for an EIA. If there is a need then a terms of references is drafted and given to the investor, and the investor then hires an EIA consultant to undertake an EIA.

Mr. Speaker, Sir, in this case, they have not even acquired the land. What is this EIA thing about? I am asking the honourable Member, whenever she stands up in Parliament to talk about environment, talk to us, and get some understanding about the environment matters then come and take the parliamentary time.

HON. L.S. QEREQERETABUA.- Mr. Speaker, Sir, the architectural or the artist’s impression of the building is already out. I am going to ask the Honourable Minister through you, Mr. Speaker, Sir, does he know the area in question?

(Chorus of interjections)

MR. SPEAKER.- Order, order!

HON. DR. M. REDDY.- Mr. Speaker, Sir, again, I want to tell the honourable Member the processes that are outlined. Firstly, they need to acquire the property, then draw the architectural drawings and lodge it to the Town and Country Planning. The Town and Country Planning will then ask them to go and apply for screening for EIA. We will then determine whether their EIA is required. They have not gone to the first step of acquiring the place.

**Status of the Embryo Transfer Technology  
(Question No. 98/2022)**

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

Can the honourable Minister for Agriculture, Waterways and Environment update Parliament on the status of the Embryo Transfer Technology undertaken by the Ministry since 2018?

HON. DR. M. REDDY.- Mr. Speaker, Sir, I want to thank the honourable O' Connor and the honourable Maharaj for getting this question across - a critical component of Ministry of Agriculture's Strategic Development Plan 2019-2023, and I urge honourable Members from the other side to read this Strategic Plan because a number of other questions that are emanating from the other side demonstrate clear lack of understanding about the vision and the strategic objective of the Ministry of Agriculture. Had they got some time to get a copy of our Strategic Plan, which is on our homepage, I think will make sense if you can put better questions across the floor.

Mr. Speaker, Sir, we would want to rehabilitate our livestock sector. Over the years, the livestock sector had been suffering due to loss of genetic attributes. You name it, whether it is beef cattle, dairy cattle, goat and sheep, over the years due to inbreeding, we have lost the original genetic traits of the breeds that we have. There are very few farms, you will see, have their original breeds. The Ministry of Agriculture do hold original genetic materials, but when it goes to the farm, then again the farmers do not change the breeder - breeder bull or sheep, goat, fowl or duck. There is a lot of inbreeding happening all the time and they are for the loose of genetic material.

Mr. Speaker, Sir, also what we would want to do is to bring in new improve genetic material. Bringing of livestock takes years but unfortunately, we cannot bring in live animals because some of the diseases that are there from the supply countries, we do not have it. My Ministry is very particular to ensure that to take advantage of the island of that nature of our country, we ensure that unless we are 100 percent sure and if there is no other alternative then we take certain measures to ensure that that particular animal or plants species been brought does not bring in that particular diseases.

So, Mr. Speaker, Sir, embryo transfer is a means of bringing in the original genetic material minus the diseases. So, basically embryo transfer is where you have the develop fertilise egg into an embryo in a test tube you bring it down and then you plant it in the receiver in this case when the cow gets pregnant and gives birth you have this original breed of that particular animal or whatever the breed.

Mr. Speaker, Sir, this particular programme started from 2018 where embryos were brought in from Australia through a funding from the Australian government for different breeds of livestock, dairy cattle breed, beef cattle breed which I am going to explain. So, the first stage of the embryo development was actually in Australia where they got the fertile eggs, put it into the embryo and it was brought over to Fiji with full bio security compliance.

The breeds that were brought was for dairy cattle, so it was special high yielding breed for dairy cattle and beef cattle – Senepol for beef cattle, Swiss Brown for dairy and Drought Master for beef cattle. It is carefully selected for its good performance in terms of heat stress ability to withstand high heat stress, growth and development in yield carcass content, reproduction and meat quality. These were the criteria that was utilised for selecting genetic material for this particular four breeds.

Mr. Speaker, Sir, we are carefully processing the plan of releasing these breeds to ensure that we pass it to those farms which are tuberculosis and brucellosis free. It is no use passing the genetic material or a live animal that we have spent so much of money to pass it to a farm which will again get infected.

So, simultaneously, Mr. Speaker, Sir, there is a lot of work being undertaken for the first time ever where the Ministry has four full time qualified veterinarians. They have never had that number

of veterinarian leading a team of our livestock, officers to test and undertake the required work to determine whether a farm can be classified as tuberculosis and brucellosis free.

Mr. Speaker, Sir, the Australian Reproductive Technology Company was hired through the Australian Government grant to work with the Ministry for this particular process and also to develop local capacity.

Mr. Speaker, Sir, to establish an elite nuclear head or appropriately adopted cattle in Fiji. 300 embryos were imported for beef and dairy breed as part of the initial programme. These three embryos were then transferred into local synchronised cattle in Government stations in four phases.

A total of 122 calves were born with the embryo transfer technology with the success rate of about 40 percent. Mr. Speaker, Sir, generally the success rate around the world for embryo transfer is around 40 to 60 within the range. To date, there are 64 purebred Senepol, 42 purebred Brown Swiss, so Senepol for beef cattle and Brown Swiss for dairy cattle.

Mr. Speaker, Sir, our Breeding Centre has also been established and it is expected to be completed this year. With the completion of the Breeding Centre we want to do this in our Programme here in Fiji. The embryos are easier to transport and implant in cows outside Vitilevu rather than transporting the whole animal.

We also have restrictions of transferring animals within Fiji, Mr. Speaker, Sir, because certain areas are TB free, for example Koro Island. Our first test is a representative sample of cattle in Koro Island which reveals that they are TB free and we want to maintain it that way. We are now putting stringent measures on any animal movement into Koro Island Mr. Speaker, Sir, because we want Koro Island to remain TB free. If that is the case, we can then also have another standby place where we can put in these exotic breeds that we have got so that in any case and at any time, if these breeds get infected at one of our stations, we have got backup plans.

Mr. Speaker, Sir, this is a continuing process and the second set of embryo transfers was recently completed in April using Wagyu and Drought Master so we are getting these two other beef cattle breed. A total of 40 embryos were implanted in our local recipients at two government stations and we are expecting that at least we will meet that range of 40 percent to 60 percent in our success rate.

Mr. Speaker, Sir, the ministry has developed a nucleus head for this beef cattle breed and we would want to disseminate them in the following ways, namely;

1. The breeder bulls be given to TB free farms;
2. Embryo transplants so at the end of this year we can do our own embryos in test tubes and implant it in the cows throughout Fiji which is easier to transport; and
3. Artificial insemination - the only issue for artificial insemination is that it will be what you call in genetic terms "F1" meaning we will be taking the breeder bull sperm and planting it in a cow so it would not be the pure breed but at least it will be 50:50.

Mr. Speaker, Sir, we are well on track in terms of improving the genetic materials and we have plans for other embryos for example we are doing the similar thing with the goats and sheep but not through embryo transfer but through dissemination of breeder, breeder sheep and breeder Boer goat.



HON. S.V. RADRODRO.- Mr. Speaker, Sir, the honourable Minister said that they are on track and yet the conception rate is 40 percent but worldwide it is 60 percent. What is the ministry doing to be able to raise the level from 40 percent to 60 percent?

HON. DR. M. REDDY.- Mr. Speaker, Sir, I said that the range worldwide is 40 percent to 60 percent and the conception is affected by a number of factors for example the weather condition, the heat, the animal stress, et cetera. We have one of the top experts from Australia working with our team in undertaking the embryo transplanting. I spoke to the expert about a month ago at Koronivia Research Station and he said, "Look you are fortunate that you are within this rate, there are countries where the success rate is 30 percent, 25 percent". So, I think we are doing extremely well.

MR. SPEAKER.- Honourable Members this Question was supposed to be asked by honourable O'Connor but he is indisposed. Then it was supposed to be asked by honourable Joseph Nand but the honourable Whip came to the rescue because I could not locate honourable Joseph Nand.

Honourable Members before we move on, for the purpose of complying with Standing Orders with respect to sitting times, I now call upon the Leader of the Government in Parliament to move a Suspension Motion.

### **SUSPENSION OF STANDING ORDERS**

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Mr. Speaker, Sir, I move under Standing Order 6:

That so much of Standing Order 23(1) is suspended so as to allow the House to sit beyond 4.30 p.m. today to complete the remaining items listed on today's Order Paper.

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

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- Mr. Speaker, Sir, we are on the last item on today's Order Paper which is Schedule 3 on Questions and we have a few more questions to be raised, thus the request to sit beyond 4.30 p.m. today.

MR. SPEAKER.- Honourable Members, the floor is now open for debate on this motion. Is there anyone wishing to take the floor?

As no one wishes to take the floor, I call on the Leader of the House if he wishes to say anything further.

HON. LEADER OF THE GOVERNMENT IN PARLIAMENT.- No, I have nothing further to add, Sir.

Question put.

Motion agreed to.

MR. SPEAKER.- Honourable Members, on that note, we will suspend proceedings for a break for half-an-hour for afternoon tea.

The Parliament adjourned at 4.15 p.m.

The Parliament resumed at 4.40 p.m.

## QUESTIONS

### Status of the Curriculum Advisory Services (Question No. 99/2022)

HON. RO T.V. KEPHA asked the Government upon notice:

Can the honourable Minister for Education, Heritage and Arts, and Local Government inform Parliament on the current status of the Curriculum Advisory Services with respect to the development of curricula to meet the needs of our children?

HON. P.D. KUMAR.- Mr. Speaker, Sir, I thank honourable Kepa for her question. Mr. Speaker, Sir, the education sector requires continuous improvements in policies and curriculum to meet the needs of the learners and the workforce. A responsive curriculum that meets the economic and development needs of the nation including cultural and moral expectations are essential.

The Curriculum Advisory Services was restructured in 2020. It is now called Curriculum Development and Advisory Unit. The Senior Education Officer positions were all renamed to Senior Curriculum Specialists. The function of the unit as honourable Kepa knows is to develop, implement and review relevant curriculum with appropriate learning and teaching resources. Also to provide professional guidance to the teachers in the implementation of the curriculum.

Mr. Speaker, Sir, curriculum review and development process is guided by the Fiji National Curriculum Framework which uses an outcome based approach to curriculum. The Fiji National Curriculum Framework sets the education philosophy, structure, content and guiding principle for the Curriculum Development Advisory Unit and again, for any curriculum to be developed, scoping and sequencing is very important, consultation is very important and then the whole process of curriculum writing starts.

The curriculum development is a specialised assignment which requires analysis, design, development and implementation of the curriculum including training of teachers and working out the assessment strategies.

Mr. Speaker, Sir, over the past several months, the Curriculum Development Advisory Unit has been working on a number of curriculum revisions. In 2021, the new Year 11 Life Maths curriculum was trialled in the 4 divisions. This year, the curriculum has been rolled out in all secondary schools while Year 12 Life Maths curriculum is being trialled in the schools.

Mr. Speaker, Sir, we are also in the process of revising social science and history curriculum. This is to ensure that our history curriculum is relevant with more emphasis on Fiji's history. Unfortunately Mr. Speaker, Sir, our children tend to learn more about other country's history than Fiji's history and we want to change that.

Mr. Speaker, Sir, the Ministry has now embarked on the revision of special and inclusive education policy. The Senior Curriculum Specialists in SIE is working closely with DFAT through the Fiji Education programme facility. Just last week, the first major stakeholder consultation was held in Suva and the next consultation is planned for the West and then one planned for the North.

Mr. Speaker, Sir, we need to appreciate the fact that the curriculum review goes to a process that involves consultations, comparisons and benchmarking with international curriculum and

developing appropriate pedagogies. With the Ministry's emphasis on including ICT enabled learning, the curriculum development needs to take into account the provision of converting components to e-learning as required.

This means the inclusion of relevant pedagogies for ICT enabled learning. Mr. Speaker, Sir, the Curriculum Development Advisory Unit is working in collaboration with UNICEF and the international experts in ECE in revising the ECE subsector. The initial consultation began with the setting up of the National ECE technical working group comprising a number of stakeholders from across the country.

Mr. Speaker, Sir, the Curriculum Development Advisory Unit has been working on Primary School Literacy and Numeracy curriculum over the past couple of years. Currently the Years 1-4 curriculum is being trialled in 90 schools across the country. This also involves the training of champions in these schools who would lead the implementation using new pedagogies in teaching these subjects and this is for the first time, Mr. Speaker, Sir, that special information is prepared for parents who would like to guide their children at home in the area of numeracy and literacy.

Next year, while Years 1 to 4 curriculum is rolled out in all schools, Years 5 to 8 curriculum would be trialled in these 90 schools. This work is being carried out in partnership with TVET.

Mr. Speaker, Sir, the importance of citizenship education is also critical to ensure that the students understand the rights and responsibilities of citizen in a democracy. Moral and civic education focuses on developing the moral well-being of our students. The Moral and Civic Education curriculum would be taught from ECE to Year 11. In years 12 and 13 life skills will be taught.

The Curriculum Development Advisory Unit developed Moral and Civic education curriculum for Years 1-3. The curriculum is being trialled in Years 1-3 this year while they are working on the development of the curriculum for Years 4-6 and this would be trialled in 2023.

Mr. Speaker, Sir, while we started consultation on this curriculum, we were overwhelmed by the support we received from the stakeholders. We held a number of meetings with stakeholders including NGOs, development partners and trade-based organisation, Head Teachers Association, School Heads, Special Education stakeholders, Teacher training institution and many more groups.

The pedagogies used to teach these curriculum are based on learning by doing an inquiry-based learning. These include story-telling, short projects and investigative approach. The curriculum does not have exams because the philosophy behind this teaching is to actually see a change in the behaviour of the child. As students progressed to higher levels, activities would include more discussions, role-plays and research. In secondary schools, this would also develop into debates, research, dialogue and real-life projects.

Mr. Speaker, Sir, the curriculum review is an important part of the dynamic education system. We are very mindful that the curriculum needs to be flexible, up-to-date and relevant through the changes that will prepare the students not only today but for the future as well. Our Senior Curriculum Specialists seek assistance from an expertise of specialised personnel sometimes available and provided by donor partners. In this way, while they revised the curriculum, they also get to learn from these experts.

Mr. Speaker, Sir, while there is criticism especially from some politically-motivated individuals and parties, the Ministry is bringing about change unilaterally, this is not true at all. We are mindful that consultations are an integral part of any work that we do on curriculum revision and

currently, we are just doing that. As we go forward, we want to ensure that we revise all our curriculum, modernise the pedagogies and create curriculum that could be used to create online learning resources and allow students to take charge of the learning hence, meeting the needs of our children. Thank you, Mr. Speaker Sir.

Vuvale Partnership –RFMF and Australian Defence Force  
(Question No. 100/2022)

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 how the Vuvale partnership has benefitted the relationship between the Republic of Fiji Military Forces and the Australian Defence Forces?

HON. LT. COL. I.B. SERUIRATU.- Mr. Speaker, Sir, I thank the honourable Member for this question. Mr. Speaker, Sir, we all know and of course value the strong bilateral relations that we share with Australia. However, Sir, the Vuvale Partnership is more than what I can say, what we used to enjoy under that bilateral relationship. We are thankful to the honourable Prime Minister and the Honourable Australian Prime Minister Scott Morrison because of the Vuvale Partnership that was forged in 2019.

Mr. Speaker, Sir, the partnership not only shows the level of cooperation that has been elevated but demonstrate the deep-rooted relationship that we share, not only as friends but as I have stated that Vuvale Partnership is more than this, we have become family that shared common history and we have greatly benefitted from this partnership.

Mr. Speaker, Sir, very briefly the Vuvale Partnership provided five pillars that laid the foundation for the partnership to work, it is broad-ranging and comprehensive. If I may just state the five pillars before going on to the benefits, Mr. Speaker, Sir, the five pillars are:

- strengthening our people-to-people links;
- enhancing our security cooperation;
- deepening our economic relationship;
- building our cooperation on international and regional issues; and
- fostering closer institutional linkages in support of strong and inclusive societies.

Mr. Speaker, Sir, the partnership have opened up many opportunities especially through the enhancing of our security cooperation where our Defence Forces have benefitted greatly not only in terms of capacity and capability development but also in the area of infrastructure development as well.

Mr. Speaker, Sir, let me inform this august House that the Vuvale Partnership has contributed the following to the RFMF and the benefits that come with it as well. I have talked about capacity-building between the Australian Defence Force and our RFMF personnel and also includes exercises between the two Defence Forces. We have seen an increased number of Fijians participating in Australia on training and also at the highest level, particularly at the Staff College and Defence College as well. With that increased allocation, particularly for Defence College and Staff College, is something that we are grateful for.

Mr. Speaker, Sir, not only that, we have troops engaged in various training exercises and exchanges which are good for us in terms of the interoperability and familiarising the Forces with

the doctrines that we also share. One of the prominent exercises is exercise coral warrior which I believe you are well familiar with.

Infrastructure Development: Mr. Speaker, Sir, we have seen the opening of Blackrock at the cost of around FJ\$100 million and it is up and running. Last week, I had the privilege to go and do the official closing of the first course that was run at Blackrock where again, our friends from Australia also participated as part of the directing staff for the course on Child Protection and Civilians Protection as well.

The new Maritime Essential Services Centre that will be constructed at Lami, the budget is around \$50 million and we are hopeful that this work will progress once all the requirements are met with the relevant authorities.

The Stanley Brown Naval Wharf, we have commissioned the extension that will cater for the two guardian class patrol boats, the *RFNS Savenaca* and *RFNS Puamau* which will come into line next year.

Mr. Speaker, the support for our peacekeeping missions by providing strategic airlifts for our contingents, we are thankful for that. I have talked about the patrol boat programme and under this programme as I have stated, we have the guardian class patrol boats, we have already had *RFNS Savenaca* in 2020 and *RFNS Puamau* will be delivered in 2023.

Not only that, Mr. Speaker, Sir, the Operation Assist as per the Australian Defence Force's (ADF's) ongoing support for recovery efforts after the destruction of *Cyclone Yasa* and *Cyclone Ana*, they were involved initially in the reconstruction of Galoa Primary School and of course, Galoa is the feeder school into Lekutu Secondary School. They have also taken up the task of rebuilding Lekutu Secondary School and as we speak, Sir, we have the ADF Engineers back at Lekutu Secondary School for the completion of the project which they have started last year and the timeline as per the OC's briefing to me last Wednesday is they hope to complete this by end of July. We have that 33-member reconstruction team currently working with the RFMF engineers as we speak.

That, very briefly, are some of the benefits under the Vuvale Partnership and as I have stated, Sir, it is not only the normal friendship but it is beyond that and of course, we wish to reiterate that the Australia/Fiji Partnership have contributed greatly to our Defence Force and this is a testament of our close-knit Defence family.

HON. V.R. GAVOKA.- A supplementary question, Mr. Speaker. I thank the honourable Minister for his reply and we are grateful to the Australian people for the Vuvale relationship. Can we be assured, Sir, that we will not go out and do something stupid, like allowing China to build their base here as we have in the Solomon Islands? Solomon Islands right now, Mr. Speaker, is a topic of contention. Can they assure the people of Fiji that they will not go and do something stupid like that?

HON. LT. COL. I.B. SERUIRATU.- Mr. Speaker, Sir, this is about Australia and Fiji, so the Vuvale Partnership has nothing to do with China.

Removal and Disposal of Derelict Ships - Suva Harbour  
(Question No. 101/2022)

HON. A.M. RADRODRO 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

Ministry's plan for the removal and disposal of derelict ships at the Suva Harbour?

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, I want to thank the honourable Member for the question. Essentially, in a nutshell, the law requires the vessel owners to remove the derelict ships, essentially, to carry wreck removal insurance as we have seen some of the companies do that in recent time. Essentially, a lot of local shipping companies do not seem to carry this shipwreck removal insurance and, in fact, they are the ones who sort of littered the harbours in lots of places where these derelict ships have not been removed.

Of course, in order to remove them, we have to have multiagency partnership to be able to ensure that when we do remove derelict ships, there is no damage to the environment, we have MSAF involved and of course Fiji Ports Corporation Limited (FPCL). This question has been answered previously too. The fact is that, these ship owners actually have a responsibility, they are the ones who are supposed to remove it, and now the burden seems to be falling on FPCL.

A number of shipping companies actually have been given notices to remove derelict ships. I have got a whole list of them as to which ones need to be removed. The one, of course, that was quite well known was the ship that was here with the containers floating, and the insurance company moved in and removed it. It is obviously not an easy task to do so, it does require lots of logistics and planning and the Department of Environment also needs to be involved in it. Essentially, in a nutshell, that is the game plan in respect of removing it. Sometimes it can cost anywhere from \$50,000 to millions of dollars just to remove one particular derelict ship.

The cost is quite enormous. There was an estimate done, that to remove all the derelict ships in Suva Harbour, Lautoka Harbour and Levuka, they will cost about FJ\$59 million. A lot of these ships have actually local owners and they, sort of, sunk it and disappeared, so these companies do not even exist. That is the state of affairs. We are happy to report that none of the derelict ships at the moment caused any damage visibly, the Department of Environment has not alerted us to any environmental degradation from these derelict ships. They are, of course, a nuisance in the sense that it can get in the way in terms of the various movement of vessels in the Harbour. There are currently 17 derelict vessels and 32 wrecks in Suva Harbour, Lautoka Port area and Levuka Port area altogether.

HON. A.M. RADRODRO.- Mr. Speaker, Sir, I thank the honourable Minister for the response that has been given. In 2018, there were nine ships listed as derelict vessels in the Suva Harbour. Currently, there are now 16 as alluded to by the Honourable Minister. The traditional owners of the Suva fishing ground, which is the Navakavu fishing traditional owners undertaking the Navakavu Blue Economic Zone project and they have requested Fiji Ports Corporation Limited (FPCL) for details of those vessel owners so that they could assist in terms of clearing those derelict vessels from the Suva Harbour. So, they are requesting if FPCL, through a correspondence dated 4<sup>th</sup> January, 2022, could provide the details of the vessel owners to them so they could assist in the removal of those derelict vessels.

HON. A. SAYED-KHAIYUM.- Sir, there is no question in that but obviously, if the Honourable Member wants that type of information, we are quite happy to correspond with people who have written the letter to us.

Skilled Professionals Evaluation Committee  
(Question No. 102/2022)

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

Can the honourable Minister for Commerce, Trade, Tourism and Transport inform Parliament on how the Skilled Professionals Evaluation Committee can assist in addressing skills shortage as we move towards new and emerging industries?

HON. F.S. KOYA.- Mr. Speaker, Sir, I thank the Honourable Member for the question and for the opportunity to respond.

Mr. Speaker, Sir, there is lot of misconception about the purpose of Skilled Professionals Evaluation Committee (SPEC). It was actually formed by the Registration of Skilled Professionals Act 2016. The SPEC was formed really to support Fiji's economic growth and it is not there to displace employment for locals.

The Registration of Skilled Professionals Act was enacted as I said to allow for fast tracking of the process of immigration approvals and registrations were required. SPEC actually responsible for processing applications expeditiously, Mr. Speaker, Sir, in sectors where Fiji needs skilled professionals.

Mr. Speaker, Sir, SPEC's role has been acknowledged just as promoting competitive behaviour in certain professional fields for instance the medical profession which previously dictated the labour market. So, through the Act, we have actually created the mechanism, Mr. Speaker, to first identify the skills shortages within the rapidly developing Fijian economy and next to expediting the process of recruiting the skills to actually bridge the gap.

In the context of economic evolutions, such as the transition towards green economy, digitalisation and diversifying industries, the likes of the oil sector in modernising the agriculture and manufactured sectors.

The Fijian labour market, Mr. Speaker, Sir, demands the availability of skilled professionals. Into this end, SPEC conducted a skill gap analysis to gather the needs across all the sectors. The consultations with the public and private sector entities reveal that Fiji's skilled gap is a repercussion of a persistent mismatch between demand and supply in the Fijian labour market and the years of the mass brain drained the causes of which are very well-known, Sir. So, in the wake of the pandemic, SPEC's function has become more critical than ever before and skills are needed in furthering Fijians to a modern skilled based economy to build the nation back stronger.

As the economy grows, Mr. Speaker, especially in new and emerging sectors in order to ensure that we are able to actually capitalising opportunities will need those of appropriate skills. In this regard, it is critical in this industry to able to access these skills in a timely manner.

Mr. Speaker, Sir, SPEC will actually play an important role in making the transition to a new and modernise economy and continues to do so, we will be enhancing this particular platform for specialised skills to enter Fiji for a short period of time and with the skills gap analysis, our work will be targeted and focus on ensuring that the critical sectors have the required skills, Sir. We will continue to work closely also with the education sector to introduce new curriculum where possible to build capacity within, Sir. I thank you for allowing me the opportunity to response, Sir.

Available Benefits - Fiji Servicemen Aftercare Fund  
(Question No. 103/2022)

HON. RATU T.N. NAVURELEVU asked the Government, upon notice:

Can the honourable Minister for Economy, Civil Service, Communications, Housing and

and Community Development update Parliament on the benefits available from the Fiji Servicemen's Aftercare Fund?

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, I thank the honourable Member for this question. I understand the honourable Member is a beneficiary under this Aftercare Fund because of the time that he served in the Middle-East.

Mr. Speaker, Sir, that brings me a very important point. The honourable Member has served in the Middle-East but he would know that from 1978 to 1997, all those who actually served in the Middle-East were actually not compensated for death or injury until the Bainimarama Government introduced that. It was only from 1996 and 1997 onwards that those people received compensation but those who served from 1978 to 1997 did not receive a single cent.

So, they are now part of the Aftercare Fund and in fact, received compensation. Similarly, Mr. Speaker, Sir, the Government had also, the Members of Parliament would remember this, in 2014-2015, we also included those veterans who served in Christmas Island as we all know that Christmas Island is where they had the nuclear testing and those veterans actually suffered, their families suffered because of the radiation from the nuclear exposure and they were for years struggling and talking about the British to court, to international court of justice, et cetera. As we know, there are many of the colonising powers in those times including USA and France, et cetera they never paid out compensation in that respect.

Mr. Speaker, Sir, Government, again, under the leadership of our Prime Minister and those who were here in Parliament will remember that we actually had allocated a tune of about \$2.5 million where we paid a one-off compensation to those veterans with all their family members.

Mr. Speaker, Sir, previously, the Aftercare Fund obviously apply to those who served in World War I, World War II and of course, in the Malaya Campaign and Christmas Island. Mr. Speaker, Sir, the peace keepers of course, who went to Sinai, Lebanon, Golan Heights and Iraq but also we had included in 2014 Police and Prison Officers who also went on peacekeeping duties, they were also included together with the soldiers, as part of the Aftercare Funds.

Mr. Speaker, Sir, of course, as we all know if the honourable Member wants the monthly allowances, it is paid to ex-servicemen whose wives, spouses, husbands, widows and children and disabled children, Sir. The allowance for married recipients is \$199.40 per month, single recipient is \$124.60, each child recipient is eligible for \$39.25 per month and disabled child allowance is \$99.70.

The number of recipients varies depending on the death of the recipients and the submission of alive certificate every six months, Sir. This allocation is directed towards Special Grant, Medical Assistant to the aid for the medical care of the ex-police, RFMF and ex-prison services officers and there dependants in accordance with the Aftercare Fund Act. Medical Assistance is essential with this aging generation and the fund is required to provide the assistance as and when it is requested by the recipients, this include the purchase of diapers, medication, spectacles, hearing aids, cane, crutches, wheel-chairs and dialysis treatments.

Mr. Speaker, Sir, the Medical Allowance is requested by recipients when approved is \$150. Education Assistance is like Medical Assistance, Education is essential for their moulding care of the children this is a provision for payment of basic stationeries and one pair of uniform for each applicant from primary, secondary schools plus tuition only for the tertiary institution.



Mr. Speaker, Sir, there is also death benefit that is payable to under this particular scheme. I have got the figures of course, that I can pass on to the honourable Members as to what amounts have been paid with the past number of years. I have the figures here from 2018, 2019 until the present date and also I have got the financial updates and the utilisation rate. For example, 2017-2018 a 100 percent of what that was provided for was used similarly 2018-2019.

In the revised budget of 2019-2020, Sir, 99 percent was used. In 2020-2021, 80 percent of the revised budget, Mr. Speaker, Sir, and so far 75 percent has been used.

HON. RATU T.N. NAVURELEVU.- I thank the Attorney-General for the answer. Only one supplementary question. Are the medical officers, police officers and the *talatala*, deployed with the army to the Middle East, included in that aftercare for servicemen?

HON. A. SAYED-KHAIYUM.- Yes, if they are part of the Disciplined Forces, they do get it irrespective of what they do. For example, if they are member of the RFMF, obviously, they are entitled to it irrespective of what duties they performed.

Revisions to the 2019/2020 Poverty Rates  
(Question No. 104/2022)

HON. A.A. MAHARAJ 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 recent revisions to the 2019/2020 poverty rates by the World Bank and the Fiji Bureau of Statistics?

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, I would like to thank the honourable Member for the question. It is unfortunate that the three musketeers are not here, Sir, to hear the response because they are the ones who have been harping on about it.

Sir, it is important to note that the Fiji Bureau of Statistics (FBOS) with technical assistance from the World Bank revised its poverty measurement methodology in 2019-2020 Household Income and Expenditure Survey (HIES) to align with international and regional best practices.

Amongst other things, Mr. Speaker, Sir, one of the major changes to the methodology, Sir, included the use of household consumption aggregates to measure poverty in place of income aggregates. Prior to 2019/2020 HIES, Fiji had been the only Pacific Island country, still using income aggregates to measure poverty. There is consensus that consumption measures gives a much more reliable estimate of poverty itself.

Mr. Speaker, Sir, according to the 2019-2020 HIES results previously released by FBOS, Fiji's Basic Needs Poverty Line (BNPL) stood at \$2,179.93 per adult equivalent per year or \$41.91 per week. Estimated on this BNPL, the poverty headcount for Fiji was initially estimated at 29.9 percent in 2019-2020 which means that an estimated 258,053 individuals were living in poverty at the time of the survey. Furthermore, at household level, 45,724 households or 22.9 percent were living below the poverty line.

Mr. Speaker, Sir, recently the World Bank's poverty and equity global practice team detected a discrepancy in the coding during a crosscheck review exercise to ensure that Fiji's survey remains in line with international practices. According to a statement from the World Bank, Fiji's original consumption aggregate released by FBOS was underestimated due to the omission of select non-food items resulting from a coding problem that unfortunately was not identified earlier on. The

consumption aggregate for 2019-2020 HIES was adjusted to ensure that all types of household expenditure were fully accounted for.

Technically, Mr. Speaker, Sir, the review identified that in the consumption aggregate estimated from the 2019-2020 HIES, expenditure are on four non-food categories –

- Utilities which is electricity, gas, water and garbage collection;
- Communications which is telephone, television, internet and postal;
- Domestic services; and
- Education including school fees and books et cetera was only included for households that spent on all sub-categories because of the coding issue.

The revised expenditure measures now represent total spending on any of these items that should have been done in the first place. As a result, Mr. Speaker, Sir, Fiji's poverty rate has been revised downward from 29.9 percent to 24.1 percent. This is the accurate figure. The National Poverty Line remains virtually unchanged Sir, due to the relatively uniformed distribution of non-food expenditures amongst the household and original and revised reference group used to calculate the poverty line.

Poverty estimates were also revised downwards in both urban and rural areas with larger decreases in urban areas than in rural areas both in absolute and relative terms. This differential impact by area has resulted in a higher concentration of poverty in rural areas with the rural population now accounting for 68 percent of Fiji's poor.

Mr. Speaker, Sir, what do the result show? Although the results of the 2019-2020 HIES are not directly comparable given the change in methodology, we can make some broad inferences. Firstly, extreme poverty is almost non-existent in Fiji. The World Bank defines extreme poverty as a person living on less than \$1.90 a day. Secondly, the poverty rate has always been 24.1 percent as per the 2019-2020 HIES, the earlier report figure of 29.9 percent was incorrect. This is one of the lowest levels of poverty ever registered in Fiji.

Fiji's poverty trend is as such, in 2001 and 2003 the poverty rate was 35 percent. In 2008 and 2009, it was 31 percent, in 2013-2014 it was 28 percent, in 2019-2020, it was 24 percent. The most important findings from these corrections, is that based on the current population estimates, it is clear that under the Bainimarama Government and the FijiFirst Government, almost a 100,000 Fijians have been lifted out of poverty Sir.

HON. F.S. KOYA.- Hear, hear!

HON. A. SAYED-KHAIYUM.- Mr. Speaker, Sir, 100,000 Fijians and this is a result of the nine years of growth that they do not understand. Lifting a 100,000 Fijians out of poverty is no small feat, it is a direct result of the nine years of consecutive economic growth and various social empowerment initiatives like true free education.

The honourable Prof. Prasad claimed that there was free education but then he had to correct himself. This is the first time that we have people in Fiji who are actually getting free education, free transportation and free textbooks. The electricity rates are subsidised for households who earns less than \$30,000 a year; 50 percent. Water is subsidised Sir, directly affecting those people who live below a particular income level. That is where the assistance is coming.

Mr. Speaker, Sir, of course we had before pandemic the one of the lowest rates of unemployment; 20 in 20 years. I would also like to take this opportunity officially to apologise to

the World Bank about the unbecoming public attack by honourable Professor Prasad and the *Fiji Times* questioning the integrity of the World Bank. I have fully explained in detail in the press release but because it does not fit their narrative and of course not honourable Gavoka's narrative, simply they just started blaming everyone else. Mr. Speaker, Sir, it would actually be quite shameful for us. Here is the World Bank now lending to us at a concessional rate of zero percent interest rate, 0.75 percent service fee, 40 year term and 10 years grace period.

Mr. Speaker, Sir, again the honourable Member went on a diatribe regarding this. We want to emphasise to Parliament that contrary to the public ramblings of honourable Professor Prasad, Government played absolutely no part in the revision of poverty statistics. How can we do that? It is so out of this world and honourable Gavoka asks, which world are we living in? Which world are we living in to say that I can go along from Fiji, a country with less than 1 million people to go to the World Bank and say, "Hey guys, just change the figures." It is so incredulous to say that.

Mr. Speaker, Sir, the honourable Gavoka we do not say that there is no poverty, we have a 24 percent poverty rate. We did not re-engineer Mr. Speaker, Sir, HIES findings to suit our agenda, in fact, we were just as surprised as anyone else. Although when the figures did come out at 29 percent, we were quite surprised but we accepted it because we thought it would actually come down.

Mr. Speaker, Sir, the coding error of course has picked this up and obviously when the FBOS released these figures originally, we had voiced a strong position to some of these findings, particularly in the area of disaggregation, none of them went on about the actual findings of it. They did not talk about rural poverty, maritime poverty; areas in the urban and peri-urban areas where there is poverty; which children in which areas eat one meal a day or two meals a day; who walked 5 kilometres to get to the bus or walked less than 1 kilometre to get to the bus?

All these important statistics were there. None of them spoke about this. Honourable Radrodro led the charge all about the ethnicity, all about whoever was leading FBOS at that point in time. Nothing about the country as a whole from a macro perspective. Nobody looked at that. Mr. Speaker, Sir and that is the problem. Reducing poverty at negligible levels would always remain a key objective of the Government and it should remain a key objective of any Government.

Mr. Speaker, Sir, the take home point of course is this - that the revised figures confirm what the honourable Prime Minister and what all of the Ministers have been saying - that the policies of the FijiFirst Government are actually working. It has lifted the 100,000 people out of poverty. Very basic things like what the Minister for Rural, Maritime Development does, building footpaths, getting access, giving people access to roads, markets - much cheaper ways; they want to get more for their produce, and even providing free education. All of these lift people out of poverty and create opportunities for them.

Mr. Speaker, Sir, I hope that clarifies the question that was asked in respect of how the poverty level in Fiji have been revised by the World Bank and how poverty in Fiji has been reduced.

MR. SPEAKER.- Honourable Members, that being the last question for today, question time is now over. That being the end of today's agenda item, Parliament is now adjourned until tomorrow at 9.30 a.m.

The Parliament adjourned at 5.27 p.m.